

## **Microsoft Phases Out PVC From Its Packaging**

**The company already has eliminated more than 350,000 pounds of PVC in favor of more eco-friendly alternatives and will be PVC-free by year's end.**

**REDMOND, Washington, Dec. 7, 2005** – Those PVC clamshell packs that protect new copies of Microsoft Office Excel, PowerPoint, Word and other products fall short when it comes to protecting the environment and human health. That's why Microsoft is phasing out the popular but potentially hazardous PVC in favor of more eco-friendly alternatives.

Microsoft today announced it will complete its phase out of packaging made of PVC (polyvinyl chloride or vinyl) by the end of 2005 – a move the company took with the help of partners such as the Center for Health, Environment and Justice (CHEJ). To learn more about the PVC phase-out and its significance, PressPass spoke with **Jay Watts**, senior manager of the package engineering management team at Microsoft; **Joan Krajewski**, Microsoft's environmental attorney, and **Lois Gibbs**, executive director for Falls Church, Va.-based CHEJ.

### **PressPass: What exactly is Microsoft announcing today?**

**Krajewski:** We are announcing that we will completely eliminate PVC from our packaging by Dec. 31. This effort began in 2003 when a few of our customers brought their PVC concerns to our attention through letters to the company. In addition, we knew that countries other than the United States had begun to evaluate the use of PVC in consumer packaging and had developed concerns about it. As Microsoft began evaluating the issue, we decided in 2003 that removing PVC was the right thing to do, especially since at that time there were viable alternatives.



**Lois Gibbs, Executive Director, Center for Health, Environment and Justice; Falls Church, Va.**

### **PressPass: What are some of the dangers associated with PVC?**

**Gibbs:** PVC – a combination of plastic and chlorine that we call the poisonous plastic – is the worst plastic from an environmental health perspective. It's dangerous throughout its entire life cycle of production, use and disposal. When produced or burned, it releases dioxins, which are the most potent synthetic chemicals ever tested and can cause cancer and harm the immune and reproductive systems. Studies have shown plasticizers such as phthalates have migrated out of PVC consumer products, exposing people to toxic additives linked to reproductive defects and other health problems. PVC cannot be effectively recycled due to the many toxic additives used to soften or stabilize it which can contaminate the recycling batch. There are many safer

alternatives to PVC, such as a plastic without chlorine called PET that's commonly used in recyclable milk cartons and soda bottles.

**PressPass: How has Microsoft removed PVC from its packaging?**

**Watts:** A lot of preparation went into carrying out the decision. In 2004, we began a project to eliminate PVC from our clamshell packaging – that's the protective packaging used for some Windows and Office products, for instance. Then in 2005, we began partnering with CHEJ. As part of the project, we contacted our channel partners and requested that they not rebundle our products using PVC packaging. We were successful in that effort because we were able to eliminate clamshells altogether – not just the PVC but the clamshell itself – from 60 percent to 70 percent of our packaging, so no substitution was needed at all. We also designed packaging for our new products and new packaging designs that did not include PVC. As to the remaining percentage of our packaging, we replaced the PVC with PET in 2005. Beginning Jan. 1, 2006, at least 25 percent of the PET content will be recycled PET. So this project has progressed on several different fronts.

The reason we were using plastic to begin with was because we wanted our products to be seen on the shelves. If you think about our hardware – for instance, our mice – we wanted people to be able to see and almost touch it. For our hardware and software packaging, it was also a matter of security and providing some type of theft prevention to our retail partners. After talking internally and externally with various suppliers, and looking at cost and lead times and material supplies, we concluded that PET was the best global solution for what we were trying to accomplish from an engineering and merchandising perspective. The benefits outweigh the extra cost.

**PressPass: What is the significance of Microsoft's taking this action?**

**Krajewski:** Microsoft works with the major retailers in the country, so when we say we contacted our channel partners and asked that they not use PVC packaging on our products, it's very significant. That heightens their awareness, too, and some of these channel partners have initiated storewide programs to remove PVC as well. We estimate that we have already eliminated 361,000 pounds [approx. 164,000 kilograms] of PVC packaging since July 2005, and based on our historical product shipments, we anticipate that we will eliminate 1.6 million pounds [3.5 million kilograms] of PVC over the next two years, so it's really quite significant.

**Gibbs:** A decision by a major corporate leader like Microsoft to phase out PVC sets the bar for other corporations. That's really important and we're very excited about it. Also, in asking the big-box retailers not to use PVC in repackaging its products, Microsoft went a step further than they had to, because they really wanted to do the right thing throughout the whole lifecycle of their product, and this is helping us to educate these other corporations and hopefully move them in the same direction as Microsoft. It's a huge help.

**PressPass: What is the role of CHEJ in this announcement?**

**Gibbs:** CHEJ coordinates BE SAFE, which is a national coalition of groups working to convince governments and corporations that there are safer alternatives to products like PVC. Most corporations and to a certain extent governments look at managing products and risk by determining how much harm human health and the environment can *tolerate*. BE SAFE asks instead how much harm can we *avoid*. In moving away from PVC, we can avoid an awful lot of harm. When we contacted Microsoft, they were excited to be in dialogue with us because they

wanted to understand the problems of PVC in more depth and to explore with us the potential solutions that they could use.

**Krajewski:** We began partnering with CHEJ around December 2004, at a time when we were already thinking philosophically about this issue. CHEJ was extremely helpful in supporting our efforts to contact our channel partners and request that they not use PVC in rebundling our products. It was very helpful for us from the standpoint that they work with other entities and industries that are also aware of this issue, so that we didn't consider ourselves a stand-alone industry. We have been communicating with CHEJ regularly, letting them know about our progress and letting them know where our thoughts were as far as other types of packaging that we might look at beyond PET. It has been a very fruitful relationship.

**PressPass: Is Microsoft looking at any other alternative packaging materials?**

**Watts:** Yes, our sustainability efforts include more than eliminating PVC. We are still looking at and we have plans to test biodegradable PET alternatives, such as packaging made of cornstarch, sugar and vegetable oils. We also participate in industry groups that specifically address sustainability issues, such as the Sustainable Packaging Coalition – an industry working group committed to encouraging a sustainable flow of packaging materials. We also use alternatives to PET such as corrugated cardboard, plastic-type packaging used on the Xbox 360, and we have put into place requirements for recyclable content in our paper packaging.

**PressPass: What other efforts has Microsoft made to be eco-friendly?**

**Krajewski:** Since we are a global company, we address these sustainability commitments on a lot of different fronts, so I'll only cover some of them here. We have corporate procedures that conserve environmental resources at our facilities and in our products, packaging and supplier operations. And we follow strict policies to ensure that we remain in full compliance with international environmental regulations as well as the specific environmental requirements of each country where we do business. Our environmental program focuses on three main areas:

**Recycling and Conservation.** Microsoft reduces waste and conserves resources at our facilities, recycling a daily average of 24 tons [21.7 metric tons] of material from glass, plastic and aluminum to cardboard, paper and copper wire cabling. We also work with a contractor to recycle our old PCs, monitors, servers and other surplus technology, ensuring that our surplus equipment is recovered or recycled at an environmentally compliant facility. In addition, we participate in programs throughout the world that refurbish thousands of PCs every year and donate them to schools and nongovernmental organizations (NGOs).

In April, Microsoft announced plans to expand the Microsoft Authorized Refurbisher (MAR) program. Previously available only to nonprofit refurbishers in the United States, Europe, the Middle East, Africa and Australia, the program was expanded in 2005 to allow participating governments and commercial refurbishers worldwide to reinstall Microsoft Windows98 and Windows 2000 operating systems onto donated used PCs destined for schools, charities and nonprofit organizations.

- We support the agenda of the U.S. Green Building Council Leadership in Energy and Environmental Design (LEED) program and have certified existing facilities at our U.S. headquarters under the LEED EB (existing building) program. In general, our new buildings use 10 to 15 percent less energy than comparable buildings due to the use of advanced HVAC

and lighting system technologies. We have also committed to follow the USGBC's LEED energy and sustainability guidelines in the design of our new facilities.

- Sixty-four percent of the Microsoft marketing materials produced in the United States are printed on coated products containing a minimum of 10 percent recycled content. Books published by our Microsoft Press division, with the exception of titles that are digitally printed on demand, are printed on paper stock containing 30 percent recycled content. Paper used in our U.S. headquarters copy machines and printers (8.7 million impressions per month) contains 35 percent recycled content.

**Improving Air Quality.** At our corporate headquarters in the U. S., we have organized internal campaigns to encourage employees to use non-Single Occupant Vehicle (SOV) commuting. We provide employee subsidies and education to promote the use of car pools and van pools, offer a public transportation pass to employees and provide shuttle services to employees who need to move around our corporate campus during their workday. This year, we were recognized by the U.S. Environmental Protection Agency as being among the top five of Fortune 500 companies with respect to meeting a National Standard of Excellence for our role in offering Microsoft employees commuter benefits that reduce fuel consumption, vehicle emissions and traffic congestion across the country.

**Products and Packaging.** We design our software and hardware products to comply with worldwide environmental regulations. We use no heavy metals, such as lead and cadmium, in packaging or plastics for any Microsoft products, and we restrict the use of toxic substances in our manufacturing operations. Microsoft contracts for manufacturing throughout the world, and we require that our vendors abide by the applicable environmental laws and follow good environmental practices that reflect the spirit of those laws. In addition, we design our hardware and software packaging to reduce environmental impact, avoiding the use of standard plastic shrink-wrap on our product packages and manuals. We promote the use of compact discs (CDs) and Web-based downloads for computer programs, and whenever possible we use online instructions in place of paper manuals. We also forbid the use of old-growth trees in our packaging.

This is part of the overall Microsoft initiative to be a successful global corporation. Over the past three decades, Microsoft has expanded its business from the United States into more than 90 other countries and it now employs over 60,000 people globally. Microsoft considers itself a local company and a neighbor in every country and community where our employees live, work and do business, so we have the responsibility to use our resources and influence to make a positive impact on the environment.