

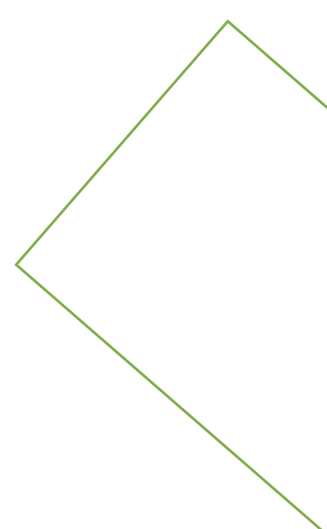


Becoming a difference  
in the supply chain

# We are on an important mission.

We will drive positive changes through  
product assortment and innovation that reduce strain on earth's resources;  
supplier relationships that recognize sustainable products and manufacturing, and environmental commitments and progress;  
customer programs that enable our resellers to be resources for sustainable products and services in their communities;  
resource management in facilities and transportation;  
and an energized culture of commitment throughout the company.

ment we are United in the environment we are United in the environment we are United in the environment we are United



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It is our desire to help resellers make a difference in their communities and in the businesses that they serve. It's the passion of our associates that energizes our culture and incorporates 'eco passion' into everything we do.

— Carol O'Hern,  
Sustainability,  
United Stationers

# 1

Understanding the products

- attributes
  - resource utilization
  - manufacturing processes
- against a backdrop of researching environmental issues

## Choosing Products and Suppliers



### Understanding the Products

What is a greener product? Items are identified that have very **specific attributes** that make them a better choice from an environmental perspective than other products serving the same function. It's important to note that there is no one rule or guideline to follow when defining what green is. Increasingly, the lifecycle of the product is reviewed — from the **resources** used, through manufacturing, actual use, and ultimately disposal.

Depending on the product category, "green" products typically have some of the following attributes:

- Recycled content
- Promotes or aids in recycling
- Energy Efficient
- Non-Toxic
- Biodegradable/ compostable
- Reusable
- Low-to-no VOC or CFC

Many suppliers have corporate sustainability plans, and others are just starting down the path. A variety of tools are used to thoroughly understand attributes of those products that suppliers market as sustainable.

**Surveys** are filled out by all suppliers that indicate their products have green attributes. In addition to explanations for any green claims, suppliers provide recycling content (pre- and post-consumer, and total) and EPA CPG compliance. Third party certifications, **manufacturing processes**, material content, toxicity, and other comments are also noted.

For forest products, the survey expands its reach in certifications, process (e.g., chlorine-free), specific mills and source forests.

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**United Stationers Paper Procurement Policy Supplier Survey**  
 For Products Placed In the Everything For The Workplace (General Line) Catalog

**Instructions:**  
 Please answer each question below and return your completed survey to the primary Category Product Manager you work with at United Stationers.

Consult United Stationers' Paper Procurement Policy, the most current version of which was established in 2010, for context and background.

Your company name: \_\_\_\_\_

**Forest Of Origin**  
 To comply with United Stationers' Paper Procurement Policy (USSCO PPP) wood fiber contained in your products should not be harvested from endangered forest regions or other controversial sources. If not already known to you, United Stationers encourages you to discover the forest(s) of origin for your products. The following questions are intended to gather information about the forest(s) of origin for the wood fiber in your products.

1 If your company has a policy to avoid sourcing, directly or indirectly, from endangered forests or other controversial sources please either type your policy below or provide a copy of it under separate cover.  
 \_\_\_\_\_

2 What information do you require of your suppliers about their wood fiber source(s)?  
 \_\_\_\_\_

3 If your company has a chain-of-custody system for paper products from certified sustainable sources please describe it below and under separate cover provide copies of any certifications that you may have.  
 \_\_\_\_\_

# cont

In addition, all private label products undergo **manufacturing audits**, including reviews of social accountability, quality, and C-TPAT (Customs and Trade Partners against Terrorism), with different questionnaires for each.

As a wholesale distributor, United Stationers also has had a **formal supplier selection program** for all products in distribution, for decades, at least. This program has been enhanced in the past two years to include product lifecycle questions.

United Stationers has had a **formal Supplier Qualification program** for private-branded product for over five years which includes third party audits that question business, social and environmental aspects of the manufacturing facility; resource management and waste streams are part of this review process. Example products selected for private label distribution include remanufactured ink cartridges, and also binders whose waste in manufacturing is used to make garden hoses.

Besides conversations within the supplier community, a **dialog with environmental NGO's** helps in understanding endangered regions or concerns around particular product categories. Then, follow-up conversations with suppliers work toward eliminating controversial sources in the supply chain.

## Developing policies

United Stationers has environmental policies across the business, which establishes commitment, describes product preferences, identifies partners and their roles in the value chain, and guides leading by example in facilities, transportation, and operations.

**Specific policies** relate to the global sourcing of private label, which includes third party audits that question business, social and environmental aspects of the manufacturing facility. Resource management and waste streams are also part of this review process.

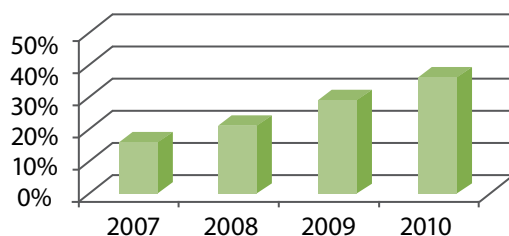
In addition, United Stationers has a **paper procurement policy** which describes the commitment not to purchase from endangered or controversial sources, and further outlines preferences for recycled content, certifications (FSC), and chlorine-free. This paper procurement policy is shared fully with suppliers, and is supported by the supplier survey process which includes these attributes as well as forests of origin (source forests).

Just as important, **sustainability practices** are woven into standard operating procedures, so that conservation of resources is considered in everyday practices. The easiest and relatable example is the standard for printed documents: B/W, duplex, minimum 30% recycled paper stock. But practices are also evident in programs such as sizing for shipments and recycling corrugate and shrink film.

## Tracking progress

Progress speaks through numbers. From a **product perspective**, United Stationers tracks green product sales, green catalog distribution (print and electronic), and green products (sku count).

Green Product as % of Products in Everything



## Market Snapshot

Current penetration of Office Products with Green attributes is plus 30%

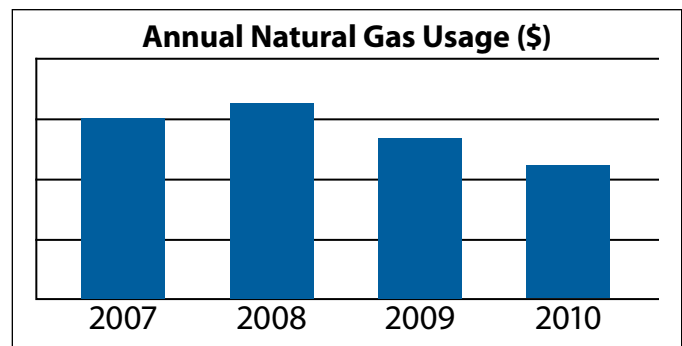
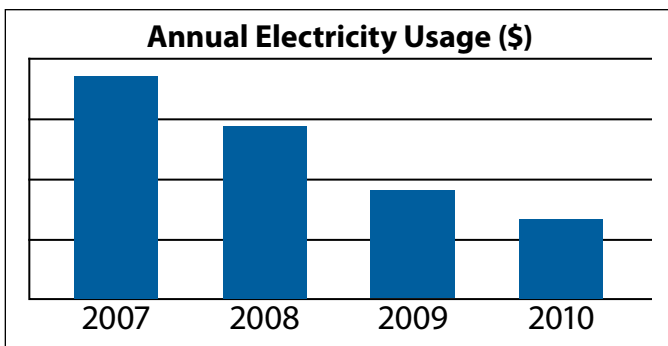


# Managing resources

Energy consumption reduction comes of age

**United Stationers** has developed an **internal tracking system** for monitoring use of resources, ie. fuel, electricity, natural gas, and water consumption; the associated greenhouse gases from each are separately tracked, and then summarized for an overall view. Operational metrics are selected that can be measured, maintained across time and are critical to the United Stationers value-chain, so that sustainability is integrated into business planning.

**Reduction plans** have been incorporated into operations plans for at least the past four years, and while targets have been aggressive, they have been met.



## Projects

Projects are piloted at the local and regional level, and then rolled out across facilities. Lighting retrofits and conveyor sensors showed a number of positive benefits, and have been implemented across almost 30% of distribution facilities.



Photo courtesy of Orion Energy Systems Inc.



**Lighting retrofits** kits replace inefficient lighting in existing strip fixtures. As of early 2011, lighting retrofits alone annually save 19.8 million kWh, 13,100 tons CO<sub>2</sub>, 52 tons SO<sub>2</sub>, and 19 tons NO<sub>x</sub>; this is the environmental equivalent of planting 3,633 acres of trees and removing 3,198 cars from the road.

**Motion sensors** control office and warehouse lights, and control sensors automate off/on so conveyors do not have to run when there isn't any activity. These result in energy savings, and conveyor sensors also offer reduced wear-and-tear on parts and a quieter work environment.

## Recycling

**Corrugate** is an everyday part of distribution, but is being kept out of landfills through rigorous recycling programs across facilities. Multiple facilities are also utilizing balers to recycle **shrink film**, and encouraging reseller participation.



Link 360 is United Stationer's **laser and ink cartridge recycling program**, which has been designed to be effortless for both resellers and customers. Customers place empty laser, fax, ink and copy cartridges in original boxes, then into the Link360 recycling container. When full, the container is sealed and shipped back to a United Stationers designated location for handling.

## Pilots



The year 2010 brought the first state-of-the-art LEED (Leadership in Energy and Environmental Design), **Silver-certified distribution facility**. This new facility was built to improve energy efficiency, water efficiency, and indoor air quality, and reduce CO<sub>2</sub> emissions.

Current pilots underway in United Stationers operations primarily focus on renewable resources, and include daylighting and solar. **Daylighting** is the process of using refractive tubing to bring natural daylight into interior workspaces.



The United Stationers **solar** pilot is a rooftop application. Once complete, the impact of solar could be significant, providing up to 90% of electrical needs at a single facility.

**Fast-charge** is also being piloted. The fast-charge system of batteries and charging station, enable facility forklifts to charge in as little as 1/3 the time of standard charging.

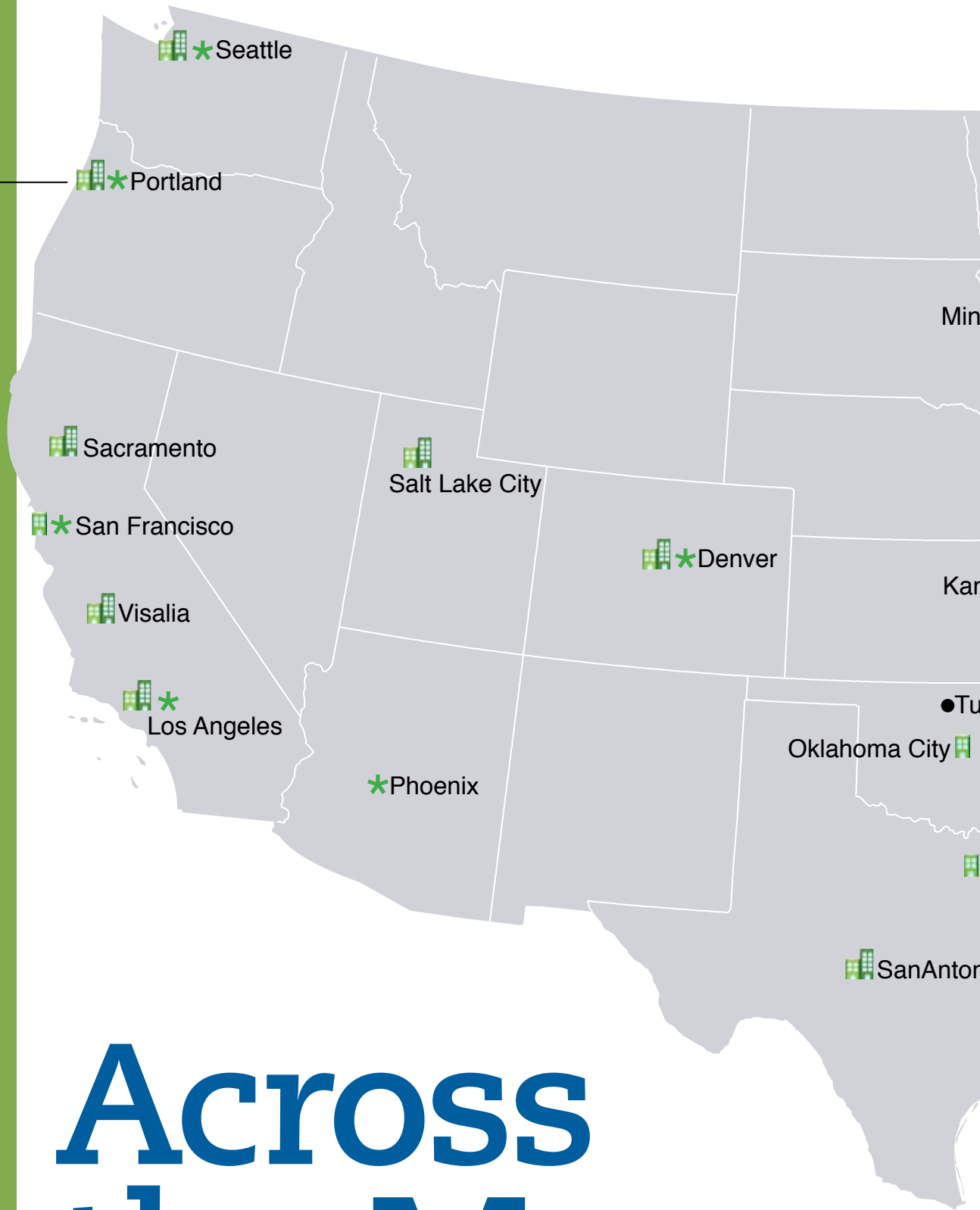
The **Electronics recycling pilot program** takes back used electronics for responsible disposal is also a pilot program.



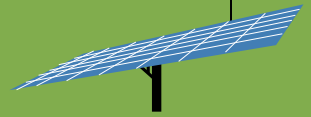
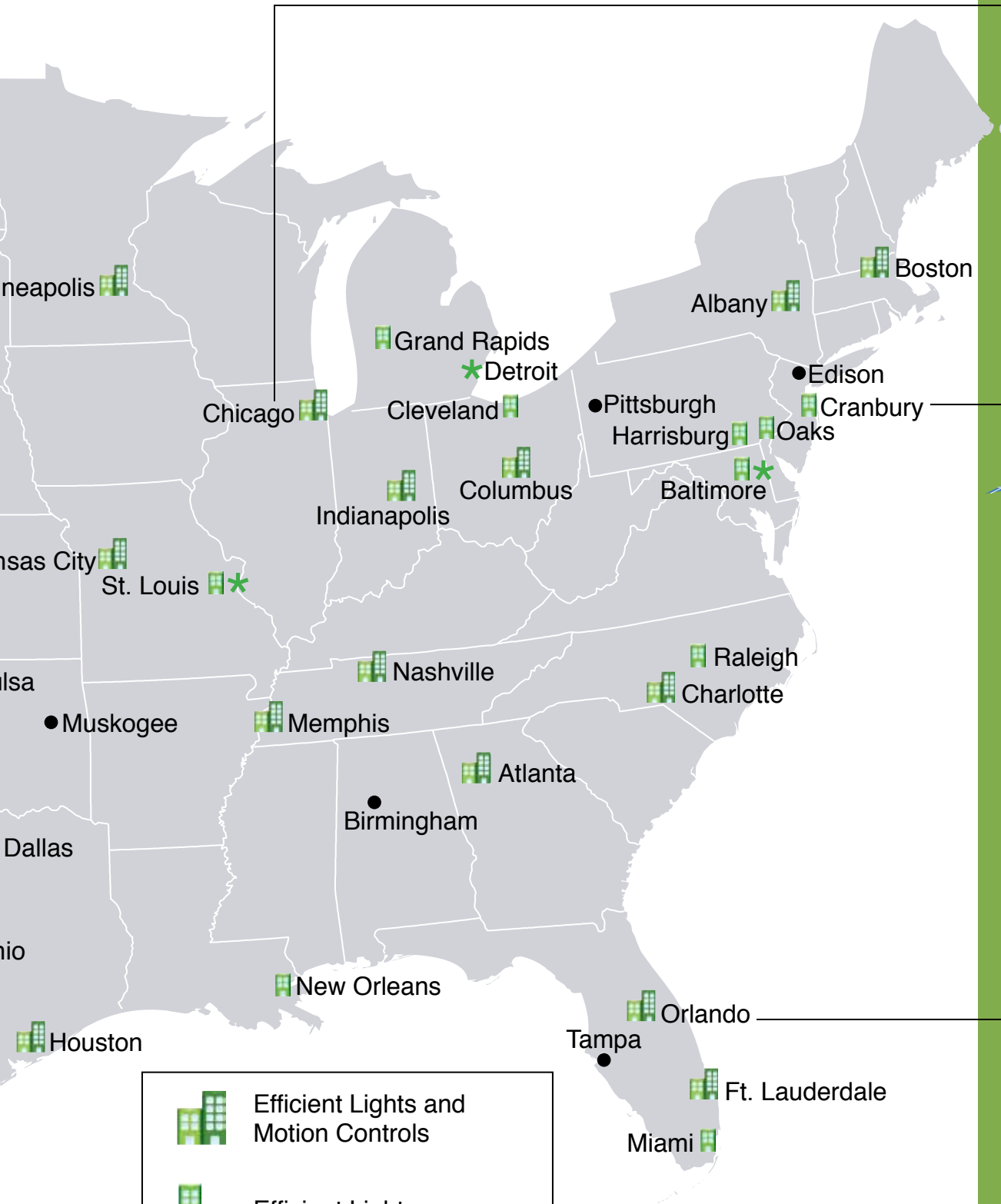
Photo courtesy of PanelClaw Inc.



Leadership in  
Energy and  
Environmental  
Design



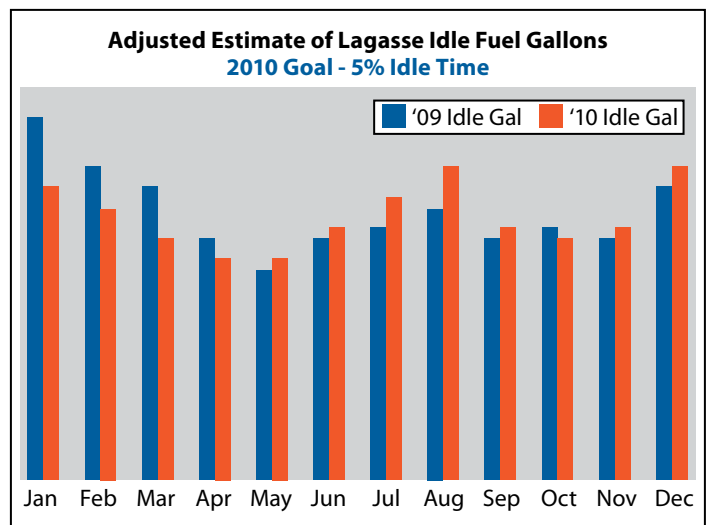
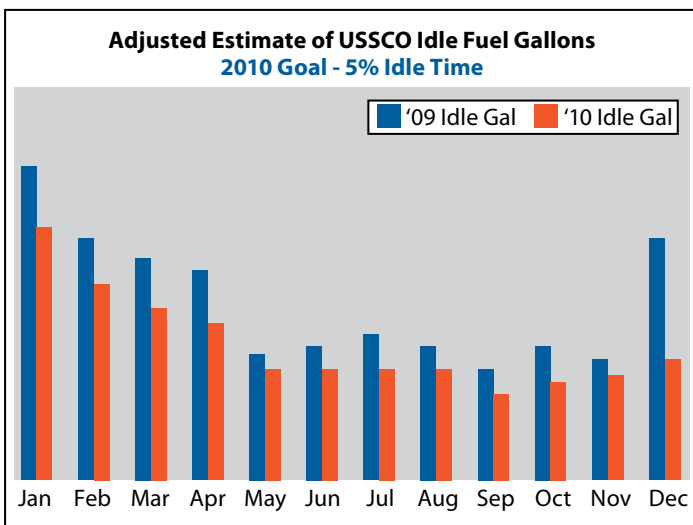
# Across the Map



Solar  
Powered  
Facility

Fast Charge

**F**uel consumption is directly tied to carbon emissions, so the primary focus in fleet management is to address greenhouse gases by monitoring and reducing fuel burned. At the heart of fuel usage, is idling time, which refers to any period when a truck engine is running but the truck is not moving. Idle gallons are tracked across the business and compared across time. Industry average for idling time moved from 35% to 18% in the past decade. United Stationers has moved idling time from industry-average, to an industry-leading rate as low as 5%.





## United Stationers

uses **onboard computers** to track idle time, test reduction options, and find regional solutions to reduce idling time that can be rolled out across the country. Recent investments in technology have enabled a more granular look at the data, to drill down further and track MPG's by driver and truck type. This helps in analyzing and ultimately mapping routes that reduce fuel consumption that are more efficient, with the added benefit of expedited deliveries.

**Additional datapoints** also enable business, facility and driver comparisons. Ranking reports show that reduced idling time is not a phenomenon of a particular geography. The top performers for 2010 are listed below.

USSCO	
	Los Angeles
	Baltimore
	Portland
	Phoenix
	Seattle

Lagasse	
	San Francisco
	Detroit
	St Louis
	Denver
	Los Angeles

**Behavioral programs** have also been effective at reducing idling time. An example of this is the Safety Awareness program that targets drivers, which recommends "keys out for safety" when the vehicle is stopped. To enable "keys out" engines must be off, which reinforces idling time messaging.



United Stationers also participates in the EPA SmartWay program. The EPA believes that the quality of the environment is everyone's responsibility; therefore, **SmartWay** is positioned as a personal

choice that can make a difference for the environment. In its simplest form, the SmartWay brand identifies products and services that reduce transportation-related emissions. However, the impact of the brand is much greater. The use of the SmartWay brand signifies United Stationers partnership among government, business and consumers to protect the environment, reduce fuel consumption, and improve air quality for future generations.

United Stationers is an EPA SmartWay partner as both shipper and carrier, so resellers who utilize United Stationers have environmentally-focused transportation in their supply chain. United Stationers is an EPA SmartWay Partner for the third year, with a combined shipper/carrier score of .75.

### Pilots

In addition to rolling out fleet idling reduction programs, other impacts on miles per gallon are being reviewed. One pilot involves special **trailer side skirts** and **wind-reducing mud-flaps**, that could improve truck miles per gallon. Another pilot involves the use of **hybrid vehicles**.

# W



## Wicked Awesome Shoes

Each year around Earth Day, United Stationers associates reach into their closets and donate family shoes to nonprofit organizations and Nike. A natural extension of both giving and recycling, Wicked Awesome Shoes generates thousands of shoes for needy adults and children. Unusable shoes are donated to Nike's Reuse-a-Shoe program, to grind up for basketball and other sports surfaces.

## Food Banks

In addition to local food drives, United Stationers piloted a program to provide soon-to-be-expired food items to the local food bank. Part of the standard operating practices, food items are pulled from inventory prior to expiration or sell-dates, palletized, and distributed locally. Typically in distribution these items might be part of the waste stream, but earlier attention to dates means the product can provide real benefit to those in need.

## At United Stationers we value...

### People

We give back by being of service to others at work and in our communities. We believe in providing all of our associates with a safe work environment and the opportunity to grow and to achieve their goals. We also believe that it is important for our associates to appropriately balance their work and personal commitments.

### Respect and Dignity

All associates earn respect by treating others as they would wish to be treated themselves. We give and receive feedback with consideration for the feelings of others. We value differences amongst ourselves and respect the personal dimensions of all associates. We believe that everyone has valuable ideas and opinions and can make important contributions to the company. Everyone has something to learn. Everyone has something to teach.

### Honesty and Integrity

We believe that there is never a right way to do a wrong thing. We work to build relationships in an environment of openness and trust. We share our ideas and encourage the ideas of others.

### Quality and Continuous Improvement

We embrace change and continuous improvement in our systems, processes, and competencies. We share best practices across the Company. Through effective goal setting and problem solving, we learn better ways to provide exceptional results to our stakeholders. We believe in always doing our best. We then look for ways to make our best even better.

### Customers

We believe in always giving customers what they expect and, whenever possible, trying to deliver service they only dream about.

### Teamwork

We believe in power of teamwork. We are team players and team builders. We encourage and expect all associates to participate in teams as a fundamental condition of how we get our work done. We believe we're all in this together and want "United" to be more than just our name.

### Accountability

We all take ownership for contributing to the Company's success. We are accountable to our stakeholders for results and we are personally accountable to each other for keeping promises and commitments.



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