



Corporate Responsibility at Staples

How we are making a difference



Corporate Responsibility at Staples

At Staples, just as our commitment to our customers is unwavering, so too is our commitment to corporate responsibility. Ingrained in our business is a belief that it's not just what we do, but how we do it that matters. We strive to be an organisation that our clients are proud to work with and our people are proud to work for. This is our corporate responsibility focus, and four commitments drive our efforts:

- Give back to our communities
- Embrace diversity
- Sustain our environment
- Practice sound ethics

Staples Corporate Responsibility Vision

Our commitment to corporate responsibility is what moves us to give back to our communities, embrace diversity, sustain the environment and practice sound ethics



Staples acknowledges the traditional owners of country throughout Australia and their continuing connection to land, sea and community.

We pay our respects to them and to their Elders both past and present.





In 2016 Staples donated and raised almost \$600,000 to charities and not-for-profits across Australia and New Zealand

Community

We commit to supporting non-profit organisations that strive to educate, train and inspire people from all walks of life, with a specific focus on young people.

Because we are part of the community

As Australia's leading office solutions provider, we know we have a responsibility to add value and contribute to the local economy and communities in which we live and work every day. We understand that, as a significant part of the Australian community, our actions and initiatives have an impact beyond our customers and employees.

That's why our support for the local economy and communities is not only measured by a dollar value; our goal is to be an active, valued and trusted member of these communities. We do this through creating jobs, internships and mentoring, rolling out fundraising and volunteering initiatives, and making monetary and product donations. We also work closely with not-for-profit organisations, whether a national corporate partner or a non-governmental organisation (NGO), with the aim of making a lasting positive impact.

Staples Foundation for Learning

Since 2002, our global charitable arm, Staples Foundation for Learning, has given millions of dollars in grants to non-profit organisations in hundreds of communities. An integral part of our Corporate Responsibility strategy, its mission is to support organisations that provide job skills and education to all, with a special emphasis on disadvantaged youth.

In 2010, the Foundation launched the Staples 2 Million & Change initiative where employees around the world could vote for their charity of choice to receive funding. In Australia employees vote for local charities that we partner with and, in 2016, just over \$46,000 was donated to the winning charities Jeans for Genes, Redkite and AIME.

Our Community Commitments

- We will create employment opportunities in our local communities while attracting, developing, and retaining the best talent
- We will give back to our local communities in support of education and job skills training
- We will encourage employee engagement in our local communities

Giving back locally

Staples supports many charities and not-for-profits that are important to our community. Where appropriate, we look to engage in long-term relationships with commitment from all parties. On top of this, we have national charity partners across diverse fields, from the environment to educational programs, which we believe to play a valuable role in Australian communities. From volunteering, fundraising events, and workplace giving to millions of dollars worth of product and monetary donations, every year we are proud to make a difference.

Our employees across Australia and New Zealand also help raise critical funds for Staples employees impacted by natural disasters. Raffle of products, stock sales to the public, bake sales, morning teas and sausage sizzles all help to support the affected employees and build a stronger Staples community.

Spirit@Staples

Throughout the year, employees are encouraged to participate in community initiatives and support local communities through fundraising and volunteering initiatives across Australia. As the name suggests, Spirit@Staples is dedicated to raising awareness and funds for our charity partners while having fun in the workplace. Managed and rolled out by state-based committees, the program is designed to help employees in each state office to participate in the types of opportunities that interest them most, whether volunteering, social activities, fundraising or making financial contributions.

Our national charity and not for profit partners



Supporting Australian Made and Australian Owned

We recognise the value of backing Australian made, and remain committed to our long-standing policy of supporting locally manufactured and produced products. In fact, one of our largest suppliers, Australian Paper, has invested heavily in local manufacturing to support local jobs, communities and the Australian economy.

To quantify the substantial contribution Staples has made at a national and local level, Australian Paper provided a 2016 Paper Impact Statement. Our most significant contributions are in the following areas:

We stand strong in our commitment to Australian owned businesses, as well as our many suppliers and partners that manufacture and have large operations in Australia. This is particularly important to us, as we believe that by supporting local organisations – however big or small – we can truly promote the growth of local communities, strengthen the economy, and provide more opportunities for individuals and businesses to grow and prosper.

Our most significant contributions are in the following areas:

Support for **5,800** Australian jobs

Support for **2,800** regionally located Australian jobs

Over **\$48 Million** direct contribution to Australia's economy

Over **\$25 Million** contribution to Australia's regional economy

Almost **\$28 Million** contribution to Governments' revenues¹

1. Western Research Institute Economic Impact Studies (2012 & 2013)



Diversity

We offer a diverse and inclusive environment that goes beyond race and gender and leverages the diversity of thought, people and experience. We adhere to fair labour practices and standards and foster diversity, providing equal opportunities and ensuring fair and equitable rewards.

Our diversity makes us stronger

At Staples, we believe that a diverse and inclusive culture is key to achieving sustainable and innovative growth. That's why we seek to develop a workforce that reflects the diversity of the communities and customers we serve all over the world by embracing diversity in all its forms: gender, age, disability, sexuality, ethnicity, religion and culture thought, and experience.

We promote diversity, equal opportunity and gender balance in all our workplaces. After all, our employees – more than 1,600 staff across Australia and New Zealand – are our most valuable asset and we strive to make sure they are happy and healthy in the workplace and beyond. At the same time, we believe that each individual has a responsibility to contribute to and create this diverse and inclusive culture.

Our Diversity Commitments

- We will embrace diversity and inclusion by embedding it into our business and our company culture.
- We will promote an inclusive work environment where all employees are respected and valued for their unique knowledge, skills and abilities.
- We will focus on attracting and retaining diverse employees across our global operations, specifically with regard to gender and minority diversity in our management and executive levels.
- We strive to develop our diverse network of suppliers to strengthen relationships with our customers and give us the flexibility to adapt to the ever-changing global marketplace.

Diversity & Inclusion at Staples

Diversity and Inclusion Council

In late 2015, we launched our Diversity and Inclusion Council to create and implement programs to ensure all Staples employees are valued and treated equally and with respect in the workplace.

Following an employee survey in May 2016 we identified three streams of diversity to focus on:

- Gender
- Multiculturalism
- Flexibility

Our Vision: At Staples Australia and New Zealand, we believe that a Diverse and Inclusive culture is key to achieving sustainable and innovative growth. By living our core values we aim to be recognised as a diverse leader and continue to build an environment whereby every individual has the opportunity to succeed.

Our Mission: Diversity at Staples is about recognising and valuing the contribution of our people. These diverse groups include, but are not limited to, gender, age, disability, sexuality, ethnicity, religion and cultural background.

At Staples we are committed to building and maintaining a diverse and inclusive environment based on a belief that each individual is responsible to contribute and create this culture. Through inspirational leadership we embrace the diversity of thought and leverage the richness of our people, their perspectives and experiences.

We believe that the success of our business relies on the success of our people.

A snapshot of Staples Employees

81 languages spoken



40.8% speak a language other than English

33% born overseas



The Gender split is:



1.8%

identify as **Aboriginal or Torres Strait Islander**



Women in Leadership

In 2015, we were proud to launch the Staples Women in Leadership, a series of panel events designed to promote and develop confidence in our female employees. In the first of the three-part series 'Leading Ladies' employees heard about the personal experiences of successful women in the workforce, the barriers they have overcome and their accomplishments. These shared experiences aim to further enhance our working environment, raise career aspirations, develop career growth and retain both our female and male talent. Building on the event's success, the next two panel discussions focused on "The Unconscious Bias" and "The Business Case for Diversity".



In 2016 Staples invested approximately \$2 million into Indigenous businesses.

Supplier Diversity

We believe that the success of our organisation and the wider community depends on our ability to do business with diverse suppliers.

At Staples, we promote an inclusive supply chain, which comprises a range of diverse suppliers

This is why we've built partnerships with:

- Indigenous businesses
- Australian Disability Enterprises
- Women-owned businesses
- Social Enterprise

Why these suppliers? That's simple – these businesses are typically disadvantaged for being different, and discriminated against because of these differences.

As part of our corporate supplier diversity policy, we offer diverse suppliers the opportunity to compete on an equal basis with other bidders. What's more, we provide guidance and support so they can develop and strengthen their business partnerships.

We believe there are lots of advantages to having strong supplier partnerships with minority businesses:

- Enriches our overall offering to our customers
- Encourages the growth of diverse businesses
- Creates wealth in the communities we serve
- Provides unique insights into existing and emerging markets, allowing us to connect with our customer base and provide an exceptional customer experience

We are committed to ensuring that these relationships continue to form an integral part of our strategic sourcing and procurement process.



Staples Supplier Diversity Classification

At Staples, we are focused on enhancing our supply chain and strengthening minority businesses economically by building partnerships with Indigenous businesses, Australian Disability Enterprises, women-owned businesses and social enterprises. We have created a Supplier Diversity Classification to easily identify products from these suppliers.

The supplier must meet one or more of the below criteria:

- ✓ **Certified as a minority supplier**
All suppliers that are awarded this classification must have certification or registration with the applicable industry bodies.
- ✓ **Majority owned**
There must be at least 50% or more ownership from a person or collective from a minority group of the supplier.
- ✓ **Other relevant criteria**
Other relevant criteria and evidence may also be used to show the minority suppliers ownership and operations of their business.

Working with Supply Nation

One of the big issues we are tackling is the under-representation of Indigenous Australians within the broader Australian workforce. As a founding member of Supply Nation, an Australian not-for-profit organisation whose purpose is to provide opportunities for small to medium-sized Indigenous-owned businesses, our goal is to create a business environment that fosters indirect employment opportunities through procuring goods and services of Supply Nation certified suppliers.

We achieve this by working with a range of Supply Nation certified businesses to enable them to have sustained economic growth within the corporate sector. Part of this commitment includes being a conduit for these suppliers, enabling them to utilise our supply chain and logistics capabilities to get their products to customers. We also work closely with potential Supply Nation certified suppliers, providing guidance and best practice insights that help them to grow their business to meet the Staples supplier criteria. What's more, we work with Supply Nation certified

suppliers to procure products and services for different business units across Staples. We partner with legal consultants, HR consultants, facilities management, caterers, and many more professionals, to continuously deepen our support for Indigenous business.

Staples also supports Supply Nation's annual **#SupplierDiversitySeptember** campaign to help raise awareness of what supplier diversity is, and why it deserves to be on our customers' radar.



in 2017, Staples has increased our commitment to Supply Nation by elevating to a Red Ochre Partnership.

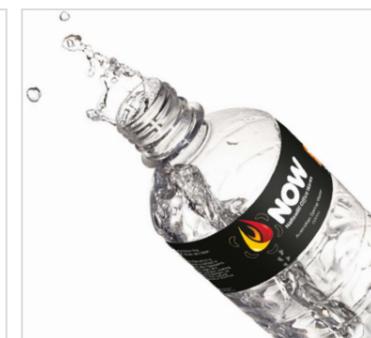
To find out more about Supply Nation visit supplynation.org.au

In Focus: Nallawilli Office Wares

Nallawilli Office Wares (NOW) is a 100% privately owned First Nation Stationery and Office Supplies business (Supply Nation Certified). NOW's 100% Recycled Copy Paper is also the only 100% Recycled (made from local waste), Australian made, and Indigenous owned copy paper on the market, and it is available exclusively from Staples.

Staples strongly believes that having strong supplier partnerships with businesses like NOW enriches its overall offering to customers.

Through the provision of NOW's 100% Recycled Copy Paper, Staples and NOW are providing customers with the opportunity to not only select eco-conscious products to help meet their sustainability targets but to choose a Supply Nation Certified Indigenous business' product that will help meet their social and supplier diversity procurement targets. This is especially prevalent within federal government with the introduction of the Indigenous Procurement Policy, which mandates that all federal departments must procure 3% of all their contracts from Indigenous businesses by 2020.





Our Erskine Park NDC recycles approximately 12.6 tonnes of cardboard per fortnight and 1.5 tonnes of plastic per week.

Environment

Our vision is to generate business and environmental benefits, for ourselves, our customers and our communities, by leading the way in how sustainable business gets done.

Sustaining the environment

We work to make it easy for our customers to make a difference to the environment by offering more sustainable products and services, and operating our business in an environmentally efficient way. This focus drives everything we do, from our Environmental Management System through to how our delivery fleet drives, the packaging we choose, our workplace culture and beyond.

Greenhouse Gas Inventory Management Plan

Because we are always striving to be more sustainable, we continually measure and track the environmental impact of our activities and look for ways to do things better. Our online environmental reporting system enables us to assess the environmental impact of our physical footprint and set targets to improve our performance.

Sustainable facilities

Our 53,000-square-metre National Distribution Centre (NDC) in Erskine Park, Sydney, NSW, sets a new standard for environmentally friendly logistic operations. The facility was used by the Green Building Council of Australia to design the criteria on how to judge green rated industrial facilities moving forward. Around 87% of on-site power comes from natural gas generators. And wherever we can, we compact and recycle materials such as paper, cardboard and metal strapping.

Waste and recycling

We recycle and use recycled products wherever we can. Our waste reduction programs incorporate ethical disposal procedures and waste segregation stations. Staples delivery boxes are 100% post-consumer waste recycled cartons made in Australia from Australian waste, and all air-pillows used in packing are made from 100% biodegradable plastic film.

Our Environmental Commitments

- The Commitments will offer our customers a complete range of sustainable products and services.
- We will make it easy for customers to responsibly recycle technology products.
- We will minimise our waste and help customers do the same.
- We will minimise our carbon emissions and help customers do the same.
- We will be recognised as a global sustainability leader.

Delivery fleet

We know the combustion of greenhouse gas emissions in motorised transport directly contributes to the acceleration of climate change. That's why our primary focus is on how to reduce the environmental impact of our delivery fleet, not only from our distribution centres to customers, but also between Staples' locations. We have worked hard to develop a national distribution model that is both efficient and has a minimal impact on the environment:

- We avoid the need to travel wherever possible using a run optimisation program to reduce the distances travelled and the amount of travel done during peak traffic.
- Our drivers operate sustainably. Equipped with mobile data terminals, our contracted drivers can optimise each run to reduce carbon emissions. Plus, our incentivised pay model means it's in their best interests to operate sustainably.

Green culture

We work hard to build a green culture within Staples. Our Health, Safety and Environment initiative engages employees, giving them ownership over their carbon footprint, providing updates and ways to improve their individual and collective impact on the environment.

Getting our hands dirty:

Over the years, Staples employees have volunteered as part of our partnership with not-for-profit organisation Landcare Australia. Our employees get stuck into clearing invasive weeds, planting seedlings and spreading mulch to regenerate community parks. In the process, they gain new skills and knowledge and enjoy a real sense of achievement.





With over 2,500 environmentally preferable products to choose from, it's never been easier for our customers to select products that will help them meet their environmental goals.

We want to be part of the solution

At Staples, we are committed to helping our customers reduce their impact on the environment. The most effective way we can do this is by developing products and services that help our customers to minimise their environmental footprint. We are also focused on raising awareness about environmental issues amongst our customers, stakeholders and the wider community to change behaviours and help make more sustainable business practices happen.

Ethical Sourcing Program

We seek to work with suppliers that source their products in a way that protects the environment. This forms part of our Ethical Sourcing Policy, which ensures all products offered by Staples meet minimum social and environmental standards. (Read more about our Ethical Sourcing Policy in Ethics)

Greener paper choices

Our goal is to make it easier for our customers to make eco-conscious choices. To this end, we have developed our own range of environmentally responsible paper, made right here in Australia.

Staples 100% Recycled Copy Paper is an environmentally responsible all-purpose paper made from high quality, 100% post-consumer recycled paper waste. The paper is certified by the Forest Stewardship Council (FSC).

Staples Carbon Neutral 20% Recycled Copy Paper is certified under the National Carbon Offset Standard

(NCOS) Carbon Neutral Program. This means its manufacture has accounted for greenhouse gas emissions associated with the product's lifecycle via an independent audit, it has demonstrated an emissions reduction plan, and is offset by investments in greenhouse gas reduction projects. The paper is certified by the Australian Forestry Standard (AFS) and Programme for Endorsement of Forest Certification (PEFC).

Both award-winning products are made at the Australian Paper Maryvale Wastepaper Recycling Plant, which means the recycled content is produced from 100% Australian recycled paper.

EarthSaver

Staples offers an enormous assortment of products with environmental features to help our customers with their eco-conscious procurement goals. We use three strict criteria to qualify "eco-conscious" products:

1. Recycled content: Contain 30% or more post-consumer recycled content.
2. Third-party standards and certifications: Adhere to a select group of third-party environmental standards and certifications.
3. Other environmental designs: Contain 30% or more agricultural residues, rapidly renewable materials or bio-based plastics.

Sustainable Earth by Staples

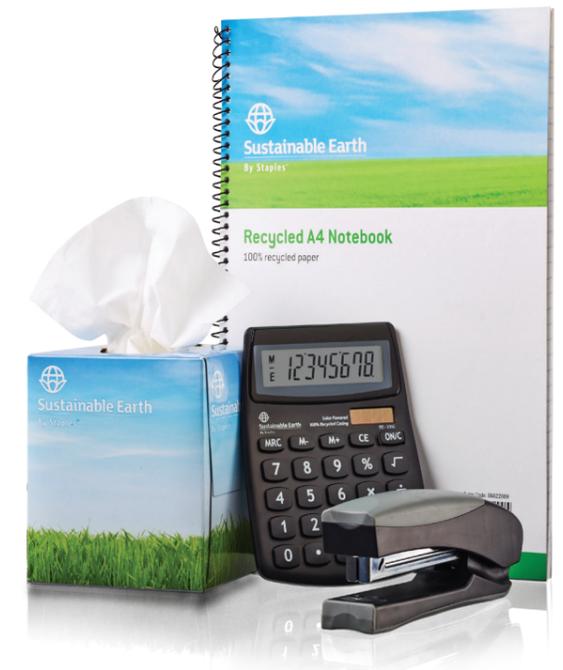
Sustainable Earth by Staples™ is an exclusive line of eco-conscious products made with recycled materials or renewable resources and validated by third-party environmental certifications. Within Australia, the range offers more than 250 everyday items for all corners of the workplace, such as tissues made from sugarcane bagasse, a renewable resource, and HB pencils made using recycled newsprint through a unique process that doesn't use any wood. This all means that our customers can reduce their impact on the environment while being confident that the solutions meet the highest standards.

Going green made easy

We make it easier for our customers to find and select eco-friendly choices through our online ordering portal. Our customers can search for EarthSaver and Sustainable Earth by Staples™ brand products. They can also change their account to the eco-conscious alternative and set minimum order values to decrease wastage and their carbon footprint.

Working together for our environment

Collaborating allows us to do more than we ever could on our own. We are proud of our strong partnerships and memberships with not-for-profit organisations that help to protect and restore our environment, including Planet Ark, Cart Collect and the Australian Packaging Covenant.



Products that meet one or more of these criteria, as well as our Ethical Sourcing Requirements, are marked with the Earthsaver logo.



Ethics

We strive to model integrity in all that we do and strictly adhere to our Code of Ethics and corporate governance practices. We seek to work with suppliers who share our values and expect them to meet our ethical sourcing requirements.

Building a culture of integrity

At Staples, we've built a culture of integrity. Our commitment to high ethical standards and compliance has helped us become an industry leader, and our future success depends upon this continuing. Our Code of Ethics is designed to guide us in this mission. It explains how Staples employees should behave regarding ethical conduct and business practices to keep Staples' culture of integrity thriving.

We foster an open environment that encourages all employees to understand and seek support on ethical issues, no matter how small. Our employees have easy online access to all our policies, training materials and other resources they need to act with integrity. And they can raise questions and concerns through our global ethics helpline, for example. We believe this is what differentiates Staples not only as a business leader, but as an ethical leader.

Ethical sourcing

The foundation of our sustainable supply chain is our Ethical Sourcing Program. This represents the greatest impact we can make in Australia by ensuring the products we source meet minimum environmental and social standards.

Our suppliers are required to comply with our Ethical Sourcing Policy. Suppliers providing us with Staples brand products must also comply with our Supplier Code of Conduct, which establishes clear guidelines for responsible operation.

To ensure compliancy to ISO 9001 type Quality Systems audit and SA8000 Social Accountability audit, any new supplier that goes through the audit program uses independent third-party auditors.

Our principal aim is to create transparency, so our customers can clearly understand where and how products are manufactured.

Our Ethics Commitments

- We will maintain a governance structure that ensures sound practice to protect investors, employees, and suppliers.
- We will conduct business ethically to retain the trust of our customers, investors, and other stakeholders.
- We will offer our customers products that not only meet or exceed performance expectations, but are also manufactured responsibly.
- We live Our Values through our interactions with customers and each other: Own it, Say it like it is, Be caring, Keep it simple, and Work together.

Awards

When we win, our environment wins

We've won many awards for our environmental initiatives over the years. Being benchmarked against our industry peers and the wider business community is important for us to understand how our approach to sustainability measures up and where we need to do more.

In the past few years, our progress on sustainability and responsibility issues has been recognised with awards and accolades. Here are a few highlights:



2016 ABA100 Winner for New Product Innovation and Eco Innovation in the Australian Business Awards for Nallawilli Office Wares 100% Recycled A4 Copy Paper

2015 ABA100 Winner for Best New Product and Best Eco Product in the Australian Business Awards for Staples 100% Recycled A4 Copy Paper and Staples Carbon Neutral 20% Recycled Copy Paper.

2013 Australian Business Awards Environmental Sustainability

2013 Australian Business Awards Best New Product and Best Eco Product for Sustainable Earth by Staples Calculator and Sustainable Earth by Staples Stapler



To find out more about Staples, visit us at staplesadvantage.com.au or call 13 26 44

