Staples/PSI/EPA
Plug Into
eCycling Pilot

Retailer Conference Call
October 20, 2005

Pilot Goal & Objectives

- Share responsibility for recycling products that Staples sells.

- Create a sustainable business model for long-term electronics collection and recycling.

- Test reverse distribution for collecting electronics.

- Measure cost effectiveness, logical efficiencies, and customer response to the designed collection system.

- Determine if and how program could be rolled out nationwide.

Why did Staples Initiate Project?

- Fit with business model to provide collection service for products they sell:
  - Toner cartridges
  - Rechargeable batteries
  - Cell phones
  - Computer equipment

- Customer service/business opportunity

- Distinguished Staples brand/loyalty

Program Design

- 27 *retail* stores in 5 New England states

- 14 *commercial* clients in 3 New England states

- May 29 – July 11, 2004 (6 weeks)

- Accepted electronics are computers (including all components), printers, scanners, fax machines and desktop copiers

- Recycling free to customers

- Minimum publicity – ramp up over time

Retail Collection
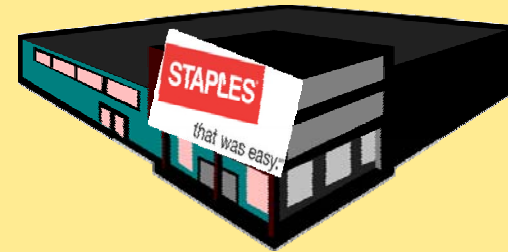
1. Home Customer
2. Retail Store
3. Distribution Center (CT)
4. Envirocycle (PA)
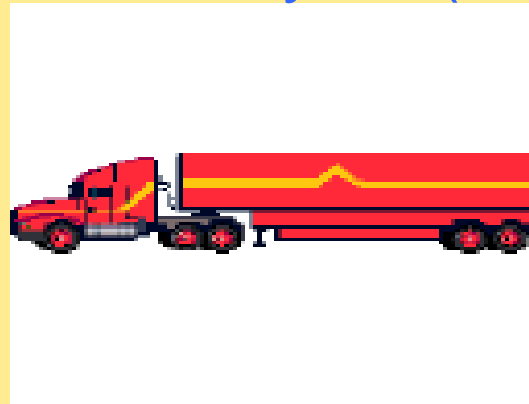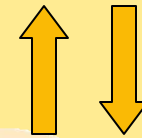
Retail Collection

- Customers bring used electronics to one of 27 stores in pilot area

- Customers place electronics into gaylord box and fill out data form

- Electronics treated as returned product
  - packaged and backhauled on Staples trucks to DC and then to recycler

- NO Cost to recycle.

Commercial Client Collection

1. Corporate Client
2. Transportation Hub
3. Fulfillment Center (CT)
4. Recycler (PA)

Commercial Client Collection

- 18 businesses selected to participate
  - Large and small
  - Hi-tech users and those not technology driven
  - Willing to test service
- Electronics recycling service ordered with other purchases (no charge for recycling)
- Electronics picked up when delivery was made or special collection – scheduled pickups
- No Cost involved

Value to Staples

- Reinforces commitment to sustainable business development

- Extends environmental footprint

- Extends environmental responsibility both up and down the supply chain

- Build long term equity in Staples brand

Lessons Learned: Retail Collection

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- Program was logistically feasible

- Program was successful

- 65% of surveyed Staples' customers were willing to pay for computer recycling

- Many computer brands returned from non-participating companies

- Expect business equipment at retail collection

- More local publicity more equipment collected

Next Steps

- Staples has interest in expanding program.

- Staples began ongoing program in 14 Seattle area stores in fall 2005.

- Staples evaluating other markets.

- Staples evaluating continuing the commercial collection program in specific markets.

Recommendations for Retail Collections

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- Staples pilot as ONE part of comprehensive collection/recycling infrastructure.

- Treat used computers like a return.

- Charge a recycling fee until national financing system developed – size it to account for full recycling cost (no manufacture reliance).

- Enhance data security to allow for reuse

- Seek standardized regulatory requirements

- Ongoing Program Promotion

Is the Project Transferable?

- Shows viability to use existing retail infrastructure for collections.

- One part of comprehensive system.

- Reduces pressure on government to be sole collection point.

- Added convenience to consumers.

- More reuse and recycling potential.

- There is a cost!

Project Results

Partnerships and Roles

Contact Information

Costs by Phase and Funding Sources

Who Paid	Project Phase	Cost
U.S. EPA	Project Implementation/Evaluation	$46,541
Staples	Project Design	$17,000
	Handling/Collection – Retail (northeast region)	**$1,870**
	Transportation to DC and Envirocycle (northeast region)	**$11,355**
	Delivery of Pallets – Commercial (northeast region)	**$72**
	Pallet Pick Up/Delivery To FC and Envirocycle – Commercial (northeast region)	**$1,044**
	Promotion, Staff training, Administrative Staff	$7,030
Manufacturers	**Recycling**	**$8,520***
TOTAL COST		**$93,432**
	• Envirocyble's costs for this pilot project (7.4 cents per pound, on average) were approximately one-third the market rate (about 20 cents per pound). **Bolded** items have been used to calculate the cost per pound.	

Collection Summary All Equipment

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Product	Number Of Units	Pounds	Cost*
Computer Monitors	1,642	62,396	$6,568.00
CPUs	1,076	24,748	$0
Small Peripherals	649	10,386	$727.00
Printers/MFDs/Fax/Desktop Copiers/Scanners	1,089	8,843	$619.01
Laptops	66	987	$69.09
SUBTOTAL — COMPUTER EQUIPMENT	*4,522*	*107,360*	*$7,983.10*
Audio/Visual Equipment	645	4,516	$316.12
Other	90	3,152	$220.64
TOTAL – ALL EQUIPMENT $4.00/monitor; no charge for CPUs; $.07/pound for all other products	**5,257**	**115,028**	**$8,519.86***

Pilot Project Partnership

- Apple

- Brother

- Dell

- Epson

- HP

- Intel

- Lexmark

- Panasonic

- Sharp

- Sony

❖ Signed MOU with Staples

❖ Paid for recycling costs – their product and portion of non-participants

Pilot Project Partnership

- State environmental agencies
  - Connecticut
  - Maine
  - Massachusetts
  - New Hampshire
  - Rhode Island

- Local government agencies

Pilot Project Partnership

- Staples
  - ❑ Covered project design costs.
  - ❑ Covered collection, transportation, and promotion costs.

- U.S. EPA
  - ❑ Innovations grant to PSI – covered implementation costs
  - ❑ Part of Plug Into eCycling Pilot Projects
  - ❑ Promotion/publicity

- Envirocycle
  - ❑ Recycler
  - ❑ Charged below-market processing cost

PSI Role in Pilot

- Designed pilot project

- Tracked implementation

- Assisted in data collection, analysis, and reporting

- Evaluated pilot

- Made recommendations for national program expansion

Project Contacts

Scott Cassel

PSI Executive Director

617-236-4855 scott@productstewardship.us

Mark Buckley

Vice President Environmental Affairs, Staples, Inc.

508-253-0510 Mark.buckley@staples.com

Christine Beling

US Environmental Protection Agency-New England

617-918-1792 Beling.christine@epa.gov

www.productstewardship.us/pilot_takeback_staples.htm