

CALIFORNIA SUPPLY CHAIN TRANSPARENCY ACT

DISCLOSURE

Staples is committed to providing our customers with top-quality products at a reasonable price that are also manufactured responsibly. Staples expects all workers, with an emphasis on those who make Staples® Brand Products, to be treated fairly and with dignity and respect, and the products themselves are made in an environmentally sustainable manner. In addition, Staples requires its third-party vendors who supply products for resale, and suppliers who manufacture Staples® Brand Products, to comply with applicable international (in the countries in which the parties are doing business) and U.S. laws, regulations and industry standards.

In accordance with the California Transparency in Supply Chain Act, below you will find information regarding the efforts Staples is taking to eradicate slavery and human trafficking from our supply chain, while maintaining social accountability and supply chain transparency.

Verification

Staples is committed to fair labor practices throughout our supply chain. To establish clear guidelines for responsible operation, we developed the Staples Supplier Code of Conduct ("Code") to help

Audits

All factories of Staples' suppliers in "at-risk" geographies are required to be audited and certified prior to the start of production, and rectified every year thereafter. Staples evaluates risk annually, and

ensure that every relationship we enter – whether it's with a vendor of third-party products or a supplier of Staples® Brand Products – consistently operates in accordance with Staples' standards. Compliance with the Code (or its equivalent) is required in each manufacturing agreement, and each supplier manufacturing Staples® Brand Products is required to post the Code in all factory locations. For all other products, Staples strongly recommends that its vendors comply with the Code (or a similar code of its own). In either case, Staples has the right to terminate its relationship with its vendors or suppliers if Staples finds that such vendors or suppliers are violating anti-slavery and or human trafficking laws or the Code, respectively.

In general, the Code is based on international social accountability standards and contains 10 specific areas of conduct, including the prohibition of forced and child labor. All areas of conduct are annually assessed during on-site audits conducted by a third-party auditor who identifies and verifies that suppliers are not at risk for violating any anti-slavery and or human trafficking laws. The Code is regularly reviewed and reinforced as business needs and requirements change.

Certification

As mentioned above, our Code (or its equivalent) is included in each manufacturing agreement, and each supplier is required to comply with its provisions, which serves as a self-certification.

To ensure that our contractors and suppliers respect and enforce our company Code and standards, upon any discovery of a violation with our Code, we respond in a manner commensurate with the nature and extent of the violation, upon any discovery of a violation of our Code, as referenced above. See our Conflict Minerals Policy to understand other initiatives we take to support human rights.

Internal Accountability

The Director of Product Quality oversees supplier auditing to ensure compliance with the Code. All audits are carried out by external, independent third-parties. The Director of Product Quality works closely with the Vice President of Product Development, Sourcing and Quality, who oversees the production of goods, and with the Director of International Supply Chain, who is responsible for shipping goods from the supplier to the end destination and maintaining compliance with all security provisions. Both individuals report to the

currently designates the following countries as "at-risk," in accordance with industry assessments: Argentina, Bangladesh, Brazil, China, Egypt, India, Indonesia, Japan, Malaysia, South Korea, The Philippines, Taiwan, Thailand and Vietnam. Factories are deemed certified when they meet Staples' standards. Each audit is designed to allow the factory to demonstrate adherence to our Code through an on-site assessment, conducted by an independent third-party auditor. Factories are given notice of a 2-week timeframe in which Staples will conduct the audit, without specific notice of which day or time. The auditor conducts assessments, by interviewing workers and facility management, reviewing documents and inspecting facilities, including dormitories where present, to substantiate factory operating practices. The auditor then rates the factory on a point scale.

Certain Staples standards are marked "critical" and create minimum standards for each supplier to consistently achieve. Suppliers that fail to meet the minimum standards are required to sign a Letter of Commitment stating intent to improve, request a probationary period to implement necessary changes and complete a Corrective Action Plan (CAP), approved by Staples, to document when improvements can be expected. Suppliers who meet the minimum requirements, but have violations in other areas receive a conditional pass and may be required to submit a CAP. In order to ensure that suppliers maintain social accountability and compliance to our stringent requirements, follow-up audits are scheduled and conducted at regular intervals for suppliers on probation and for those implementing a CAP. If a factory fails to demonstrate progress on implementing corrective action, we terminate the relationship.

[See our responsible sourcing section for details on the results of our audits.](#)

Training

Staples provides employees and management, who have direct responsibility and interaction with supply chain management, training on fair labor practices and human trafficking and slavery, particularly with respect to mitigating risks within the supply chain. We annually train these employees on our Code, manufacturing agreements and auditing procedures annually, while highlighting their importance to our business, supplier factory workers and consumers. Furthermore, we encourage anyone who becomes aware of any violations of the law, Code or any other requirements (such as our Code of Conduct) to immediately notify their management, human resources office or

SVP for the Staples® Brands Group. All these people maintain supervision over production and shipping and ensure that suppliers maintain compliance with our Code, which supplements our other supervisory procedures, further described above in more detail. Furthermore, any supplier that fails to comply with applicable laws or ethical business practices may be subject to immediate business suspension or termination.

global ethics office; or to visit StaplesEthicsLink.com to file a report; or to contact their region's toll-free ethics hotline.

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