

Green Grades

A Report Card on the Paper Practices of the Office Supply Sector

This new year it seems like everyone has resolved to reduce their impact on our fragile planet. One way to stick to your resolution is to look for environmental responsibility when making your paper purchases for your home and office. This year, more than ever before, consumers aren't just interested in notebooks and paper. They're looking for environmental responsibility too.

THE [PAPER] INDUSTRY'S ENERGY CONSUMPTION IS THE THIRD HIGHEST IN THE WORLD, BEHIND ONLY THE PETROLEUM AND CHEMICAL INDUSTRIES.

Concern about global warming in particular has skyrocketed—and the paper industry as a whole has a devastating effect on climate change. The industry's energy consumption is the third highest in the world, behind only the petroleum and chemical industries. Deforestation—perhaps the largest single environmental impact of the office supply industry,

given the vast amounts of paper it consumes—accounts for 18% of all greenhouse gas emissions annually.

More responsible environmental practices by the office supply companies can reduce greenhouse gases and deforestation. For example, traditional paper industry practices consume more energy and destroy more forests—thus, generating more greenhouse gases—than responsible practices such as maximizing post-consumer recycled content.

To help reduce the environmental impacts of the office supply industry, including the destruction of Endangered Forests, ForestEthics and Dogwood Alliance have been

1. *Paperloop*, October 18, 2005: "Operating rate jumps for North American market deinked pulp due to higher big office store demand"



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reforming the industry's paper sourcing practices since 2000. Our successful campaigns against Staples and Office Depot resulted in record-high demand at recycled pulp mills by 2005.¹ Still, we know the work doesn't end when a company takes those first difficult steps in response to a campaign. Continual progress requires monitoring benchmarks, pushing for better policies and offering assistance with environmentally sound practices.

We recently conducted a comprehensive survey to determine the current environmental policies and practices of the five major office supply retailers. Based upon the results of that survey, we followed up with each company regarding ways they could improve.

We're pleased to report that this work has led to significant progress by three of the five companies we surveyed. Corporate Express adopted an entirely new environmental policy that, among other advances, calls for shifting their catalog content to 30% post-consumer recycled content. We're also proud to announce that our work with Staples



has resulted in a majority of their paper shifting to sustainable sources certified by the Forest Stewardship Council by 2010.

And, in a striking illustration of how our leverage within the industry can lead to unexpected results, our survey helped FedEx Kinko's protect Endangered Forests. The survey identified a link between the products the company buys and the forest destruction that has put British Columbia's mountain caribou on the verge of extinction. With our support and advice and based on its existing policy, FedEx Kinko's moved quickly to eliminate these products from its inventory, sending a strong signal to the supplier of these products that its customers will not accept any products that endanger the caribou.

Though these three companies have made progress, there are still many areas in which all five companies can and should improve. The following report card summarizes the current policies and practices of each company. For a more detailed analysis, please go to forestethics.org/osreport07.



THE CURRICULUM: FIVE CLASSES OF FOREST PROTECTION

Our findings can be divided into five categories:

Chain-of-Custody (CoC)

To ensure that their paper has been sustainably sourced, companies first need to know where their paper comes from. Surprisingly, most buyers and sellers of paper products have no idea where the raw material in those products originates.

Endangered Forests

Protecting Endangered Forests requires scientific analysis of many factors, including species habitat (especially habitat for endangered species), old-growth characteristics, impact on the surrounding ecosystem, and more. Endangered Forests must be kept off-limits to all logging. Our survey found that while some companies have taken important first steps in creating and implementing policies to reduce impact on Endangered Forests, all five of the

companies we surveyed still have Endangered Forest controversy in their supply chains and still have not adopted all practices required to protect Endangered Forests.

Forest Conversion

After a forest is destroyed through the devastating practice of clearcutting, the destroyed forest is too often replaced with a tree plantation: rows upon rows of identical, usually non-native trees that require vast amounts of water and pesticides, depleting and contaminating water resources and making huge swaths of land inhospitable to native wildlife and tree species. This “forest conversion” is also imposed upon ecologically sensitive grasslands and prairies. All of the companies need to more systematically identify and eliminate from their supply chain products from companies responsible for converting natural ecosystems to tree plantations and other non-forest land uses.

Forest Stewardship Council (FSC) certification

There are many forest certification systems, but the FSC, an independent organization, is the only credible certification program, and thus the only way to ensure sustainable sourcing.

Post-Consumer Recycled (PCR) content

Since making post-consumer recycled content does not require logging, it is one of the most effective ways to protect forests.

The Report Card: Who's Done Their Homework

| Company & Overall Grade | Chain of Custody | Endangered Forests (EFs) | Forest Conversion | Sustainable Management — FSC Certification | Post-Consumer Recycled (PCR) Content |
|---------------------------------------|--|---|---|--|--|
| Corporate Express C+ | Forest source information required from suppliers. Independent verification and review planned, but concerns remain whether it is sufficient to consistently identify EF risks. C+ | Company beginning to review sources per new policy, but in meantime is still sourcing from EFs in Indonesia and US South. C- | New policy requires suppliers to demonstrate no conversion “as a rule.” The company’s FSC preference also implicitly addresses the issue; however, the company still buys from known forest converters. C+ | Preference for FSC products, increasing product offerings, and using FSC paper for catalogs. Goal of 15% purchases for Canadian operations, but no specific goals yet for US and other operations. B | Achieved goals of 30% for internal paper use, catalog and other marketing material, and offering range of PCR papers, but has not set goals for total product line. B- |
| FedEx Kinko’s B+ | Developing improved internal CoC system to cover all paper sources, with EF criteria and informal database on forest areas of concern. B- | Solid EF policy language and strong record of severing connections with known EF sources. Issues remain in US South, but company engaging key suppliers. B+ | Policy prohibits suppliers converting natural forests. FSC preference also implicitly addresses conversion. Still sourcing from supplier linked to conversion in US South, but discussing the issue with the supplier. B- | First company of the five to express preference for FSC over standard certification systems, and one of the two leaders in buying FSC products. Encouraging major suppliers to go FSC. B+ | Meets or exceeds ambitious goals for PCR content. Goals for specific products range from 30 to 100% PCR. B+ |
| Office Depot B- | Has the best internal, third-party verified CoC program. A | Phasing out last remaining Indonesian fiber based on long-standing recognition of concerns there. Unclear whether continuing to move sourcing from Canadian Boreal EFs, but is talking with suppliers. C+ | Only company among the five to eliminate products specifically because of links to forest conversion; still buys from other known forest converters. B | No explicit FSC policy preference or goals. Sourcing 20% of marketing papers from FSC sources. Has limited FSC preference for all papers. Company also increasing other FSC purchases and supporting project to increase FSC production in Southern US. C+ | Has achieved modest goals for PCR content, including 10% content in highest volume copy paper. B |
| OfficeMax D+ | Internal chain of custody system still in development; independent verification planned but not yet implemented. Unclear to what extent their CoC system will track EF issues. C | No clear public commitment to EF protection. Continued sourcing from EFs in Canadian Boreal and US South. D- | States “expectation” — but does not require — that suppliers avoid fiber from forest converters. C | No FSC preference, but working with suppliers and increasing FSC product offerings. C- | Policy goal for average 30% PCR content. No public timeline to achieve goal. C- |
| Staples B+ | Has strong internal CoC program, but it isn’t independently verified, and does not appear to be as robust as Office Depot’s system. B | Has taken important action to terminate sourcing from Indonesian and Canadian Boreal EFs. Also addressing potential environmental concerns with Chinese paper sources and researching other possible EF sources. B+ | Policy does not prohibit conversion. Company is still buying from known conversion sources, though recently dropped others. Has engaged in initiatives to reduce conversion and is increasing FSC certified fiber (FSC prohibits conversion). C | Company buying more FSC product. Recently adopted goal to have the majority of product content be FSC-certified by the end of 2010. A- | Has achieved 30% average of PCR content when all product tonnage is included; new goal is 50% average PCR. A |



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For more information, visit www.forestethics.org or www.dogwoodalliance.org.