



Corporate Responsibility

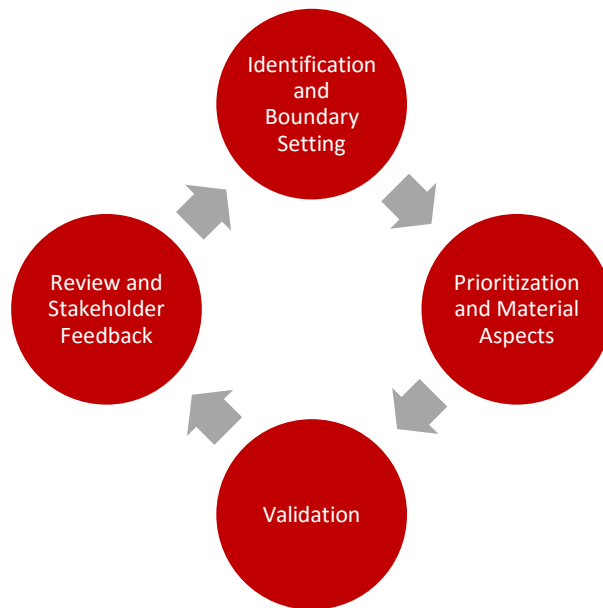
Report Development Process



Description of Report Development Process

Materiality Assessment Process

The Global Reporting Initiative's (GRI) Principles for Defining Report Content served as the basis of our materiality assessment process and includes materiality, stakeholder inclusiveness, sustainability context, and completeness. Our process followed the four steps recommended in the GRI G4 guidelines.



Step 1: Identification and Boundary Setting

We reviewed a wide range of internal and external sources, including company financial reports and business plans; internal corporate responsibility and sustainability documents; media reports; shareholder inquiries and resolutions; stakeholder feedback; influencer white papers and communications; investor and reputational indices; industry and corporate peer sustainability reports; as well as a variety of other inputs. We also conducted interviews with 15 internal subject matter experts and 10 external stakeholders.

To determine what topics were material, we analyzed each one against a set of criteria, such as:

- Is this topic an existing priority for Staples, or was it considered material in the past?
- Does this issue have a significant impact on people, society or the environment?
- Does the topic present a business risk or impact which could harm the company's reputation or impact performance?
- Does the issue present an opportunity, such as a new product or service, increased revenues, cost savings, reputational benefits, or enhanced relationships with stakeholders?
- Is there existing or pending regulation related to the topic?
- Does the company have control or influence over this topic?

- Is this topic frequently raised by stakeholders through various feedback and media channels?
- Is the topic considered material by rating, ranking or reporting agencies?
- Is the topic material to industry peers and do they report on it?

We identified 35 discrete issues that fell into 11 groupings. We analyzed the issues to determine whether the impact of the issue occurred inside the organization, outside the organization or both. This helped to establish the boundaries of each material aspect.

Step 2: Prioritization and Material Aspects

After all the issues were identified and defined, we conducted an internal survey in order to rank the importance of each issue from a company perspective. The survey was sent to more than 400 associates and garnered a response rate of nearly 50 percent. The findings were used to plot the issues along the “X” axis, indicating the degree of importance to the company. The 10 interviews conducted with external stakeholders provided valuable insight about the priority of specific issues to stakeholders. We also reviewed past feedback the company had received from stakeholders as additional input when prioritizing the issues.

We then mapped each material topic to the appropriate GRI material aspect.

Step 3: Validation

The prioritized issues were grouped and then plotted on a matrix. The findings of the materiality assessment and prioritization rankings were presented to Staples’ Sustainability Advisory Council for review, discussion and approval. Company leadership also reviewed the findings of the materiality assessment and issue prioritization.

Step 4: Review and Stakeholder Feedback

As mentioned above, our materiality assessment included interviews with 10 external stakeholders with interests in sustainable forestry, e-waste, climate change, chemical use and education. We also interviewed Staples Advantage customers in the U.S. and Europe, a supplier of sustainable paper, and a retail industry group.

Among the feedback we heard:

- Certain stakeholders stressed the importance of the company’s continued leadership in both sustainable forestry, something the company has been committed to for more than a decade, and in e-waste takeback. In terms of the latter, one stakeholder urged Staples to do more to communicate about its takeback program and make it more visible to customers in store. *Read more about our [sustainable paper](#) and [customer recycling programs](#).*
- Staples Advantage customers want to understand more about sustainable products offerings, including assurances that these products were responsibly produced. They also would like Staples to provide more information on how they, as customers, can better achieve their sustainability goals through the purchases they make. *Read more about our approach to sustainable products [here](#) and [here](#). Read more about our sustainability programs for Staples Advantage [here](#). Customers can also speak to their Strategic Account Leaders in tandem with our Sustainable Solutions Managers about specific opportunities relevant to them.*

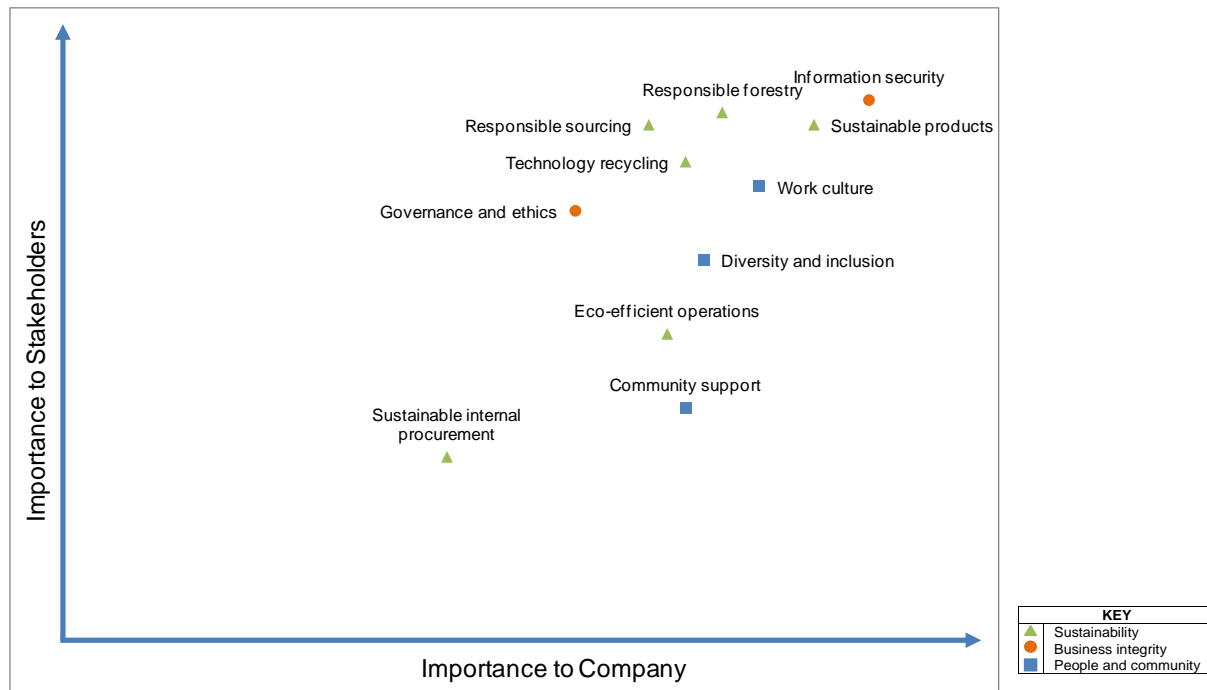
- A nonprofit group focused on chemicals of concern noted that Staples has played an active role on this issue in the past, but worried that recent staff changes at Staples may diminish its role in the future. *Read about our approach to chemicals of concern [here](#).*
- One of Staples' community partners discussed the value of the company's commitment to education and job skills training, but encourages Staples to expand its sponsorship to the national level. *Read about our community & giving programs [here](#), including some of our larger, national-level partners [here](#).*

Figure 1 below is the final matrix of how key corporate responsibility issues were prioritized, based on importance to Staples and importance to our stakeholders. We include definitions of the issues below the matrix.

Table 1 below maps these same 11 issues with their corresponding Global Reporting Initiative (GRI) G4 reporting requirements, including Material Aspects, Specific Disclosures and Boundary (material within and/or outside the company).

Descriptions of how we are managing these key issues are interspersed throughout this website and report. Refer to the Specific Standard Disclosures section of the GRI G4 Index (found at the conclusion of the [Reporting Details page](#)) to access links to our general management approach descriptions ("Disclosures on Management Approach") and any relevant metrics and details ("Indicators") in the G4 Index document.

Figure 1. Prioritization of Key Issues



Work Culture – Encompasses employee engagement, wages and benefits, health & safety and workplace practices. Staples hires thousands of new employees each year. Providing a safe, fair, equitable and fulfilling workplace environment is essential to attracting and retaining top talent.

Diversity & Inclusion – Staples' operations are global. Having a workforce that reflects the diversity of the local communities and customer base is essential to success, and an inclusive approach to work contributes to a more creative and innovative work environment. Key topics include recruitment and retention, career development and advancement, and associate resource groups.

Community Support – Making a difference in the communities where Staples customers and associates live and work is important to the company. Staples focuses its corporate philanthropy and cause-related initiatives to support education and job skills training programs. Programs engage both associates and customers.

Sustainable Products – The market for sustainable products continues to grow as customers increasingly prefer safer, non-toxic products with reduced environmental and social impacts. Staples offers a portfolio of sustainable products to its customers and is focused on engaging with suppliers and customers on product sustainability including reducing product lifecycle impacts, chemicals of concern, and product packaging.

Responsible Forestry – Staples sources a significant volume of wood fiber that is used to make paper-based products. Wood fiber that is sourced and milled in an environmentally and socially responsible manner helps protect forest resources and communities.

Responsible Sourcing – Staples is taking steps to understand its supply chain impacts—both social and environmental in nature—and to manage these impacts. Our Supplier Code of Conduct and Social Accountability Audits address issues like human rights, health & safety, and environmental compliance.

Technology Recycling – Staples maintains technology recycling programs for its customers, partnering with certified responsible recycling partners. Electronic devices can be readily recycled and can contain toxic materials that can be harmful to people and the environment if they are dismantled or disposed of improperly.

Sustainable Internal Procurement – The same way they source sustainable products for their customers, companies can seek vendors committed to sustainability and responsible practices when sourcing products for their own operations. Including diverse suppliers in the supply base is another way for companies to support small businesses and the local economy.

Eco-Efficient Operations – The environmental impacts resulting from company operations occur throughout the global enterprise. The impacts, such as GHG emissions, waste generation and water use, affect local communities and society-at-large. Reducing these environmental impacts is a significant focus of Staples' sustainability initiatives and also leads to cost savings.

Governance & Ethics – As a publicly traded company, it is imperative that Staples has sound governance and ethical practices in place, including mechanisms to engage with stockholders who raise concerns regarding the company's ESG practices, and to provide transparency and frequent communication on these practices.

Information Security – In today's digital age, companies are able to gather, analyze, store and transmit mass amounts of data. Securing this information is essential to maintain confidentiality and integrity. Staples has instituted processes, tools and policies to promote data security and consumer privacy.

Table 1. CR/Sustainability Material Issues, Material Aspects, Disclosures and Boundaries – April 2016

CR/Sustainability Material Issues	G4 Categories and Material Aspects	Specific Standard Disclosures	General Standard Disclosures	Relevance of Issue Within and Outside the Company	Material Within the Company	Material Outside the Company
Work Culture <ul style="list-style-type: none"> Employee engagement Wages & benefits Health & safety Workplace practices 	Economic (EC): <ul style="list-style-type: none"> Market Presence (EC5) Labor Practices and Decent Work (LA): <ul style="list-style-type: none"> Employment (LA2) Occupational Health and Safety (LA6) Labor Practices Grievance Mechanisms (LA16) 	Wages & Benefits G4-EC5 G4-LA2 Health & Safety G4-LA6 Workplace Practices G4-LA16	Employee Engagement G4-26 G4-27	<i>Staples hires thousands of new employees each year. Providing a safe, fair, equitable and fulfilling workplace environment is essential to attracting and retaining top talent.</i>	✓	
Diversity & Inclusion <ul style="list-style-type: none"> Recruitment & retention Career development & advancement Associate Resource Groups 	Labor Practices and Decent Work (LA): <ul style="list-style-type: none"> Diversity and Equal Opportunity (LA12) Training and Education (LA10) 	Recruitment & Retention G4-LA12 Career Development & Advancement G4-LA10		<i>Staples' operations are global and its retail outlets are in communities throughout North America. Having a workforce that reflects the diversity of the local communities and customer base is essential to success. A diverse workforce also contributes to a more creative and innovative work environment, especially when employees feel empowered to share their unique perspectives and talents.</i>	✓	
Community Support <ul style="list-style-type: none"> Education & job skills Corporate giving Associate engagement Customer engagement 	Economic (EC): <ul style="list-style-type: none"> Economic Performance (EC1) 	Corporate Giving G4-EC1		<i>The lack of educational opportunities, especially in impoverished areas, is of concern to, among others, local communities and residents; to governments that may face increased demand for social services; and to businesses that rely on a present and future workforce of skilled employees. Staples has focused much of its corporate philanthropy and cause-related initiatives to support education and job skills training programs in underserved communities. The company's employees play an active role in</i>	✓	✓

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				<i>determining beneficiaries of the giving programs and engage in volunteer activities aligned with this focus.</i>		
Sustainable Products <ul style="list-style-type: none"> Product lifecycle Chemicals of concern Product packaging Product certifications Customer engagement 	Environmental (EN): <ul style="list-style-type: none"> Products and Services (EN27) Materials (EN1, EN2) Product Responsibility (PR): <ul style="list-style-type: none"> Product and Service Labeling (PR3) 	Product Lifecycle G4-EN27 Chemicals G4-EN27 G4-EN1 Packaging G4-EN27 G4-EN1 G4-EN2 Product Certifications; Customer Engagement G4-PR3	Product Lifecycle G4-14	<i>The market for sustainable products continues to grow as an increasing number of B2B customers and retail consumers prefer products that contain safe, non-toxic materials; use less resources; are packaged sustainably; have an appropriate end-of-life solution; and are labeled or marketed so the buyer has enough information to make informed decisions. Staples has a portfolio of sustainable products to meet customer demand, which includes both Staples Own brand and national brand products. The company relies on its suppliers to help innovate new sustainable solutions that will meet this demand today and in the future.</i>	✓	✓
Responsible Forestry <ul style="list-style-type: none"> Chain of custody certification Industry leadership 	Environmental (EN): <ul style="list-style-type: none"> Products and Services (EN27) Materials (EN1) 	Sustainable Forest Products G4-EN27 G4-EN1		<i>Staples sources a significant volume of wood fiber that is used to make paper-based products. Its policy is to ensure the wood fiber is sourced and milled in an environmentally and socially responsible manner in order to protect forest resources and communities. The protection of forests is critical to mitigating the impacts of climate change.</i>	✓	✓
Responsible Sourcing <ul style="list-style-type: none"> Traceability and transparency Conflict minerals Human rights Environmental compliance 	Environmental (EN): <ul style="list-style-type: none"> Supplier Environmental Assessment (EN32, EN33) Society (SO) <ul style="list-style-type: none"> Supplier Assessment for Impacts on Society (SO10) 	Traceability & Transparency; Sustainability and Social Risk Assessment G4-EN32 G4-EN33 G4-SO10 Conflict Minerals		<i>Staples does not have direct control over all aspects of its supply chain operations, but it does have influence over its suppliers that contract with the company to help source materials, manufacture products and transport finished goods. It's imperative that a company understands its supply chain impacts – both social and environmental in</i>	✓	✓

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<ul style="list-style-type: none"> Sustainability and social risk assessment 	Human Rights (HR): <ul style="list-style-type: none"> Child Labor (HR5) Forced Labor (HR6) Supplier Human Rights Assessment (HR10, HR11) 	G4-SO10 Human Rights G4-HR5 G4-HR6 G4-HR10 G4-HR11 Environmental Compliance G4-EN32		<i>nature – and takes steps to manage these impacts. Staples communicates its expectations to suppliers and monitors their social and environmental compliance with company standards.</i>		
Technology Recycling <ul style="list-style-type: none"> Certified recyclers Customer engagement 	Environmental (EN): <ul style="list-style-type: none"> Effluents and Waste (EN25) Products and Services (EN28) Product Responsibility (PR): <ul style="list-style-type: none"> Product and Service Labeling (PR3) 	Recycled E-Waste G4-EN25 G4-EN28 Customer Engagement G4-PR3		<i>Electronic devices often contain toxic materials that can be harmful to people and the environment if they are dismantled or disposed of improperly. Staples maintains a takeback program that allows customers to drop off obsolete devices and uses certified recyclers to ensure proper recycling and disposal, thus preventing unintended harm.</i>	✓	✓
Sustainable Internal Procurement <ul style="list-style-type: none"> Procurement policy Supplier diversity 	Economic (EC): <ul style="list-style-type: none"> Procurement Practices (EC9) 	Policy and Supplier Diversity G4-EC9		<i>Staples is committed to providing customers with more sustainable and responsibly sourced products. The company also considers this to be important when purchasing products and services for its own operations. Staples selects vendors that have the capacity to meet its supply needs and demonstrates a commitment to sustainability and responsible practices. Staples also seeks to include diverse suppliers in its vendor base as a way of providing opportunities to smaller businesses and spurring economic development within their local communities.</i>	✓	✓
Eco-Efficient Operations	Economic (EC): <ul style="list-style-type: none"> Economic 	Climate Risks G4-EC2		<i>The environmental impacts resulting from company operations occur</i>		

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<ul style="list-style-type: none"> Climate risks GHG emissions and energy Waste reduction & recycling Hazardous waste Packaging reduction Transportation efficiency Water 	Performance (EC2) Environmental (EN): <ul style="list-style-type: none"> Energy (EN3, EN5, EN6) Emissions (EN15, EN16, EN18, EN19) Effluents and Waste (EN23) Transport (EN30) Water (EN8) 	GHG Emissions and Energy G4-EN3 G4-EN5 G4-EN6 G4-EN15 G4-EN16 G4-EN18 G4-EN19 Waste & Recycling; Hazardous Waste; Packaging G4-EN23 Transportation G4-EN30 Water G4-EN8		<i>throughout the global enterprise. Operations include retail; B2B and online business; company-owned and operated buildings; and warehouses and transportation of goods to stores. The impacts, such as GHG emissions, waste generation and water use, among others, affect local communities and society-at-large. Reducing these environmental impacts is a significant focus of Staples' sustainability initiatives and can also lead to cost savings.</i>	✓	
Governance & Ethics <ul style="list-style-type: none"> Shareholder relations CEO pay Transparency Code of Conduct 			Shareholder Relations G4-37 CEO Pay G4-51 Transparency G4-27 Code of Conduct G4-57 G4-58	<i>As a publicly traded company, it's imperative that Staples has sound governance and ethical practices in place, including mechanisms to engage with stockholders who raise concerns regarding the company's ESG practices, and to provide transparency and frequent communication on these practices.</i>	✓	
Information Security <ul style="list-style-type: none"> Data security Consumer privacy 	Product Responsibility (PR): <ul style="list-style-type: none"> Customer Privacy (PR8) 	Data Security; Consumer Privacy G4-PR8		<i>In today's digital age, companies are able to gather, analyze, store and transmit mass amounts of data. Securing this information is essential to maintain confidentiality and</i>	✓	

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				<i>integrity. Staples has instituted processes, tools and policies that prevent, detect, document and remove threats of unauthorized access, use, replication or destruction of sensitive data. It also communicates its privacy policies and gives customers the opportunity to opt out.</i>		

