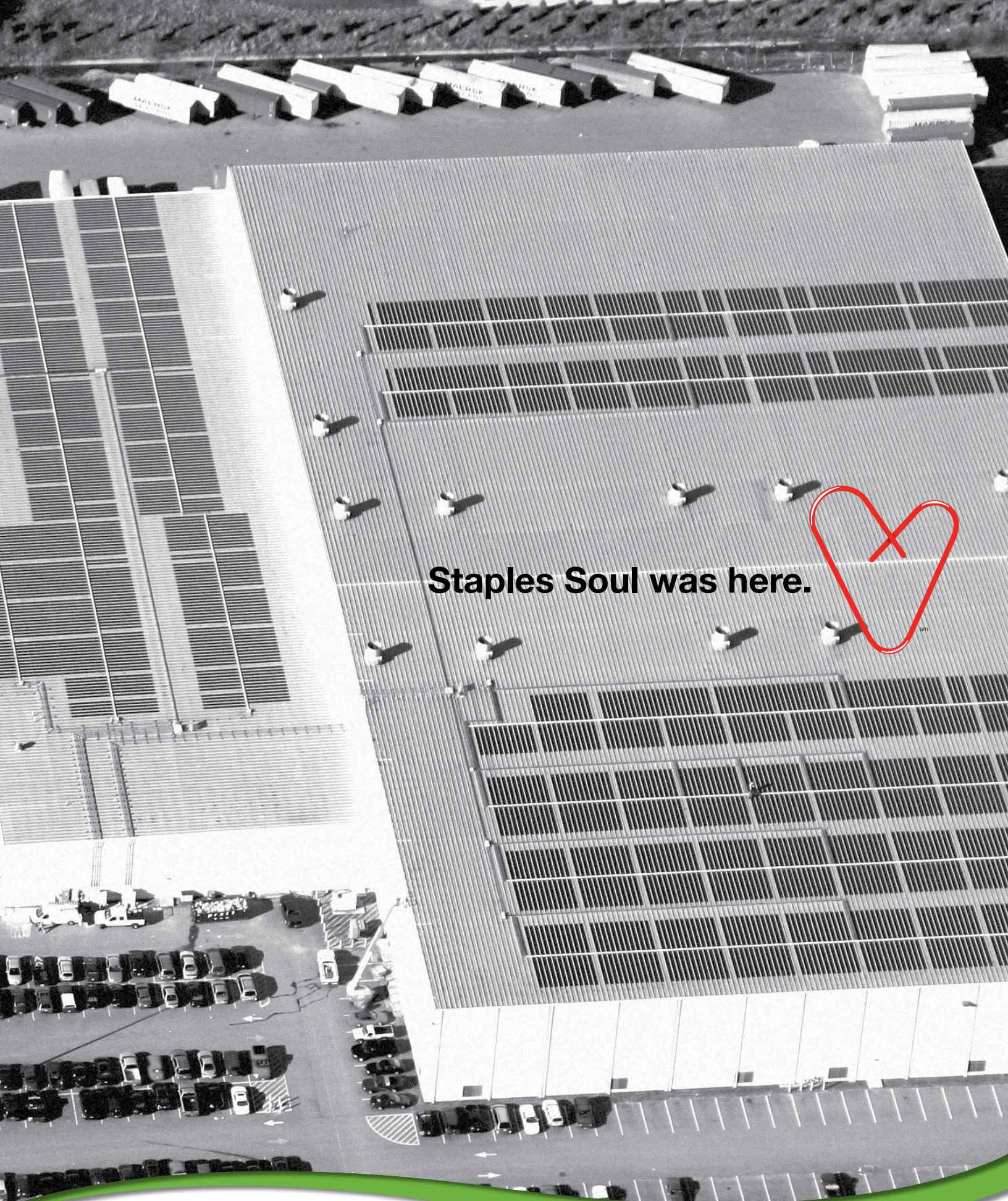
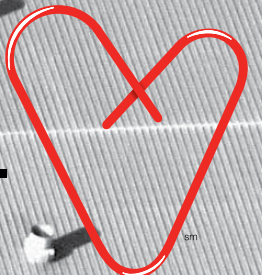


post-consumer recycled content • Fighting the spread of dengue fever
Introducing children to the magic of books • Creating an atmosphere of
inclusion, learning and growth • Helping minority- and women-owned
companies grow their business • Recycling 17.8 million ink and toner
cartridges • **Staples Soul was here** • Introducing children to the
magic of books • Creating an atmosphere of inclusion, learning and
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owned companies grow their business • Recycling 17.8 million ink and
toner cartridges • **Staples Soul.** It's what moves us. • Creating a culture of
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and growth • Creating a culture of integrity • Helping customers protect
their identities • Helping minority- and women-owned companies grow
their business • Recycling 17.8 million ink and toner cartridges • **Staples Soul**





Staples Soul was here.



environment

Staples Soul is helping support renewable energy and reduce greenhouse gas emissions by installing solar power systems on the roofs of our buildings. In fact, Staples hosts the largest solar energy system in New England at our Killingly, Connecticut distribution center as of the end of 2006. The Killingly installation, a 433-kilowatt DC commercial solar photovoltaic system, is 1.5 times the size of a football field and covers nearly 74,000 square feet of roof space. This solar power system will have a measurable environmental impact and reduce annual carbon emissions equivalent to the amount produced by the average car driving 420,000 miles. Our Killingly solar power system is expected to produce enough energy to cleanly power 14 percent of the distribution center, or 36 homes each year.

Making it easy for customers to recycle ink and toner cartridges and collecting nearly 18 million cartridges in 2006. **Staples Soul was here.**

And here. Providing our customers with access to approximately 2,900 products containing recycled content.

And here. Doubling our purchases of green power to 121 million kilowatt-hours, or the amount of electricity used by about 10,700 average U.S. households.

And here. Improving the fuel economy of our fleet of trucks by an estimated 15 percent through adjustments to engine controls.

- **making it easy to make a difference**

We want to make it easy for our customers to make a difference for the environment through their purchases at Staples. We work to reduce the environmental impacts of our internal operations through waste reduction and recycling, energy conservation and renewable-energy procurement, among other efforts. To help us meet these goals, we focus our efforts on four major areas:

1. Environmentally preferable products
2. Recycling
3. Energy and climate
4. Environmental education

These environmental cornerstones were selected when our environmental department was first formally established in late 2002, because these areas are where we believe changes to our operations can have the greatest environmental benefits to the communities in which we operate. Moreover, these environmental commitments are enabling Staples to improve operational efficiency, better meet customer needs, address the risks posed by fluctuations in availability and pricing of finite raw materials, and create innovative new products and services to help us attract new customers.

Our Vice President of Environmental Affairs is responsible for our environmental programs in the U.S. and works closely with departments across the company including Merchandising, Real Estate, Marketing and Store Operations to help drive a variety of initiatives forward. Since the Environmental Affairs department has been in existence for less than five years, many programs and initiatives are still in development or evolving. Such initiatives include improving how environmentally preferable products are highlighted for customers, improving the environmental profile of product packaging, and establishing more formal roles and reporting systems internationally.

A major focus for Staples over the next few years will be the continued improvement of our environmental product and service offerings to make it easy for our customers to make a difference. We are also always looking to drive continuing improvements across our internal operations. Goals for the coming years include:

- Significantly increase our sales of environmentally preferable products and services as a percentage of total dollar sales
- Make it easier for customers to identify and locate environmentally preferable products through in-store signage and Web site and catalog changes over the next two years
- Collect and responsibly recycle more than 400,000 tons of technology products by 2008
- Start construction on more than 15 new rooftop solar projects in 2007 on our stores and distribution facilities with the help of the solar developer SunEdison. Install at least that many in 2008 and 2009 as well
- Leverage program successes in the U.S. across our international operations and improve communication and performance tracking over the next three years

• environmentally preferable products

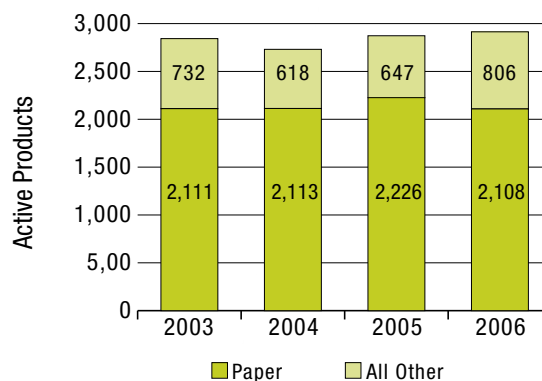
Many of our customers, from individual consumers and small businesses to Fortune 500 companies, seek to purchase environmentally preferable products (EPPs).

So we strive to make it easy for them to find quality office products that incorporate 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.

Staples offers a large number of EPPs including:

- more than 2,000 paper products that contain post-consumer recycled paper
- binders, ink cartridges and desk accessories that contain recycled plastic
- filing cabinets and other metal items containing post-consumer steel
- ENERGY STAR® qualified office technology products
- reduced-impact alternative products such as starch-based biodegradable packing peanuts and nontoxic markers

Active Products Containing Post-Consumer Recycled Content

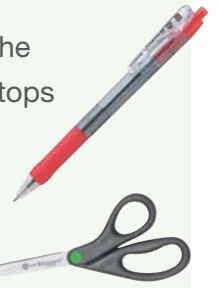


Across all sales channels in the U.S. and Canada

products that are easy on the environment

A sampling of the more than 2,900 eco-friendly products that Staples offers to our customers:

Zebra® Jimmie clip retractable ballpoint pen: Made from 75 percent recycled content, the body of these pens is made from recycled car headlights and compact discs; the plastic tops are from recycled cell phones; and the internal tubes are from plastic shopping bags and car battery encasements.



Acme® Kleenearth® recycled scissors: These stainless steel scissors contain ergonomic plastic handles with 70 percent post-consumer recycled plastic.



Staples® 100% recycled file folders and hanging files: Staples' environmentally friendly file folders and hanging file folders are made of 100 percent post-consumer content.



Cardinal® D-ring binder: Cardinal D-ring binders have 45 percent post-consumer recycled plastic content and hold up to 25 percent more than standard round-ring binders.

Staples® 100% recycled copy paper: One of our most eco-friendly products, this recycled paper is made from 100 percent post-consumer content and is process chlorine free. Not only is it tree friendly and bleached without chlorine or chlorine compounds, it meets or exceeds the Government Printing Office and EPA's standard for recycled paper.



Ampad® Evidence® recycled wirebound notebooks: These notebooks contain 50 percent recycled content and 40 percent post-consumer content.

Rubbermaid Regeneration® desk accessories: The Regeneration collection offers a number of products to help organize your desk — all containing 25 percent post-consumer content. Choose from a variety of environmentally friendly desk sorters, files, caddies, trays and more.



Staples® remanufactured ink cartridges: Staples® brand remanufactured ink and toner cartridges are backed by Staples' quality guarantee, and an independent lab confirms that the page yield will remain within +/- 5 percent of the national brand.

PaperMate® EarthWrite® pencil: A No. 2 pencil that is environmentally friendly and manufactured from recycled newspapers. This pencil contains 40 percent post-consumer recycled content and is PMA certified nontoxic.



Staples® earth-friendly packing peanuts: Staples offers packing peanuts, made from cornstarch, that are biodegradable and nontoxic and will dissolve when placed in water.

Staples® 19" LCD monitor: ENERGY STAR® qualified with a 19" Active Matrix TFT display, 700:1 contrast ratio, built-in speakers and three USB ports, this monitor has a sharp, clear picture and is energy efficient.



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did you know?

Staples (and our customers) helped save more than 1.6 million trees in 2006 through the sale (purchase) of paper products containing post-consumer recycled content.

paper. a primary focus.

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. While most of our efforts to date have focused on offering more paper products with post-consumer recycled content, we are also exploring additional opportunities to source fiber from certified sustainable forests and use other eco-friendly alternatives such as agricultural residues.

Considering the impacts, we can't ignore the need to reduce paper use and find environmentally friendly ways to make paper.

Why is paper a focal point of Staples' environmental efforts?

- Paper production requires harvesting millions of acres of farmed and naturally forested trees each year, impacting biodiversity and habitat quality as well as forest conservation and recreation opportunities
- Paper manufacturing is one of the most energy- and water-intensive industrial processes globally
- We sell a lot of paper products because companies use a lot of these products to run their businesses. In fact, the average office worker in the United States uses approximately 12,000 sheets of copy and printer paper annually

post-consumer content

In 2006, Staples sold more than 227,000 tons of paper products, from copy paper to notebooks and mail and ship supplies. A major goal of our Environmental Paper Procurement Policy was to increase to 30 percent the average amount of post-consumer recycled content in our paper products in the U.S. and Canada. In 2006, we met our goal, with average post-consumer recycled content across all paper products sold, both OEM and Staples® brand products, at 30 percent.

Using the [paper calculator](#) powered by the nonprofit organization Environmental Defense, we estimate that by selling post-consumer recycled paper versus paper with no recycled content, Staples and our customers saved:

- More than 1.6 million trees
- Energy equal to that used by more than 12,500 average homes in the U.S. annually
- 71,800 tons of greenhouse gases, equivalent to the emissions of more than 13,000 cars
- More than 596 million gallons of wastewater, equivalent to 900 swimming pools
- More than 38,311 tons of solid waste, equal to what would fill 2,700 garbage trucks

Learn more about [Staples' Environmental Paper Procurement Policy](#) at <http://www.staples.com/environment>. This policy drives many of our initiatives related to sourcing and offering paper products to our customers and was finalized in November 2002 with input from ForestEthics and Dogwood Alliance.



While in some cases we can offer recycled-content products at a similar price to products without recycled content — such as file folders, notebooks and other products — due to the higher costs and increasing demand for post-consumer fiber, copy and print paper and several other paper items with post-consumer content must often be priced at a premium. This reduces demand for recycled-paper products from customers who are less willing to pay a little more for an environmental benefit. Our merchants are always seeking to ensure that we provide all of our products, including EPPs, at competitive prices.

sustainable forestry

As part of our paper sourcing process, Staples evaluates the commitment of our paper suppliers to encouraging sustainable management of forests and protecting high-conservation-value forests.

To help us better evaluate paper suppliers and products, we have been a member of the Paper Working Group (PWG) since April 2003. The PWG is a group of 11 major companies committed to conserving forests and increasing the availability of environmentally preferable paper products. Organized and facilitated by the nonprofit organization Metafore, one of the PWG's major accomplishments to date has been the development of a comprehensive, Web-based environmental paper-assessment tool (EPAT).

The EPAT, which launched in 2006, allows large commercial paper purchasers to evaluate specific paper products offered by participating suppliers based on their environmental impact. Staples is working to integrate EPAT into our paper procurement process so that our buyers can make more informed decisions.

Our buyers have been seeking to increase our offering of paper items certified as originating from sustainably managed forests. Staples® Business Depot™, our Canadian division, offers seven paper products certified by The Forest Stewardship Council (FSC). Products boasting the FSC certification logo adhere to the highest environmental and social standards. The FSC system ensures the paper was not produced through illegal, unsustainable, unverified logging activities and endeavors to eliminate the habitat destruction, water pollution, displacement of indigenous peoples and violence against people and wildlife that can accompany logging. In 2007, we will be introducing paper products certified as sustainable and will announce our preference for products adhering to a specific forestry certification system.

keeping good company

We're proud to work with the following leading companies as part of the Paper Working Group to help conserve forests and make more environmentally friendly products available to our customers.

- Bank of America
- Cenveo
- FedEx Kinko's
- Hewlett-Packard Company
- McDonald's Corporation
- Nike, Inc.
- Norm Thompson Outfitters
- Starbucks Coffee Company
- Time Inc.
- Toyota Motor Sales, U.S.A., Inc.

paper use at Staples

In addition to offering paper products with post-consumer recycled content, we continue to use paper internally that contains recycled content. In 2006, Staples used more than 200 tons of paper for our internal operations in corporate offices and produced and distributed more than 50,000 tons of catalogs, circulars, flyers and other paper-based marketing materials to our customers.

Staples' internal paper use — United States	2006	2005	2004	2003
Average post-consumer recycled content in paper used in Staples' corporate offices	30%	30%	29%	28%
Average recycled content in Staples' catalogs, circulars and flyers*	22%	22%	22%	14%

* Includes post-consumer content and de-inked pulp content (production scraps, excess over-issue magazines, etc.).

highlighting environmentally preferable products

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 so they can be more readily identified by our customers. 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 suggest or 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.

There is certainly more that we could do to make it easier for customers to find recycled products and all other kinds of EPPs. We are currently working to improve how we highlight EPPs in store, in our catalogs and online for our customers, and plan to have several improvements in place starting in 2008.

catalog pages





• recycling

We make it easy for customers to recycle a variety of products at Staples, including ink and toner cartridges and electronic waste (eWaste), such as cell phones, rechargeable batteries, computers and peripherals. We also have programs for associates to recycle these items internally as well as many other common recyclables such as paper, cardboard and other materials.

ink and toner recycling

We provide incentives for our customers to recycle ink and toner through programs such as [Recycle for Education](#) and our in-store ink recycling program. We also ensure that our customers never run out of ink with our [InkDropsm](#) program. In 2006, Staples collected approximately 17.8 million ink and toner cartridges for recycling. The significant jump in collections from 2005 to 2006 was helped by the increased rebates we provided to customers for in-store returns (from a \$1 to a \$3 coupon).

Ink and toner cartridge recycling — United States	2006	2005
Total number of ink and toner cartridges recycled	17.8 million	5 million

Recycle for Education

[Recycle for Education](#) gives customers an easy way to recycle used cartridges and raise money for participating schools. Here's how it works:

- Staples provides a free starter kit to schools, which includes collection bins and a flyer that can be posted around school or sent home to parents
- Postage is completely free, so once collection bins are full, the cartridges can be sent back for recycling. Replacement collection bins are sent off at no cost to the school
- Staples sends \$3 to participating schools for each eligible ink or laser toner cartridge. In 2006, Recycle for Education raised \$750,000 for participating schools

what we do with the cartridges we receive

Rather than discarding or recycling a cartridge after only one use, our ink and toner recycling program seeks to “close the loop” by replacing worn cartridge parts and refilling cartridges with ink for sale as remanufactured products. This remanufacturing process prevents valuable materials and components that are still useful from going to landfill before their time. Cartridge parts that are replaced during the remanufacturing phase and all cartridges that cannot be remanufactured are recycled.

InkDropsm

For ultimate recycling ease, Staples created the InkDrop program. Participating customers initially purchase two ink cartridges. When their first ink cartridge runs out, they replace it with their remaining full cartridge and then mail us the empty one using a prepaid InkDrop envelope or mailing label. When we receive the empty, we automatically send them a new replacement cartridge and we recycle the old cartridge.

“The Staples InkDrop program incorporates elements that are important to a lot of shoppers...free delivery, convenient, green.”

– **Andrea Learned**, Staples InkDrop customer

contract ink and toner recycling

We offer an ink and toner recycling program for our contract customers that enables customers to order collection boxes and return any cartridges free of charge.

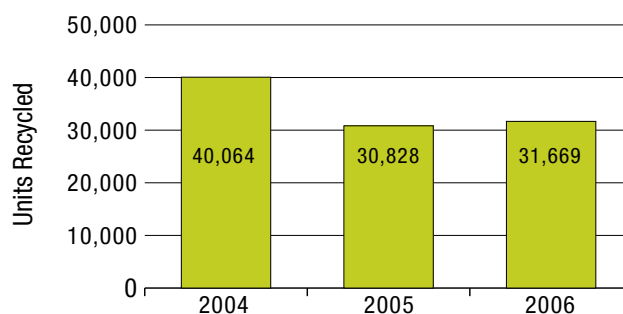
We started piloting a new enhanced program at the end of 2006 that, when launched nationally, should make it easier for our mid-size and large business customers to recycle ink and toner.

eWaste

Computers, monitors, printers, mobile phones, PDAs — what do most people do when these items no longer work or when they’ve upgraded to a newer and better model? Believe it or not, research indicates that most people just stash them in closets, basements or attics, not knowing how to properly dispose of them.

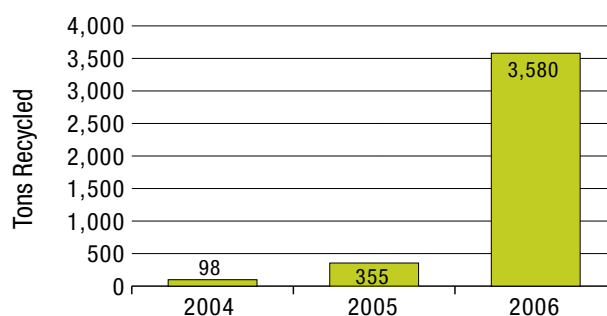
Since 2003, Staples has offered a safe and easy way for customers to recycle their cell phones and PDAs for free. We work with the nonprofit organization Collective Good to help run this program. Customers and associates can drop these items off in designated collection bins, which we then send back to Collective Good for recycling. Collective Good either refurbishes the phones and PDAs to sell them to people in developing countries at an affordable price, or safely recycles the items. Part of the revenue from the resale of the phones is donated to charity, with the funds currently going to the Sierra Club. In 2006, we recycled more than 31,600 cell phones, PDAs and pagers.

U.S. Cell Phone, PDA and Pager Recycling



Staples has been an EPA Plug-in to eCycling program partner since 2004, when we piloted a large regional electronics recycling program in New England. Since then, we have sponsored numerous other collection events in Ohio, Montana, Massachusetts, Washington and elsewhere. In late 2005 we started working with the Take it Back Network to collect computers and peripherals in the Seattle market, helping make it easy for customers to meet local requirements to recycle electronic waste. By the end of 2006, we had collected more than 3,000 tons of products from the Seattle area. When factoring in various other computer recycling events that Staples held around the country, we collected a total of 3,580 tons of computer equipment last year.

U.S. Computer and Peripheral Recycling



In 2006 we took the lessons learned from Seattle and started researching and developing a plan for a possible national recycling program offering at retail. In May of 2007, we launched a national technology recycling program in our retail stores across the U.S. Customers can now responsibly and safely recycle their computers, monitors and peripherals for a small fee at their local Staples® store. Our goal is to recycle more than 400,000 tons of equipment in 2008 through this program. For more information, please visit www.staples.com/environment.

did you know?

- It is estimated that more than 130 million cell phones and roughly 100 million computers will become obsolete each year in the United States.
- Since 2003 Staples has recycled 7.3 tons of rechargeable batteries through the Rechargeable Battery Recycling Corporation (RBRC) via our free in-store collections.

internal waste and recycling

In 2006, our retail stores, distribution centers and Home Office generated a little more than 24,000 tons of solid waste, an increase of roughly 4 percent from 2005 due to our continued growth as an organization. Our internal recycling initiatives have helped us reduce our waste stream significantly. For example, the amount of cardboard we recycled in 2006 was greater by weight than our solid waste generation.

Our U.S. corporate office buildings, retail stores and distribution facilities all make a concerted effort to recycle and reuse. One of our most successful programs is the recycling of cardboard by our U.S. retail stores and distribution centers. In 2006, we were able to increase our collections of both cardboard and mixed paper by moving to one recycling service provider nationally. We anticipate that our collections will continue to improve in future years, especially our collections of mixed paper from our retail stores.

Internal recycling — U.S. (tons)	2006	2005	2004
Corrugated cardboard	26,120	20,715	21,140
Mixed paper	460	203	357
Plastic shrink wrap	199	219	n/a

an associate idea. a process change. a lot of paper saved.

Often at Staples the best and most cost-efficient ideas come from our associates. And that's how we came to change our planogram (store layout) printing process in 2006.

Previously, when a section of a store was reset, stores printed out all of the instructions and maps related to the entire store layout. They then sorted through it to figure out what needed to change and discarded the rest. Now, an improved process ensures that store associates print only what they need to execute the changes. This simple change is making a powerful impact on the environment, helping reduce costs and making it easier for our associates to implement changes.

Savings of the new planogram printing process

Estimated cases of paper saved annually	More than 520 cases, equal to 2.6 million sheets of paper
Estimated reduction in printed output	57% from previous process

• energy and climate

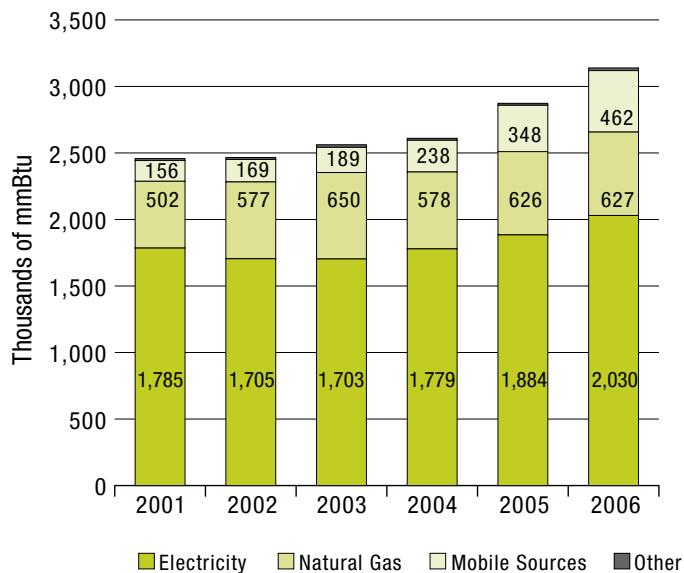
Staples takes an integrated approach to energy management and reducing our impacts on climate change, including aggressive energy conservation, the adoption of renewable-energy technologies where financially viable, and the purchase of certified renewable-energy certificates.

Our total energy use across all operations in the U.S., including our use of electricity, natural gas, propane and fleet fuel, increased by almost 28 percent from 2001 to 2006 due to the growth of our business and the addition of hundreds of retail and nonretail properties. Most of the increase was a result of a 13 percent increase in our electricity use and a large 196 percent increase in our fleet fuel usage over that time due to major growth in our delivery operations. However, through aggressive energy conservation efforts, we have continued to improve our energy efficiency.

what is a renewable-energy certificate (REC)?

Renewable-energy certificates (RECs) represent the environmental benefits of producing one megawatt-hour of renewable electricity. Generators of renewable energy rely on the additional revenue from sales of RECs to help pay for the cost of their projects. Due to their structure, RECs enable anyone in the country to “green” a portion of their electricity, regardless of their location, and thereby help support continued renewable-energy development. Members of the [U.S. EPA Green Power Program](#), such as Staples, are leaders in purchasing RECs. Staples RECs are certified by [Green-e](#) to be from new facilities and retired upon their purchase.

Total Energy Use — U.S.

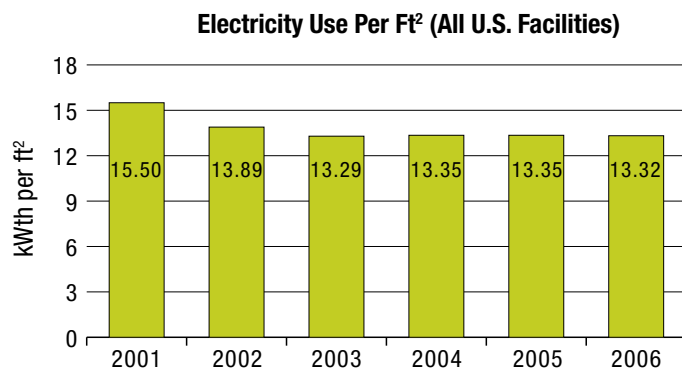


Fiscal year data for U.S. operations, including measured and estimated use. Other energy is primarily the use of propane, but also includes steam and the use of diesel in backup generators. Mobile sources include energy used by Staples' delivery fleet and estimated corporate jet use.
1 mmBtu = 0.2931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

energy conservation

Staples aggressively pursues ways to conserve energy throughout our U.S. and international operations. Energy conservation not only helps us reduce our impact on the environment, it is smart business because it helps reduce our operating costs.

Through a variety of electricity conservation efforts in our stores and distribution centers, Staples has reduced our electricity use per square foot by 14 percent since 2001, despite significant increases in energy-intensive copy and print machinery. While natural gas usage has increased by 25 percent since 2001 in total, our use per square foot decreased by 5.5 percent.



ways we save energy

In 2006 we undertook a number of projects to conserve energy and better spend our energy dollars. For example, in three of our fulfillment center facilities, we replaced older lighting fixtures with energy-efficient T5 fluorescent fixtures and installed motion sensors in the facilities to turn off lights in aisles that were dormant. By retrofitting the lighting in these facilities, we're seeing a 44 percent savings in energy with a payback of less than a year.

"The new lighting is not only saving energy dollars but is also improving our associates' ability to read pick tickets and labels, which help us achieve our accuracy and quality goals. This in turn will positively impact productivity."

– Wendell Butler, General Manager, Killingly, CT

In addition to retrofitting existing locations, Staples sets high standards for new buildings and stores to ensure that they are energy efficient. In our negotiations with real estate and landlord partners, we aim for total control over energy management, including submetering our stores and other locations. This submetering permits us to understand and measure our energy consumption more easily and take steps to manage our own utility bills instead of having them remain hidden within our lease maintenance charges. With better visibility and control, we're better able to manage our operating costs and negotiate with utility companies. These controls result in energy and cost savings.

strategic energy planning

Staples gathers, tracks, analyzes and shares information twice a year at Strategic Energy Planning meetings. These reviews take a comprehensive look at a variety of indicators including:

- Corporate strategic energy planning goals
- Monthly and quarterly energy data reporting and benchmarking
- Utilities management and utility billing/tracking program
- Energy management systems
- Demand side management programs
- Continuing energy education throughout the organization
- Renewable energy developments

saving more than 500,000 gallons of diesel

Mike Payette, Fleet Manager at Staples, is committed to improving fuel economy and reducing harmful emissions within our transportation fleet. In the fall of 2006, Mike and his team modified the engine electronic control modules on the delivery trucks in our fleet to limit the maximum driving speed to 60 mph, which has increased our fleet's fuel economy, decreased greenhouse gas emissions and reduced maintenance costs. Based on initial testing, Staples expects to realize the following improvements in fuel economy:

- An increase from approximately 8.5 to 11 mpg for trucks delivering supplies
- An increase from approximately 8 to 10.5 mpg for trucks delivering furniture
- An overall improvement to fuel economy of 15 percent or more, which translates to an estimated fuel savings of more than 500,000 gallons of diesel annually

soft-start conveyors save energy

In 2006 Staples installed a soft-start conveyor in our Hagerstown, MD facility. This application reduces energy consumption by electronically sizing the motor to optimum efficiency. Essentially, the motor shifts evenly without spikes in speed or temperature. The new conveyor system has reduced overall energy use by 45 percent and decreased the motor temperature by 11 degrees Fahrenheit. We are also seeing operational savings due to a decline in heat vibrations and noise. Staples is pursuing installation of these conveyors in our other distribution facilities.

Soft-start conveyor savings

kWh saved	Energy savings	Operation savings	Total savings
631,356	\$66,325	\$10,570	\$76,895

renewable energy

By pursuing renewable energy investments, Staples is helping drive innovation in new clean energy technologies, helping prevent or offset our greenhouse gas emissions, and helping hedge against increases in fuel prices that will affect our operating costs. One of our biggest accomplishments in this area in 2006 was installing six new rooftop solar power systems collectively capable of producing more than 1.77 million kWh each year, or the amount of electricity equivalent to powering more than 150 homes. As of the end of 2006, we had a total of nine rooftop solar power systems installed.

Through our relationship with the solar developer SunEdison, we have avoided making significant capital investments to actually purchase these solar power systems. Instead, Staples serves as a host of all of our solar power systems, and we enter into long-term fixed-price power purchase agreements to buy the electricity generated by the systems at a cost that is equal to or below our current cost of electricity.

Doubling our purchase of renewable energy ranks as another of our proudest achievements of 2006. To date, we've greened 20 percent of our electricity, or more than 121 megawatt-hours of power, through certified renewable energy certificates and green power purchases from utility programs. That equals the amount of electricity used by more than 10,700 U.S. households annually.

2006 solar installations

Site	Capacity (kW DC)	System size (ft ²)	Expected annual output (kWh)
Aliso Viejo, CA store	86	6,350	120,000
Killingly, CT distribution center	433	74,028	605,000
La Mirada, CA store	78	6,696	108,000
Ontario, CA store	84	5,928	117,000
Stockton, CA fulfillment center	517	40,470	722,000
Yorba Linda, CA store	75	4,992	104,000
Total	1,273	138,464	1,776,000

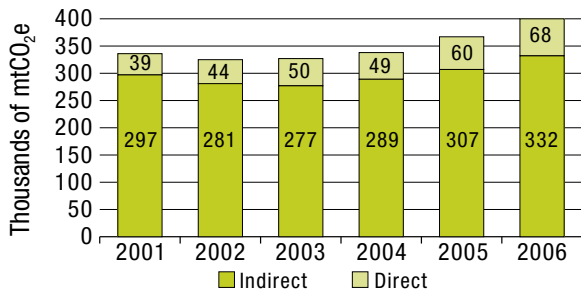
Operational or in final construction phase as of FY 2006 end in the United States.



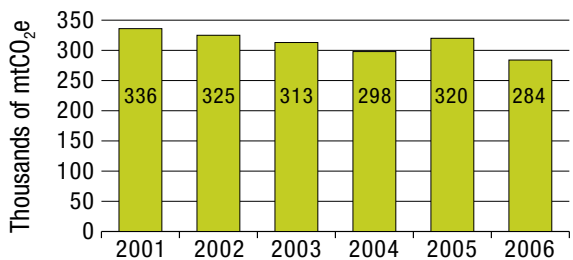
did you know?

As of the end of 2006, Staples ranked 12th on the Environmental Protection Agency's Top 20 Green Power Partners list and 3rd out of the Top 10 Retail Green Power Partners based on our green power purchases.

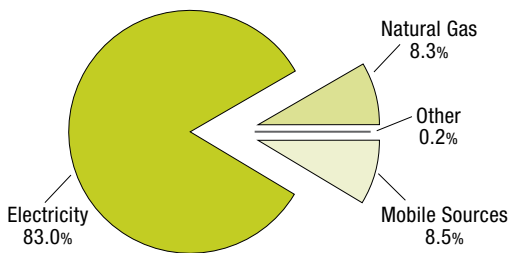
Total U.S. Greenhouse Gas Emissions Not Including Offsets



U.S. Greenhouse Gas Emissions Net of Offsets



2006 Contribution of Energy Source to Greenhouse Gas Emissions — U.S.



greenhouse gas emissions

Staples has committed to reduce our greenhouse gas emissions by 7 percent on an absolute basis from 2001 to 2010. We are working on this goal as a partner in the U.S. Environmental Protection Agency's Climate Leaders program. We're happy to say that through energy conservation, the purchase of certified RECs and the installation of on-site renewable-energy technologies, we have reduced our emissions by more than 15 percent from fiscal year 2001 to 2006, despite the fact that our total energy use increased by nearly 28 percent over this same time period.

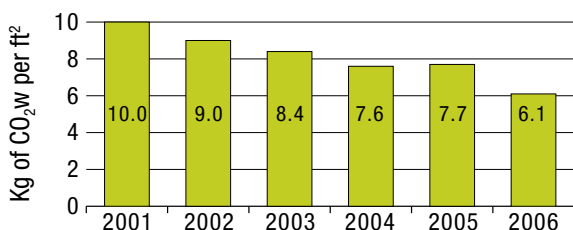
energy programs in Canada

This past year, our Canadian operations embraced the Canadian government's challenge to reduce greenhouse gases by one metric tonne per resident. As a first step in the process, Staples® Business Depot™ began improvements on its energy use in retail stores across Canada by:

- Retrofitting more than 200 stores with the Novar Energy Management System, centralizing control of heating, cooling and lighting systems
- Retrofitting exterior lighting for 50 stores that will reduce our electricity spend by approximately \$65,000 CAD and will save approximately \$90,000 CAD per year in exterior maintenance and repair
- Reducing electricity used in 2006 by 10,724,821 kilowatt-hours and natural gas by 214,499 cubic meters
- Purchasing 2 percent green power for our operations in British Columbia

The results? The team reduced greenhouse gases by more than 1,700 metric tonnes.

U.S. Net GHG Emissions Per Ft²



“The icing on the cake is that our customers and associates really support our participation. Last summer we reduced in-store light levels during the day, and while that could have been received negatively, it was the opposite. Customers and associates were thrilled to walk into our stores and know we’re doing our part. We’ll be retrofitting another 21 stores with the Novar system in British Columbia later this year.”

– Leigh Pearson, Staples® Business Depot™ Facilities Manager

• environmental education

We have undertaken a number of environmental education initiatives to make our customers and associates more aware of the importance of sustaining the environment.

- We help sponsor the resource tool [Earth 911 Business](#) 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 in the U.S.
- In 2006, Staples was a national sponsor of [America Recycles Day](#) for the fifth consecutive year, helping to raise awareness of how Americans can protect natural resources through recycling and buying recycled-content products
- To keep our stakeholders up to date on our environmental progress, we provide relevant information to our associates, customers and other stakeholders in several ways, including our Web site, marketing materials, annual reporting and other communications