

New product introduction process

As a manufacturer of many of our own brand products including Sustainable Earth Chemicals by Staples we will continue to develop and create innovative sustainable products to introduce to the marketplace. We work closely with our suppliers to ensure that we are bringing added value to the University through the introduction of best in class products.

Throughout the past decade we've accomplished this with our Sustainable Earth brand of chemicals by Staples™. Sustainable Earth by Staples was developed 10 years ago by Roger McFadden, Staples Senior Scientist and has grown in to a true national presence.

Roger is a charter member of the Green Chemistry Commerce Council (GC3) and currently chairs a committee to advance Green Chemistry and the EPA Design for the Environment (DfE) Formulator Initiatives. Roger is one of several individuals in the United States appointed by Underwriters Laboratories (UL) to serve on the Industry Advisory Council on Slip Resistance Standards and has recently been appointed to a Standards Technical Panel by UL and the American National Standards Institute (ANSI). Roger is a member of the ASTM D-21 Floor Polish Standards Committee that includes ASTM Slip Resistance Standard D-2047. He was a charter member of the Hard Surface Inspection Task Force for the institute of Inspection Cleaning and Restoration Certification (IICRC).

Many businesses like the idea of using eco-conscious cleaning products but they don't want to sacrifice the cleaning performance of the traditional cleaners they trust. Staples Advantage makes it easy. We've invested in researching and developing our own exclusive line of eco-conscious cleaning products that are not only less harmful to the planet, but deliver cleaning power and cost-in-use savings that outperforms the traditional brands.

A strong point of pride for the Sustainable Earth line is that while the Sustainability benefits are very real, , product performance is usually listed as the number one reason our customers recommend the products through their personal testimonials. Even Sustainable Earth floor strippers and graffiti removers, products that traditionally don't translate into a "green" program, perform as well as or better then the traditionally solvent heavy alternatives.

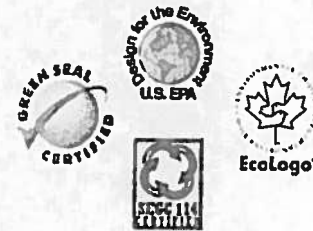
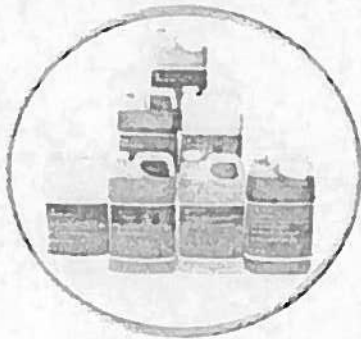
The high concentration rates of the concentrated Sustainable Earth products also allow for significant cost savings over traditional products. Accurate dilutions are provided through several proven equipment options that will fit the needs of multiple buildings in a campus setting.

Our Sustainable Earth by Staples™ concentrated cleaning chemicals and ready-to-use cleaners are Green Seal certified and registered by the Environmental Protection Agency's Design for the Environment program. They clean effectively using ingredients that have less environmental impact, and like every Staples® brand product, the quality is guaranteed.

In addition to our own manufactured cleaners, we offer a wide selection of eco-conscious break-room and janitorial supplies for the University of Colorado's needs – from compostable paper plates, towels and cups to Green Seal-certified towels and tissues, recycled can liners and more.

Sustainable Earth by Staples™ Concentrated Cleaning Chemicals

From glass and carpet cleaners to all-purpose cleaners and floor finishes, we have Sustainable Earth by Staples™ solutions for all your maintenance needs. And we provide customized trainings and coaching to help your facility teams effectively use these products.



Sustainable Earth by Staples™ cleaners are scientifically engineered to deliver the following:

- **Performance**
 - Products perform as well or better than leading national brands
 - Lower Total Cost Solution
- **People**
 - Products contain ingredients that are naturally derived with no harmful chemicals
- **Planet**
 - Leader in creating solutions that have a reduced impact on environment
 - Products mix effectively with cold water
 - Greenseal, DfE and SEGC114 certified

Definitions:

Green Seal – Green Seal is the most widely recognized name in environmental standards for cleaning products. Green Seal Certification to GS-37, GS-40 and GS-41 Environmental Standard is awarded only after rigorous evaluation, product testing and an extensive manufacturing process, audit and plant visit. Sustainable Earth by Staples™ cleaning products meet Green Seal's environmental standard for industrial and institutional cleaners based on its reduced human and aquatic toxicity and reduced smog production potential.

EPA DfE – The U.S. Environmental Agency's Design for the Environment (DFE) program seeks to promote the use of institutional cleaners and maintenance products with improved environmental and human health characteristics. All products displaying the EPA DfE logo have been "Formulated in Partnership with the EPA Design for the Environment Formulation Initiative."

SEGC-114 – This product development standard was created Staples to evaluate product formulations. It helps ensure the elimination of ingredients which are harmful to environmental and human health. These standards are maintained while maximizing performance and efficiency.

2. Describe in detail, the tactical project management that will be used on an account of this size. Your tactical project management plan shall include, but not be limited to:
- inventory optimization and support
 - supplier transition plan
 - new/replacement Green Product Introduction
 - product testing
 - product training
 - order initiation
 - order tracking
 - order delivery
 - delivery charges or shipping & handling fees (if any)
 - invoicing
 - electronic ordering process (ordering, tracking, delivery, invoicing)
 - quick-ship program
 - customer service program
 - program quality assurance
 - contract performance management
 - account reviews
 - representation coverage per campus
 - appropriate and ongoing technical and usage support by Mfg. and Supplier
 - MSDS documentation

Inventory Optimization and Support

Staples utilizes a state of the art inventory replenishment system that will allow the University of Colorado system to manage stock levels on a just – in – time basis. While highly sophisticated, our systems still allow for manual adjustments for special situations such as the initial roll out, school break, special projects, and peak visitor occasions.

Initial roll out. Staples will build inventory in advance of the launch date.

Spikes in usage. Staples will work with the University of Colorado system to identify high use periods such as major sporting events, parents weekends and school break floor care projects. Our account management team will then leverage our demand template process to insure inventory levels are adjusted upwards to meet the increased demand

6. Please completely describe your sustainability program, including but not limited to, your sustainable business practices.

Staples Sustainability Practices

Staples manages and monitors the environmental impacts of our operations, from our energy use to our purchasing. We report on progress toward reducing our environmental footprint regularly in our corporate responsibility reporting and on our public Web site.

Energy Efficiency & Renewable Power Investment



- Through investment in energy-efficient technology and other energy conservation efforts, we've reduced energy use per square foot by approximately 10% since 2001. Our goal is to save \$10M in costs through energy conservation programs in the U.S. by the end of 2011.

- Staples reduced miles traveled by the carriers in our logistics network to deliver product from our warehouses to stores by three million miles in the U.S. in 2009. This resulted in more than \$12 million in savings relative to budget and significant reductions in fuel use and associated carbon dioxide and other emissions.

- Staples is currently ranked 16th on the EPA's Green Power Partnership Fortune 500 list of leading renewable energy purchasing companies and 5th among retailers. In 2009, we purchased 144 million kWh of green power, equivalent to 20% of Staples' total national electricity use.



Reducing the Carbon Impact of Our Delivery Fleet

Since 2006, we've improved fleet fuel economy by more than 25% and saved more than 1.6 million gallons of diesel, nearly \$3 million in fuel costs and 18,000 tons of CO₂ emissions through initiatives that include limiting the top speed of our trucks to 60 mph and installing idle limiting equipment to vehicles. We continue to optimize delivery routes to reduce mileage, fuel use and emissions.

We're currently piloting two diesel-electric hybrid delivery trucks and in July 2009 introduced the industry's first all-electric, emissions-free delivery truck that can travel 100 miles on a single battery charge. We're planning to have as many as 100 plug-in electric vehicles on the road by 2011 which would represent 5% of our delivery fleet.

Recycling

In May 2009, Staples received the National Recycling Coalition's 2009 Recycling Works Award for our recycling practices. Across our U.S. business in 2009, we reported the recovery of:

- 31,200 tons of corrugated cardboard
- 2,033 tons of mixed paper
- 421 tons of shrink wrap

In 2009, we also recovered more than 7.8 million pounds of technology waste and more than 55 million used ink and toner cartridges from customers in the U.S. Our goal is to recycle more than 20 million pounds of technology waste in North America by the end of 2010.

Responsible Purchasing

Through our Supplier Code of Conduct and Environmental Paper Procurement Policy, we require suppliers to follow environmentally-responsible sourcing standards to ensure the conservation of our natural resources. In September 2009, Staples enrolled in the Rainforest Alliance's SmartSource program, a customized service for companies and organizations that want to examine and improve their forest-product purchasing policies and practices. And in January 2010, Staples released a new Paper Procurement Policy, strengthening our commitment to sourcing sustainable paper products.

Staples Sustainable Business Practices

As the industry's sustainable business leader, Staples is committed to achieving environmental excellence across our entire global operations. We strive to make it easy for our global customers to meet their sustainable business goals through our eco-conscious products, environmental reporting and other value-added services.

Corporate recognitions:

- ◆ Ranked #20 on *NEWSWEEK's* Top 500 Green Companies (2009)
- ◆ Included as a component of the Dow Jones Sustainability Indexes (DJSI) since 2003
- ◆ Named to Sustainable Business 20 (SB20) listing of top 20 sustainable public companies as selected by a panel of the most respected social/environmental stock analysts in the world
- ◆ #60 on 2010 Corporate Responsibility Officer (CRO) Top 100, ranking the corporate responsibility efforts of large-cap companies from the Russell 1000 index

Sample Environmental Highlights

Below represents a sample of our major environmental highlights, achievements and goals to date across our global operations.

North America

- ◆ In U.S., introduced industry-first Environmental Paper Procurement Policy in 2002 to ensure responsible paper sourcing from suppliers
- ◆ In U.S., committed to sourcing more than half of our paper products by volume from FSC-certified sources by 2010 as market supply allows
- ◆ In U.S., launched first nationwide retail computer recycling program
- ◆ In U.S., host rooftop solar arrays on 32 facilities with more planned
- ◆ In U.S., retrofit lighting on 400 stores and initiated various other energy conservation projects that helped reduce electricity consumption per square foot across all of our U.S. retail stores by seven percent in 2009
- ◆ In U.S., reduced miles traveled by the carriers in our logistics network to deliver product from our warehouses to stores by three million miles in the U.S. in 2009, resulting in more than \$12 million in savings
- ◆ In Canada, have donated \$1.6 million since 2004 to thousands of elementary and secondary schools through store ink recycling program
- ◆ In Canada, recycled more than 2 million ink and toner cartridges from customers
- ◆ In Canada, collected 4201 lbs of batteries in 2008, up 46% from 2007, through partnership with the Rechargeable Battery Recycling Corporation (RBRC)
- ◆ In Canada, have teamed with the Provinces of Quebec, Alberta and Ontario to launch tech recycling program at local stores and have collected close to 4000 tons of technology to date since 2006
- ◆ In Canada, decreased store energy consumption by 432,712 kwh from 2006 to 2008 through efforts to reduce lighting during the summer months
- ◆ Staples Advantage Canada is certified according to ISO 14001 Environmental Certification standards

Our Commitment to Sustainability

From the development of the industry's first environmental paper procurement policy to the launch of the first nationwide retail computer recycling program, Staples has been a recognized leader in the area of sustainability for many years. And in 2009, we were ranked 20th by *NEWSWEEK's* Environmental Ranking of America's 500 Large Corporations.

Our environmental programs are part of our broader commitment to corporate responsibility – what we call Staples Soul. In addition to operating our business sustainably, Staples Soul includes supporting the communities where we live and work, promoting a culture of integrity and ethical business practices and fostering a diverse workforce and supplier base.

In 2007, we expanded our commitment to sustainability with the introduction of *Staples EcoEasy*, which is focused on three key areas:



- Providing office products that make a difference for the environment
- Offering services that make it easy to do the right thing
- Operating our business in a manner that sustains the environment for our customers, associates, suppliers and the global community

Our Sustainability Programs

With Staples, you not only have a supplier who shares your corporate responsibility values, you have a consultant to help you achieve your sustainability goals. We can help minimize the University of Colorado's environmental footprint through eco-conscious products and services that reduce the CO₂, energy and waste impact of your organization's purchasing.

Staples' differentiators that benefit the University of Colorado include:

- ♦ Strategic support from your Staples Account Manager who will recommend high-performing alternative products to meet your environmental goals and provide regular benchmarking and reporting of your environmental spend
- ♦ Outside consultation and strategic support from our Director of Environmental Initiatives who will help shape a sustainability program that advances your goals
- ♦ Exclusive environmentally-conscious products offering the highest environmental attributes as well as third-party environmental certification
- ♦ Value-add support from Staples' Field Marketing team who can develop education campaigns to increase end-user compliance to your sustainable purchasing programs

Working collaboratively with you, Staples can customize a sustainability program for the University of Colorado that leverages all or some of the following elements: