



## CORPORATE RESPONSIBILITY

From our policies and procedures to our corporate values and charitable contributions, it is our ethics and our sense of corporate responsibility that define Follett as an organization. We are proud of the values that have guided us through our nearly 140 year history, and we are confident that they will continue to guide us as we look towards a sustainable future.

### FOLLETT VALUES

The Follett Values are the foundation of everything that we do. Follett Values drive the way we do business, shape the way we work, and define us as a company. These values are a constant reminder of the importance of our customers and our associates, and the teamwork, accountability and integrity that we expect of each and every associate.

Follett Values are defined as follows:

-  **We value CUSTOMERS** and recognize associates who demonstrate a passion for exceeding customer expectations and are proactive, approachable and responsive in their relationships with both external and internal customers.
-  **We value TEAMWORK** and reward associates that are cooperative, committed to common goals and respectful of their colleagues.
-  **We value INTEGRITY** and require that all associates be honest, ethical and trustworthy.
-  **We value ACCOUNTABILITY** and expect associates to be responsible for their actions and to follow through on commitments.
-  **We value INNOVATION** and encourage associates to be open-minded, creative, solution oriented and prudent risk takers.
-  **We value EACH AND EVERY ASSOCIATE** and demonstrate this by communicating openly and honestly with associates, respecting the ideas and opinions of associates, supporting learning and growth, recognizing achievements, and providing competitive compensation and benefits

## **ETHICAL VENDOR POLICIES**

We know it's not enough to simply talk about one's values- they must be demonstrated. That's why we were the first academic retailer to develop strict guidelines for the vendors that we do business with. And, it's why you can be sure that we buy only from officially licensed vendors.

In 1995, Follett became the first academic retailer to develop standards for fair labor practices in the manufacture of collegiate products. In doing so, we assumed a leadership position on the issue of child and sweatshop labor. Partnering with Global Social Compliance, Follett monitors factories to ensure that no child or sweatshop labor is used to make products sold in our stores.

Follett purchases only from reputable and responsible vendors that meet or exceed our strict Vendor Labor Code of Conduct.

- Our vendors must certify in writing that they are in compliance with our Code.
- Merchandise that is not manufactured according to our Code will be removed from sale. Vendors who do not comply with our Code risk termination as a source.
- Any Follett buyer who knowingly purchases products from vendors that do not meet our Code will be disciplined or terminated.

It's impossible for a company working alone to ensure compliance. That's why we've engaged Global Social Compliance to independently audit manufacturing plants. In addition, we review reports from human rights organizations, labor groups, religious organizations, and governments that provide monitoring data. We realize that supporting fair labor practices is an issue of great importance to our campus partners and our customers. More than that, it's simply the right thing to do.



## CAMPUS & COMMUNITY CONTRIBUTIONS

In addition to our Follett Values and our Vendor Code of Conduct, we try to give back to the community- whether that community surrounds an institution we serve, is an American city wracked by natural disaster, or is located halfway around the world.

We strive to set an example for our associates by reaching out to our local, national, global, and professional communities. Our support of education, however, is not limited to local markets. We understand that education is global and have responded accordingly. For example:

- Follett recently raised \$175,000 for tsunami relief through the generosity of the students and faculty on the campuses we serve. 100% of these donations were sent to the American Red Cross International Response Fund to aid those affected by this tragedy.
- Follett donates nearly \$1,000,000 annually to provide scholarships at many of the campuses on which we serve.
- We routinely donate merchandise to campus organizations and charities.
- We frequently become involved in local activities, such as hosting readings to school children during Children's Book Week, organizing holiday drives to distribute items to local families in need, and much more.
- The Follett family funds a scholarship program for the children of Follett associates.
- In the Chicago area, where we are headquartered, we routinely use talent provided by the Ray Graham Association for People with Disabilities.
- We strongly support the United Way.
- Follett annually donates more than 100,000 textbooks to developing countries in Asia through the "Bridge to Asia" program.
- We were the first company in our industry to draft and implement a Vendor Labor Code of Conduct that prohibits the sale of sweatshop and child labor-made merchandise.

- We are an associate member of EDUCOM, which spearheads research into computer applications for colleges and universities.
- We maintain memberships with almost every higher education association.

## **SUSTAINABILITY**

Our commitment to corporate responsibility also includes our shared responsibility for the environment and a commitment to sustainable practices. The concept of sustainability is often defined as meeting the needs of the present without compromising the ability of future generations to meet their own needs. Follett is committed to both understanding and implementing sustainable practices in the bookstore we serve.

What does sustainability mean for Follett? When you operate more than 750 bookstores, doing little things can quickly add up to a big impact.

### **Energy**

We consider energy part of our value chain- managing it strengthens our bottom line as an organization. But paying close attention to the energy we consume- and how we consume it- is about more than our bottom line. It's about ensuring a sustainable tomorrow. With that in mind, Follett evaluated every organization within our corporate family in order to develop standards and best practices that will ensure we are acting as responsible stewards of the environment.

Our organizational goals are to not only find the right suppliers at the right price, but to reduce our total energy consumption across our entire organization in order to conserve natural resources. Currently, a 5% reduction in energy consumption per year is our target goal. These policies encompass not only the bookstores we serve, but our corporate facilities as well.

### **Shipping Cartons**

As you can imagine, when you ship nearly 20 million textbooks annually, you use a lot of shipping cartons. At Follett we have addressed our use of shipping cartons in two ways: First, we use only cartons that have 35% post-consumer recycled content for every shipment. Second, not only are our cartons made from recycled materials, we take great pains to recycle the carton ourselves. For example, when we conduct book buybacks, we send cartons to the bookstores we serve. When these cartons are returned to our River Grove warehouse, full of textbooks, we reuse them. We employ disabled adults through an organization called El Valor, which is focused on the needs of the disabled, disenfranchised and the underserved. At El Valor, our returned shipping cartons are broken down, turned inside-out and re-

assembled. They are then sent back to our warehouse where we use them again before ultimately recycling them. Sometimes, we receive cartons which cannot be re-used. We then shred these cartons and use them in lieu of Styrofoam peanuts as packing material for our outbound textbook shipments.

## **Flooring**

In every bookstore we renovate, we use Nexterra™ carpet backing. Nexterra is an industry-leading, high-performance PET backing made from 35% post-consumer content recycled water and soda bottles with an additional 50% from post-consumer recycled glass. The result? Each 24" x 24" tile saves ten 16-ounce bottles from the landfill. Even better, Nexterra tiles are themselves recyclable.

## **Lighting**

Follett has implemented T5 fluorescent lighting wherever applicable in the college stores we serve. T5 fluorescent lighting represents the very latest in lighting technology, delivering up to 33% in energy savings versus the traditional lighting. Because the T5 is smaller, it requires less glass, steel and phosphor to produce. The T5 meets stringent environmental regulations such as California's Title 24, ASHRAE 90.1 and IECC.

## **Construction Materials**

Follett uses Woodstalk™ Fiberboard, which is made from wheat straw using polyurethane resin as a binder instead of the formaldehyde typically found in similar products. The result is that formaldehyde emissions are cut by as much as 97%. The wheat straw itself is a reclaimed resource- if it were not used in Woodstalk™ Fiberboard, the straw would have likely been burned, adding greenhouse gases like carbon monoxide to the atmosphere.

Woodstalk™ Fiberboard has received LEED (Leadership in Energy and Environmental Design) credits from the U.S. Green Building Council in the following categories:

- IEQ 4.4 and 4.5: Low-emitting materials
- MR Credit 4.1 and 4.2: Recycled content
- MR Credit 5.1 and 5.2: Local/regional materials
- MR Credit 6: Rapidly renewable materials
- De Credit 1.1: Innovation in design

## **Campus Participation & Support**

In addition to ensuring that our facilities and policies are as "green" as possible, Follett participates in campus groups which are focused on

sustainability. For example, at the University of Florida, our bookstore manager is an active participant in the UF Zero Waste Task Force, which was implemented by the university's Sustainability Committee.

The task force has implemented a number of initiatives, including:

## **Course Textbook Recycling Initiative**

- Goal:
  - Reusing textbooks is an excellent way to contribute to sustainability on college campuses. One of the goals of the Task Force is to increase the numbers of course textbooks that are sold as used copies for the University of Florida.
  
- Actions:
  - Develop plan to provide online information and utilize other mass media sources to explain the benefits of recycling used textbooks.
  - Form advisory groups consisting of academic department staff, faculty, and students to suggest changes to current Textbook Adoptions website which provides textbook information for public access.
  - Increase the sale of used titles
  - The publication of required course textbooks and other related materials should achieve a 100% participation rate at least 45 days prior to the beginning of classes and a 90% rate 60 days prior.
  - Increase the recycling of used textbooks

## **Green Textbook Initiative**

- Goal:
  - Increase the number of educational publishers that use 30% post-consumer recycled content.
  
- Actions:
  - Develop a plan to educate instructors.
  - Provide information on various web sites to assist instructors and bookstores as to which publishers are participating in the Green Textbook Initiative through Green Press.
  - Reduce the consumption of virgin paper stock by increasing the use of post-consumer recycled paper by adopting the Green Textbook Initiative.