



Office Depot Environmental Paper Procurement Policy (2004)

Preamble

Office Depot is committed to environmental stewardship and the conservation of natural resources, including biological diversity (biodiversity).

To build upon Office Depot's environmental accomplishments, we recognize that our commitment to environmental stewardship and the conservation of natural resources requires a sustained effort, underpinned by a policy framework to provide guidance and communicate the importance of these issues to our suppliers, customers and other stakeholders. Office Depot is undertaking several key initiatives to provide guidance for ongoing environmental stewardship, to promote the responsible use of our natural resources, to recognize and encourage environmental initiatives by our suppliers and to assist Office Depot in accomplishing its goals, such as achieving an average of 30% PCW recycled fiber and alternative fiber content for all of the paper products we distribute.

One such initiative is the publication of the following principles in the form of an Environmental Paper Procurement Policy & Vision Statement - guiding principles to connect our values with our aspirations. Office Depot's Policy will help direct our stakeholders in their decisions, actions and other matters of environmental performance. It is an expression of values and intent that will be implemented over time and used to support and execute Office Depot's mission to lead the industry in issues of environmental concern. Initially, Office Depot will focus on its largest business unit, our North American operations, including the global sourcing of Office Depot Brand products for that business; however, in the future - as we engage and work with our stakeholders - we intend to apply these policies, or regional derivations of them, as a company-wide initiative.

To this end, Office Depot will engage suppliers and other stakeholders to focus resources on the development of collaborative solutions to environmental issues - proactively and as they are identified.

Environmental Paper Procurement Policy & Vision Statement

Office Depot will institute its commitment to environmental stewardship and the conservation of natural resources through the following ten guiding principles of its Environmental Paper Procurement Policy. These principles address three core aspects of environmental performance:

- Recycling and Pollution Reduction,
- Responsible Forest Management and Conservation, and
- Issue and Market Development.

Recycling and Pollution Reduction: The purpose of Office Depot's policies on recycling and pollution reduction are to promote and advance environmental stewardship by implementing policies that encourage the use, distribution and sale of environmentally preferable products and services.

1. **Recycled Products:** Office Depot values the suppliers of products containing recycled material, including paper products made with post consumer waste (PCW) fiber and material recycled from recovered paper, and will give preference to products made with such materials.
2. **Product Scope:** Office Depot will continue to work with its stakeholders to increase the distribution, both in number and range, of products containing recycled materials, including paper products made from recycled fiber and post-consumer waste fiber.
3. **Recycled Content:** Office Depot will work with its suppliers to increase the total volume of paper recovered from recycling, and the amount of this material - including material recovered from post-consumer waste fiber - in the paper products we distribute.
4. **Pollution Reduction:** Office Depot encourages its suppliers to continue to reduce pollution, including the phasing out of elemental chlorine bleaching agents in the paper making process. Office Depot will continue to work with its stakeholders to increase the use of products made with unbleached paper and paper made with advanced processes or technologies that reduce or eliminate the use of chlorine compounds.

Responsible Forest Management: The purpose of Office Depot's policies on responsible forest management are to promote well managed production forests in concert with forest and biodiversity conservation and to promote and advance environmental stewardship by implementing policies that encourage the use, distribution and sale of environmentally preferable products and services. Our objective is to encourage the use of conservation science and collaborative engagement with our stakeholders to achieve measurable conservation outcomes for species, ecological communities and forest landscapes.

Recognizing the importance of Office Depot's environmental leadership to conservation and the significant role of the Company and our suppliers in forest and paper markets, implementation of the following aspects of our policy is intended to promote well managed forests and the conservation of biodiversity in regions where wood fiber production is central to land and natural resource management. We believe that collaborative engagement with our stakeholders to promote and advance responsible forestry practices, in combination with sourcing paper products derived from such areas, is the most constructive approach to promote these values and advance environmental stewardship.

Thus, Office Depot commits to working with the conservation science community and our other stakeholders to:

- Promote and advance responsible forest management and the conservation of forests and the biodiversity they contain;
- Identify products sourced from forest operations that are congruent with Office Depot's principles of sustainable forest management and increasingly source paper products derived from these preferred sources as identified herein; and
- Progressively phase out paper products derived from non-preferred sources as they are identified and alternate sources of supply are secured.

Sourcing wood fiber from preferred sources demonstrates Office Depot's commitment to implement its industry-leading policies on environmental stewardship and the conservation of biodiversity and natural resources. Office Depot is committed to working with our stakeholders to identify and phase-out the use of wood fiber sourced from non-preferred sources.

5. **Well-Managed Production Forests:** Office Depot values the suppliers of forest and paper products composed of wood fiber derived from well-managed forest operations, such as those certified and verified by an independent third party.

Thus, Office Depot will give preference¹ to products made of wood fiber sourced:

- From operations that have been certified as being well managed by an independent, third party; and

- Using procurement systems that require landowners to meet or exceed government requirements on their forestlands, including Best Management Practices where they exist, with procurement systems that have been certified as such by an independent, third-party.

6. **Forest & Biodiversity Conservation:** Office Depot values forest and paper product suppliers that:

- Support and promote well managed forests and the conservation and protection of forest species and ecological communities that are vulnerable² and imperiled;³
- Seek to conserve the ecological function of natural forests and the biological diversity they contain; and
- Participate in proactive forest management planning and the conservation of biodiversity using an integrated landscape-level approach in which production forestlands are managed in concert with reserves, and special management areas to sustain diversity of forest values within a region or landscape.

Thus, Office Depot will give preference to products from suppliers that are genuinely and meaningfully engaged in initiatives with the conservation science community and other stakeholders to develop and apply the best scientific information technology, priority setting, mapping and planning approaches to advance sustainable forest management and the conservation of biodiversity values, including those provided by intact natural forest landscapes.

In addition, Office Depot commits to working with our stakeholders and the conservation science community to identify:

- **Rare & Vulnerable Forests**, and will not knowingly extend its preferred status to products made of wood fiber derived from forests in which the ecological resilience⁴ and long-term sustainability are endangered due to rarity and the vulnerability of the ecosystem to disturbance, status as imperiled, or forests that are similarly rare and at-risk. Office Depot is committed to working with our stakeholders to phase-out the use of wood fiber sourced from such areas.
- **Forests Containing Exceptional Biodiversity Values**, and will not knowingly extend its preferred status to products made of wood fiber derived from forests containing exceptional biodiversity values - including high concentrations of native species and ecological communities that are vulnerable and confined to a specific region, or those that are threatened, endangered⁵ or imperiled. Office Depot is committed to working with our stakeholders to phase-out the use of wood fiber sourced from such areas.
- **Forests Subject to Unsustainable Management**, and will not knowingly extend its preferred status to products made of wood fiber derived from forests where management practices endanger the ecological resilience and long-term sustainability of the natural forest, regardless of the sustainability of the fiber supply. Office Depot is committed to working with our stakeholders to phase-out the use of wood fiber sourced from such areas.
- **Illegal Logging**, and will not knowingly extend its preferred status to products made of wood fiber that is harvested, transported, processed or sold in contravention of a country's laws. Office Depot is committed to working with our stakeholders to phase-out the use of illegal wood fiber.

7. **Conversion of Natural Forests:** Office Depot will not knowingly extend its preferred status to products sourced from industrial forest operations that convert, or explicitly promote the conversion of, naturally diverse forests to monoculture plantations, regardless of the sustainability of the fiber supply.

Office Depot believes that species conversion and ensuing simplification of natural forests that results from replacing naturally diverse forests with monoculture plantations counters our commitment to environmental stewardship and efforts to conserve natural resources. Office Depot is committed to working with our stakeholders to phase-out the use of wood fiber sourced from such areas.

8. **Genetically Modified Organisms:** Office Depot will not knowingly extend its preferred status to products sourced from forest operations that use genetically modified trees⁶ to reforest naturally diverse forest ecosystems, regardless of the sustainability of the fiber supply. Office Depot believes this practice counters our commitment to environmental stewardship and efforts to conserve our natural resources. Office Depot is committed to working with our stakeholders to phase-out the use of wood fiber sourced from such areas.

Issue Awareness and Market Development: The purpose of Office Depot's policies on issue awareness and market development are to promote and advance environmental stewardship by:

- Increasing the general level of knowledge, understanding and popular consciousness of environmental issues, including the implications of purchasing decisions and the benefits of Office Depot policies and purchasing the environmentally preferable products that we sell;
- Growing the markets for environmentally preferable products by stimulating demand, supply and demonstrating that environmental performance and a collaborative, ethical, science based approach creates economic benefits from improved environmental outcomes; and
- Addressing the needs for improved information, methods, tools and standards to advance environmental stewardship and increase the role and value of conservation science in business and resource management decision-making.

9. **Issue and Market Development:** Office Depot will pursue the promotion and development of markets for environmentally sound products by communicating to our customers, employees, shareholders and other key stakeholders, the value of our environmental policies and the benefits of purchasing products that contribute to environmental stewardship and the conservation of natural resources.

Office Depot will promote these benefits to our customers by training our employees and providing information in our stores and other sales channels that will enable our customers to make informed purchasing decisions.

10. **Research:** Office Depot recognizes the need for an increased understanding of environmental issues and will fund, and work with our stakeholders and others to fund, independent research to develop a better understanding of issues such as:
 - Identifying forests containing exceptional biodiversity values,
 - Identifying rare and vulnerable forests,
 - The conservation of biodiversity in production forests, and
 - Responsible forest management and the communication of this information to key stakeholders.

Environmental Mission Statement and Implementation Strategy

Mission: Office Depot's mission is to lead the industry in issues of environmental concern. We are committed to environmental stewardship and the conservation of our natural resources.

Implementation Strategy: A key step in communicating the environmental performance of Office Depot and the implementation of our environmental policies is the development of:

- Goals that are measurable,
- A strategy to achieve them, and
- Processes to track and regularly report on our progress.

Office Depot will work with the environmental community and our stakeholders to regularly establish an environmental mission statement with goals that are:

- Meaningful and demonstrate leadership;
- Responsible to all of Office Depot's stakeholders;
- Realistic and implementable within an appropriate time-frame, and
- Publicly reported.

In keeping with our approach of inclusion and consultation for the mutual benefit of the environment and our stakeholders, Office Depot will establish "Corporate Initiatives" and "Project-Partnerships" designed to foster improvements and innovation that promote and advance the principles of environmental stewardship, including the measurable objectives and time-lines, that will contribute to an evolving Environmental Mission Statement.

¹Office Depot will identify preferred products and suppliers based on their congruence with the various principles presented in this Environmental Procurement Policy in addition to traditional product and supplier attributes such as price, quality, service, and customer demand.

²In general, vulnerable species or ecological communities are those that are at moderate risk of extinction due to a restricted range, relatively few populations (often 80 or fewer), recent and widespread declines, or other factors. Conservation Status ranks focus on overall risk of extinction, which includes considerations of threats, inherent biological fragility, landscape context, and related factors. The conservation status rank reflects an assessment of the condition of the species or ecological community across its entire range. Definitions of rank may differ for species and ecological communities, as indicated by NatureServe. See <http://www.natureserve.org/explorer/ranking.htm#mean>.

³In general, Imperilled species or ecological communities are those that are at high risk of extinction due to very restricted range, very few populations (often 20 or fewer), steep declines, or other factors. Conservation Status ranks focus on overall risk of extinction, which includes considerations of threats, inherent biological fragility, landscape context, and related factors. The conservation status rank reflects an assessment of the condition of the species or ecological community across its entire range. Definitions of rank may differ for species and ecological communities, as indicated by NatureServe. See <http://www.natureserve.org/explorer/ranking.htm#mean>

⁴Ecological resilience refers to the ability of the forest ecosystem to absorb stress while conserving ecosystem function as measured over multiple ecological or economic rotations. Ecosystem function is the work that an ecosystem does (e.g.: the provision of habitats for organisms).

⁵Threatened and endangered species or ecological communities as defined and identified by federal, state or provincial legislation or the IUCN Red list. See <http://www.redlist.org/>.

⁶Genetically modified trees refers to the genetic engineering or modification of a tree's genetic makeup, or genome, by deliberately introducing genes or by removing or suppressing a part of the organism's genetic material.