



**EUROPEAN FOREST PRODUCTS
PROCUREMENT POLICY**

Office Depot Europe: Forest Products Procurement Policy

Office Depot is committed to environmental stewardship and the conservation of natural resources, including biodiversity. This commitment requires a sustained effort by multiple stakeholders, underpinned by a policy framework to provide guidance, and we need to communicate the importance of these issues across our business.

As a key part of this, our organization is committed to responsible procurement of forest products and, working closely with our stakeholders, we will apply our policy as a company-wide initiative.

Resources Sourcing and Credibility

Office Depot is committed to source wood fibre based products or paper products from well managed production forests to promote advanced environmental stewardship. This organization will not source forest products from:

- a. Forests or forest product suppliers that do not comply with all relevant national and international legislation relating to the trade in forest products.
- b. High Conservation Value Forests where these are recognized nationally or regionally, unless these forests are progressing towards credible forest certification in a time-bound, stepwise and transparent manner.
- c. Protected areas, Parks or similar areas where harvesting operations are not complimentary to responsible forest management.
- d. Forests which are currently being converted to other land uses, or forests that have been converted since 1994.
- e. Forests which are in areas of armed conflict or civil unrest where there is a direct relationship between the forest products trade and the funding of such conflicts.

Issue Awareness and Market Development

Office Depot is committed to ensure these 'Resources Sourcing and Credibility' goals are achieved by means of transparent information sharing to further promote advanced environmental stewardship. Therefore Office Depot will;

- 1) Give preference to materials sourced from responsibly managed forests, where conservation of forests and dependent biodiversity is a key principle
- 2) Continue to work with stakeholders to increase the distribution, both in number and range, of products containing virgin fiber of responsible managed forestry materials
- 3) Work together with its suppliers and key stakeholders to raise awareness and increase the mutual level of understanding on responsible forestry at all our stakeholders to identify.
- 4) Require Suppliers to:
 - comply with all relevant national and international legislations relating to the trade in forest products
 - provide evidence of Forest Sources evaluation and verification by an independent third party accredited and certified body
 - maintain, monitor, control and update transparent accurate information which can be provided at any time to Office Depot Europe

- 5) Promote and advance environmental stewardship by implementing and sharing policies that encourage consideration of the total product life cycle of both forest products and services
- 6) Engage stakeholders in issue awareness and market development while communicate, promote and share insights in advance sustainable product life cycle of forest products and their environmental stewardship.

Office Depot Europe commit that achievements against this policy will be demonstrated by goals that are measurable, realistic target setting and implementation time-frame, and annually public reporting of progress against goals. As one of our goals is to exclude the above sources, information provided to Office Depot Europe by our suppliers must demonstrate these sources to be excluded from our supply chain.

We value 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, followed by preference for sources from independently verified and credible forest certification schemes.

Guidance



Our Policy is intended to help and direct our stakeholders in their decisions, actions and other matters of sustainable performance. Next to our Vendor Code of Conduct, 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 sustainable supply chain concern.

To ensure that these goals are achieved, this organization will need to safeguard transparency, require regular and clear communication on our progress, actively engage stakeholders, and address best practices or new sustainable innovative products and/or solutions. We will also need to drive upstream and downstream communication through our sustainable supply chain, and drive product life cycle thinking and acting at all stakeholders.

These challenges require:

- Goals that are measurable, and
- A continuous improvement strategy to achieve them, and
- An implemented processes to track and regularly report on our progress, and
- A meaningful and demonstrate leadership, and
- A responsibility of all Office Depot's stakeholders, and
- A realistic target setting and implemented within an appropriate time-frame, and
- Annually Publicly reported progress against our goals

Office Depot will institute its commitment to environmental stewardship and the conservation of natural resources through the following guiding principles which address core business aspects of sustainable and responsible performance:

- 1 Resources Sourcing, Sustainability and Credibility,
- 2 Environmental values,
- 3 Issue and Market Development.

An outline of what we want to achieve in each of these performance areas now follows.

1 Resources Sourcing, Sustainability and Credibility



With our over-arching statement on exclusion of forest products from specific sources in place, the purpose of Office Depot's policies on resources sourcing, sustainability, and their credibility is to enable us to ensure and prove our responsibility at all levels in our sustainable supply chain.

Promoting responsible forest management is a major part of this responsibility. Our objective is to encourage the use of sound conservation science and collaborative engagement with our stakeholders to achieve measurable conservation outcomes for species, ecological communities and forest landscapes.

1.1 Resources Sourcing and Credibility

Office Depot is committed to source wood fibre based products or paper products from well managed production forests to promote advanced environmental stewardship. This organization will not source forest products from:

- a. Forests or forest product suppliers that do not comply with all relevant national and international legislation relating to the trade in forest products.
- b. High Conservation Value Forests where these are recognized nationally or regionally, unless these forests are progressing towards credible forest certification in a time-bound, stepwise and transparent manner.
- c. Protected areas, Parks or similar areas where harvesting operations are not complimentary to responsible forest management.
- d. Forests which are currently being converted to other land uses, or forests that have been converted since 1994.
- e. Forests which are in areas of armed conflict or civil unrest where there is a direct relationship between the forest products trade and the funding of such conflicts.
- f. Forests where management practices endanger the ecological resilience and long-term sustainability of the natural forest, regardless of the sustainability of the fiber supply.
- g. Forest operations that use genetically modified trees (1) to reforest naturally diverse forest ecosystems, regardless of the sustainability of the fiber supply.
- h. Forest operations that exploit local communities and indigenous people without engaging and involving them as legitimate stakeholders in sustainable forest management.

To achieve this objective we will:

- 1) Give preference to materials sourced from responsibly managed forests, where conservation of forests and dependent biodiversity is a key principle
- 2) Continue to work with stakeholders to increase the distribution, both in number and range, of products containing virgin fiber of responsible managed forestry materials
- 3) Work together with its suppliers and key stakeholders to raise awareness and increase the mutual level of understanding on responsible forestry at all our stakeholders to identify.

To support our commitment to source wood fibre based products or paper products from well managed production forests to promote advanced environmental stewardship, we require the following performance on **information accuracy and validity** concerning our sustainable forest product supply chain over the product life cycle:

- a. **Suppliers** will be required to comply with all relevant national and international legislations relating to the trade in forest products.
- b. **Forest Sources** will require evaluation and verification by an independent third party accredited and certified body [e.g. certification schemes; FSC, PEFC, Blue Angel].
- c. **Suppliers** will be required to maintain, monitor, control and update transparent accurate information which can be provided at any time to Office Depot Europe.

On occasion, it may be necessary to require our supplier to provide additional information where local markets and/or customers have higher demands related to forest products and their total product life cycle information.

(1) Genetically 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.

2 Environmental Values



Office Depot's environmental values are designed to promote and advance environmental stewardship by implementing policies that encourage consideration of the total product life cycle of both forest products and services. Therefore, we will be reviewing & improving where possible in the following areas:

2.1 Recycled Content & Products

Office Depot will work with its stakeholders, both suppliers and customers, 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. We value 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.

We will also work with 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.



2.2 Pollution Reduction

Reducing pollution is key to our environmental values, and Office Depot will encourage its stakeholders to continue to reduce pollution.

For example, we encourage suppliers to phase out use of **elemental chlorine bleaching agents** in the paper making process, and so 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.

End-users and customers are encouraged to install a proper **collection of office paper and other paper products** to increase the total volume of collected paper that can be recycled.

Office Depot encourages its suppliers to either install **renewable energy** generating systems and solutions or source renewable energy in combination with smart controlled **energy efficiency** systems to run their own operations which then reduce their greenhouse gasses.

We also encourage suppliers to install and implement resourceful **water usage** systems and solutions that positively contribute to encourage natural water management to remain balanced forestry water house holding.



3 Issue Awareness and Market Development



As we invest in the sustainability of our business, Office Depot's plan for issue awareness and market development is to communicate, promote and advance sustainable product life cycle forest products and their environmental stewardship by:

- Increasing the general level of knowledge and understanding of environmental issues within our business, 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
- Helping to address the need 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.

- Promote and develop 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.
- Train in close cooperation with our key stakeholders and knowledge providers all relevant stakeholders including our employees and suppliers while providing specific information in our sales channels that will enable our customers and end-users to make informed purchasing decisions.
- Progressively phase out forestry product derived from non-preferred sources as they are identified and alternative sources of supply are secured, and communicate progress on this goal.

- Demonstrates Office Depot's commitment to implement its industry-leading policies on environmental stewardship and the conservation of biodiversity and natural resources via sourcing wood fiber from preferred sources only.

In keeping with our approach of inclusion and consultation for the mutual benefit of the environment and our stakeholders, Office Depot Europe 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 Sustainable Supply Chain and Forest Product Life Cycle.

Goals

Objective	Target	Due date
Number of Sustainable Forestry Products (% or qty.)*	10% Annual	2012
Number of Recycled Forestry Products (% or qty.)*	10% Annual	2012
Number of Forestry Products meeting our Forest Products Procurement Policy	100%	2012
Number of Vendors scrutinized for not meeting our Forest Products Procurement Policy	0	Ongoing
Eliminated number of ECF containing products	0	2012
Installed or sourced percentage Renewable Energy power capacity at Forestry Product vendor sites	>20%	2012
Number of Internal trainings on "Sustainable Forestry and/or Forest Products Procurement"	1 annual training per country	Ongoing
Number of external Marketing Communication activities promoting "Sustainable Forestry and/or Forest Products Procurement"	Country Specific	
Number of BSD Customers sourcing 100% sustainable forestry products	Public 100% Profit >50%	2012
Number of trees planted by 'Trees for Life' foundation	>10% Annual	Ongoing
Sustainable Supply Chain initiatives started that promote Sustainable Forestry and/or Forest Products Procurement. Vendors & Office Depot Europe & Customers	1/y	Ongoing