

# Supplier Terms and Conditions

BETWEEN: **STAPLES AUSTRALIA PTY LIMITED** ACN 000 728 398 of 163 O'Riordan Street, Mascot NSW 2020 ("**Company**")

AND: ("**Supplier**")

## **Operative Provisions:**

1. In these terms and conditions:

**"Agreement"** means the agreement constituted by these terms and conditions, and any other terms and conditions relating to the supply relationship between the parties which are agreed by the parties and recorded in written correspondence between the parties.

**"Confidential Information"** means any information provided by the Company to the Supplier concerning its product requirements, product specifications, business, customers (including customer names, contact details, product requirements, product spend details, the types and specifications of products and service supplied by the Company to its customers, the prices and terms on which the Company provides products and services to its customers), contracts, system and system access details, customer ordering and business software, product cost and pricing, sales methods and techniques, sales figures, marketing plans, budget and other financial information, employee details, internal business policies and procedures, and any information generated during and as a result of the Agreement (including any pricing arrangements, rebates, settlement discounts, terms of payment, other terms of trade, joint marketing plans and artwork, design and specifications for any products manufactured specifically at the Company's request), but does not include:

- (a) information or knowledge which is already publicly known or which subsequently becomes generally publicly known other than as a direct or indirect result of a breach of this Agreement; or
- (b) Information or knowledge which is required to be disclosed by law.

**"Products"** mean, where applicable, those products of the type customarily supplied by the Supplier, and ordered by the Company from the Supplier from time to time.

**"Services"** means the services which the Supplier is to provide to the Company, which may be ancillary to the supply of the Products, set out in Schedule 4, or as otherwise requested by the Company from time to time.

**"Special Conditions"** means those conditions, if any, referred to in Schedule 5.

**"Warranty"** or **"Warranties"** means each of the representations and warranties set out in Schedule 3.

2. Except otherwise in accordance with its terms, this Agreement will continue until expiry of the Agreement Period stated on the cover sheet.



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3. The engagement of the Supplier is non-exclusive and the Company may engage any other person to provide the Products and/or Services or similar products and services from time to time.
4. This Agreement does not oblige the Company to order any Products from the Supplier. A binding contract for the supply of Products only arises when the Supplier receives either a purchase order signed by an authorized representative of the Company or, where electronic trading has been implemented, an electronic order that complies with all the security and verification procedures established by the parties. The Supplier is deemed to have accepted a purchase or electronic order if the Supplier does not reject the order within 12 hours of receiving it.
5. In cases where the Company cancels the order and the Supplier can demonstrate that it has incurred substantial costs the Supplier may apply to the Company for part payment to cover costs incurred
6. This Agreement does not in any way imply a principal and agent or any similar relationship between the Company and the Supplier.
7. The Supplier must provide the Products to the Company in accordance with the pricing set out in Schedule 1 and any Special Conditions as set out in Schedule 5.
8. The Supplier must comply with the provisions set out in Schedule 2 which related to ordering, packaging, transportation, delivery, invoicing and payment of Products and/or Services.
9. The Supplier represent and warrants to the Company that each of:
  - (a) in the case of a supply of any Product, the Warranties set out in Items 1 and 2 of Schedule 3;
  - (b) in the case of a supply of any Service, the Warranties set out in Items 1 and 3 of Schedule 3; and
  - (c) in the case of a supply of Products and Services, the Warranties set out in Items 1, 2 and 3 of Schedule 3,are true and accurate in all material ways and not misleading in any way.
10. In the event of any breach of Warranty, and without limiting any other rights or remedies which may be available to the Company, the Supplier will, at the request of the Company, either provide the Products or Services or goods again free of charge, rectify or pay the cost of rectification of any deficiency in the Products or Services, provide the Company with a credit in respect of the defaulting Products or Services or repay to the Company the price of the defaulting Products or Services. The Supplier must pay the cost and bear the risk of storing, handling and returning any Products rejected by the Company under this provision.
11. All Products must comply with the Company's specifications. Under no circumstances is the Supplier to supply an alternative product or product component without the Company's specific prior consent being obtained. The Supplier will be liable for all claims, action, demands, cost or expenses including damage to property, personal injury and loss of income should litigation be directed toward the Company as a result of a substitute product or product component being supplied by the Supplier and not approved by the Company.



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Any substitute product must be submitted to the Company for examination prior to supply. Independent test reports and certification from a recognised authority must accompany the test sample.

12. Risk in and title to the Products will pass to the Company upon receipt of the Products by a duly authorised Company representative into the Company's nominated warehouse.

13. The Supplier will be solely responsible for and solely bear all costs in relation to its employees including but not limited to all remuneration, including wages, salary and leave entitlements, superannuation, taxes, duties and insurance costs and must indemnify the Company from and against any claim against or loss, cost or expense incurred by the Company arising out of any failure by the Supplier to comply with clause 12, or any allegation that there is any obligation on the Company to make any of the payments referred to in this clause, or any allegation of an employment relationship between the Company and any employee or consultant of the Supplier.

14. The Supplier acknowledges and agrees that the Company shall be the sole and exclusive owner of all intellectual property rights related to any and all Products and other works, developed, made, written, created, discovered or designed by the Supplier, its employees, agents and Suppliers, in the course of, or for the purposes of, providing the Products and Services (including all samples, drafts, moulds, artwork, designs, film and proofs). This clause does not affect the ownership of pre-existing intellectual property which shall continue to belong to its rightful owner, provided that the Supplier will ensure the Company has the right to use the same for the purposes of this Agreement. Except for the purposes of this Agreement, the Supplier is not permitted to do any of the following, whether directly or indirectly through another person or entity, without the prior written consent of the Company:

- (a) Reproduce or manufacture, whether for sample purposes or otherwise, any product the intellectual property rights in which belong to the Company;
- (b) Reproduce, copy or display the image of any product the intellectual property rights in which belong to the Company; or
- (c) Give away, deal with, or sell any product the intellectual property rights in which belong to the Company.

The Supplier must return all product, documents and other materials, the intellectual property rights in which belong to the Company, on request, or otherwise upon termination of the supply relationship.

15. The Supplier undertakes and agrees not to, at any time either during the Agreement or after termination of the Agreement, either directly or indirectly, without prior written consent of the Company:

- (a) disclose or permit (to the extent that it is within its control) the disclosure of, the Confidential Information to any person; or
- (b) use or permit (to the extent that it is within its control) the use of the Confidential Information to compete with the Company, or in any manner which may injure or cause loss to the Company.



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The Supplier undertakes and agrees to use the Confidential Information only during the course of, and for the purposes of, the provision of the Products and Services to the Company.

16. The Supplier agrees to and does indemnify the Company against any action, suit, claim, demand, cost or expense arising out of or referable to:

- (a) any breach of this Agreement or any Warranty contained in this Agreement by the Supplier, its officers, employees or agents;
- (b) any infringement or alleged infringement by the Products, the Services or any materials and information provided by the Supplier under this Agreement of a third party's intellectual property rights;
- (c) any damage, injury or loss caused by or resulting from any act or omission of the Supplier, its employees, agents or Suppliers; and
- (d) all injury, loss or damage sustained by any officer, employee, agent or supplier of the Supplier incurred whilst performing obligations under this Agreement.

17. The Supplier must have in place sufficient insurances to cover its potential liability under the Agreement including but not limited to a public risk and product liability insurance policy covering a liability of not less than \$10,000,000.

Upon request the Supplier will provide the Company with evidence of the currency and adequacy of such insurances.

18. This Agreement may be terminated by the Company at any time in its discretion by 14 days notice to the Supplier. The Supplier will have no claim against the Company for damages or loss of profits arising out of or relating to the termination of the Agreement by the Company.

19. The Company may at its sole discretion terminate the Agreement by giving notice effective immediately if at any time:

- (a) the Supplier is in breach of any of the terms of this Agreement; or
- (b) The Supplier is or becomes bankrupt, or goes into liquidation, or makes a composition or arrangement with creditors generally, or takes advantage of any statute for the relief of insolvent debtors or other similar event occurs.

20. Termination of the Agreement will not prejudice any rights or remedies already accrued to any party under, or in respect of any breach of, the Agreement, nor shall it affect any provision of this Agreement which is expressly or by implication intended to continue in force after such termination.

21. On termination of the Agreement or otherwise on demand, the Supplier will return to the Company all documents and materials containing any Confidential Information or intellectual property of the Company and any other property belonging to the Company, including that created during the provision of the Products and



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Services. On or prior to termination, the Supplier will, within 14 days of request by the Company, do all such things as may be necessary to ensure the smooth and orderly transfer of the Confidential Information and intellectual property.

22. Failure or omission by the Company at any time to enforce or require strict or timely compliance with any provision of this Agreement will not affect or impair that provision, or the right of the Company to avail itself of the remedies it may have in respect of any breach of a provision, in any way.

23. The Company may set off or deduct from any amount due and owing by it to the Supplier any amounts or compensation which the Company, in good faith, believes are due and owing by the Supplier to the Company. Before doing so, senior management of the Company will, in good faith, discuss and attempt to resolve any issue relating to the set off, with the Supplier.

24. The Agreement is governed by, takes effect and will be construed in accordance with the laws of New South Wales and the parties irrevocably and unconditionally submit to the exclusive jurisdiction of the courts of New South Wales and courts entitled to hear appeals therefrom.

25. The Supplier warrants that at the time any supply is made under this Agreement on which a goods and services tax ("GST") is imposed, it will be registered for GST purposes with an ABN number, and will provide evidence of the same on request. Any invoice rendered by the Supplier which seeks to recover an amount of GST payable, must conform to the requirements of a tax invoice as specified in GST law.

26. The Supplier and its employees, agents and sub contractors must, when within the Company's boundaries, on its premises or at its facilities, comply with all reasonable directions, policies, signs and procedures relating to occupational health, safety, security, discrimination and harassment, and ethical conduct.

27. The Supplier must comply with, and ensure its employees, agents and sub contractors comply with, the Staples Supplier Code of Conduct as per Schedule 7.

28. The Company may enter the Supplier's premises during business hours on giving a minimum of one day's notice to inspect any raw materials, manufacturing process, packaging, batching, recording or transport facilities or motor vehicles used in forming, manufacturing, handling, packaging or transporting the Products or providing the Services, and to inspect the Supplier's records to verify compliance with this Agreement.

29. The Supplier shall not sub-contract or otherwise arrange for another person to perform any part of this Agreement or to discharge any of its obligations under any part of this Agreement without the prior written consent of the Company. If the Company consents to a sub-contract, the Supplier shall not be relieved of any of its liabilities or obligations under this Agreement and the Supplier shall be liable to the Company for the acts, defaults and neglects of any sub-contractor or any employee or agent of the sub-contractor as if they were the acts, defaults or neglects of the Supplier or the employees or agents of the Supplier.

30. Neither party will assign or novate this Agreement without the prior written consent of the other.



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31. This Agreement contains the entire agreement of the parties with respect to its subject matter. The terms and conditions of this Agreement will prevail over any subsequent document or documents issued by the Supplier to the Company including any printed terms and conditions on any invoice issued by the Supplier pursuant to this Agreement or otherwise.
32. All notices must be served in writing to the recipient at its registered business address unless otherwise notified.
33. The Company may during the term of this Agreement vary all or any of these terms in this Agreement. In these circumstances the Company will advise the Supplier of any changes or variations which will then be incorporated into any Agreement between the Company and the Supplier for the supply by the Supplier to the Company of Products and/or Services.



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## Schedule 1- Pricing

1. The Supplier must pay any payments due to the Company in accordance to those agreed between the Company and the Supplier.
2. The Company must pay any payments due to the Supplier in accordance with the pricing and fees agreed between the Company and Supplier in each quote.
3. Upon receipt of a request for pricing, whether verbally or in writing by the Company, the Supplier must provide a full and complete quote in writing within 6 hours or as agreed between the Company and the Supplier
4. The Supplier represents and warrants that the pricing offered to the Company is the lowest pricing offered by the Supplier to any customer, dealer or reseller, including super-stores and mail-order companies, in Australia. If the Supplier offers pricing to any customer, dealer or reseller lower than the pricing offered to the Company, then the Supplier must offer that lower pricing to the Company for the same period.
5. Unless the parties specifically agree to the contrary in writing, the prices for the Products include delivery, all taxes imposed on the Supplier, all importation costs including but not limited to customs duty and related customs charges, freight forwarding costs, inland charges, ocean and or air freight costs, quarantine charges, fumigation fees, tail gate fees, bond store and terminal storage fees and an associated agency fees.
6. The Company shall be entitled to the benefit of any decrease in the Supplier's price due to:
  - (a) promotional sales or special offers as made generally available from time to time; and/or
  - (b) successfully meeting or exceeding any quality or dollar value targets as agreed between the parties; and
  - (c) Any price decline effective after the Supplier's acceptance of an order and applicable at the time of shipment.



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# Schedule 2- Ordering, Transportation, Packaging, Invoicing and Payment

As amended from time to time by the Company. Current as at October, 2012

The Supplier must comply with the Supplier Instructions, located at

[www.staplesadvantage.com.au/terms](http://www.staplesadvantage.com.au/terms)

## Invoices

1. In addition to any specific requirements notified to the Supplier by the Company, all invoices must be sent via mail to Locked Bag 9015 Alexandria 1435 or Via email to [lockedbag9015@staples.com.au](mailto:lockedbag9015@staples.com.au)
2. An invoice is correctly rendered if:
  - (a) It is a valid tax invoice
  - (b) The specified amount is correctly calculated, with the correct unit prices (no order can be charged at higher prices than were specified in the purchase order without the Company's prior written consent) and is otherwise due for payment;
  - (c) The invoice is set out in a manner that enables the Company to ascertain the Products and or Services to which the invoice relates;
  - (d) The invoice is accompanied (where necessary or where reasonably requested by the Company) by verifying documents. Failure to produce a valid proof of delivery (see above) will negate the Company's liability;
  - (e) The invoice includes the Company's order number (or the purchasing officer's full name on the invoice if a purchaser order is not available i.e. only for goods for the Company use only);
  - (f) Relates to only one purchase order (consolidated invoices will not be accepted); and
  - (g) Uses the unit of measure as stated on the purchase order.
3. An open item statement must be submitted electronically at the beginning of each month. Statements must contain purchase order numbers for all outstanding items. The preferred format is Excel however, the Company will accept PDF format.

## Payment

4. Invoices will be paid within 60 days of the end of the month in which the invoice is received, or such other time period agreed by the parties, provided that the invoice is correctly rendered, and complies with the Company's order. In the event of any claim by the Company against the Supplier, payment may be withheld until such claim is resolved.
5. Payments from the Company are transmitted by Electronic Funds Transfer (EFT) only. The Supplier must submit their bank details on company letterhead, quoting their ABN.
6. Due to the volume of transactions and archive requirements, the Company will not investigate or act upon any queries in relation to transactions that are older than 12 months.



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7. If any claims are disputed, the Supplier should notify the Company within two weeks of receipt of claim. After this time, the Company will consider the claim to have been approved.
8. Should a settlement discount be offered as part of the Agreement the Company may from time to time take advantage of such discount. The applicable amount will be deducted from the amount payable within the relevant month.
9. Credit Notes must be presented by the Supplier bearing the same address and layout details as an invoice. Credit Notes must be issued and received by the Company within the same month of the relating invoice.
10. Payments pertaining to any rebate payable by the Supplier must be paid in accordance with the procedures set out in the cover sheet



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## Schedule 3- Warranties

### Item 1 – Product and Services Warranties

1. The Supplier warrants that it will:
  - (a) provide the Products and Services at all times exercising due care, skill and judgment, in a proper workmanlike manner, and in accordance with the Company's specifications;
  - (b) provide the Products and Services in the timeframes specified in the Agreement or as otherwise specified by the Company;
  - (c) ensure that all methods and procedures employed in performing the Services and supplying the Products are ethical and are, where possible, best practice methods and procedures currently employed in the industry;
  - (d) ensure that only qualified and experienced personnel work on the provision of the Products and Services;
  - (e) provide the Products and Services in accordance with all the Company's reasonable requirements and directions;
  - (f) prepare and submit to the Company such reports as are required as to the Supplier's performance as and when required by the Company.
  - (g) ensure that in providing the Products and Services all applicable laws and regulations are complied with; and
  - (h) ensure that no act or omission of the Supplier may or may be likely to prejudice or harm the interests of the Company.

### Item 2 – Product Warranties

2. The Supplier warrants that all Products supplied under this Agreement:
  - (a) Are free from any contamination;
  - (b) Comply with all relevant:
    - 1) health;
    - 2) product packaging and labeling;
    - 3) transport, handling and storage;



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- 4) environmental;
- 5) weights and measures,

and all other relevant legislation, regulations and other requirements of the Commonwealth and all States and Territories of Australia, standards and industry codes of practice;

- (c) conform with the description given by the Supplier;
- (d) conform with the specifications and the quantities stated in the relevant purchase order and with any samples provided, and otherwise meet the requirements of a purchase order;
- (e) correspond with any sample in quality;
- (f) are newly manufactured, free from defects in workmanship and materials, of merchantable quality, free from defect or delivery, and are fit for the purpose and use for which they are acquired;
- (g) are free from any lien or encumbrance, and the Supplier has good marketable title to them;
- (h) which have an expiry date, are delivered to the Company within the first quarter of the recommended shelf life (that is, the period from manufacture to the “best before” or “use by” date); and
- (i) shall, for the lifetime of the product, perform at a level consistent with the Supplier’s specifications and representations as to functionality and suitability for purpose, and otherwise satisfy and comply with the terms of any product warranty supplied with the product.

The Company reserves the right to require the Supplier to provide certification of compliance of Products, including any test results, which must be provided within 7 days of request by the Company.

### **Item 3 – Services Warranties**

3. Without limiting the application of any other clause, the Supplier warrants that:
- (a) the Services and the results thereof will be free from defect or deficiency for a period of 18 months from the date at which they are completed and accepted by the Company;
  - (b) it understands all risks, difficulties, contingencies and other matters relating to performing the Services and the terms and conditions of this Agreement and is able to comply with the same;
  - (c) it has the resources, skill, competence, expertise, experience, knowledge and ability necessary to supply the Services and Products in accordance with this Agreement;
  - (d) it will provide all necessary on-site and off-site personnel needed to ensure it effectively meets its obligations under this Agreement;



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- (e) the personnel engaged by the Supplier in the performance of this Agreement are duly qualified to and will perform their obligations in a careful, skilful and diligent manner; and
- (f) it will have or will at its expense acquire all licences, permission, permits or authority required to perform the Services and supply the Products, including all intellectual property rights needed.

## Schedule 4 – Description of Services

**Services: Need to include a description of the Services when the Contract is agreed.**

1. The Supplier must appoint a dedicated Account Manager to administer the day to day operations of the account and provide a primary contact point for the relevant Company Production Department.
2. The Account Manager shall liaise with the Company regarding all matters which are likely to have an impact on the performance of the Contract.
3. The Account Manager shall make themselves available to meet at a frequency agreed with the Company to discuss the performance of this Contract and any issues
4. All other services ancillary to the performance of the Services.
5. All other services agreed between the parties from time to time.



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## Schedule 5 – Special Conditions

The supplier must comply with the following:

### 1. Dispute resolution process

- a) If there is a dispute in connection with this Agreement the parties will take the steps set out in this Schedule to seek to resolve the dispute before taking legal proceedings.
- b) If a party believes a dispute has arisen in connection with this Agreement that party will give written notice to the other party, adequately identifying and providing details of the dispute.
- c) On receipt of a dispute notice the parties will use their best efforts to resolve the dispute without delay, including by escalating the dispute to senior management if necessary.
- d) If those efforts are unsuccessful then, no later than seven days after the dispute notice is received, the parties will meet in person at an agreed time and place in order to discuss the dispute in an attempt to resolve the dispute by negotiation.
- e) This dispute resolution procedure does not prevent a party from applying to a court for urgent interlocutory relief or any relief to protect Intellectual Property Rights
- f) The Company representative for the purpose of this dispute resolution process is the Merchandising Manager.

### 2. Confidentiality

- a) The Supplier agrees that it will not, anywhere in Australia or New Zealand use the Company's Confidential Information to directly or indirectly solicit or endeavour to entice away from the Company, the custom, business or trade of any customer of the Company.



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# Schedule 6 – Ethical Sourcing Policy

## Statement of Compliance

At Staples Australia Pty Limited (“**Staples**”) we are committed to taking a leadership role in subscribing to high standards of ethical conduct by working with all of our suppliers to positively influence our social, ethical and environmental performance.

We recognise our corporate and social responsibilities reside as much in our supply chain as in our own activities. We continually seek to ensure that the products and services we source are ethically produced. Suppliers who respect, comply with or interpret at the organisational level relevant laws, regulations treaties, covenants or other agreements, such as the International Labour Organisation (**ILO**) standards are preferred. We look for suppliers that demonstrate a commitment to implementing policies and practices consistent with and complementary to, our own. We believe these considerations to be the platform from which responsible behaviours can build.

### **A. Labour Standards**

Staples expects suppliers to adopt sound labour practices and to treat their employees fairly in accordance with local laws and regulations regarding labour and employment. Staples expects its suppliers to adhere to the following requirements:

#### **Employment is freely chosen**

Suppliers will not use forced, bonded or involuntary prison labour. Workers are not required to lodge ‘deposits’ or their identity papers with the employer and are free to leave once their shift ends or after giving their employer reasonable notice.

#### **Child Labour**

Suppliers shall not use child labour. “Child” is defined as a person who is younger than the local legal age for completing compulsory education. Suppliers shall verify the age of their workers and maintain copies of their workers’ proof of age. Suppliers shall follow all applicable laws, regulations and the ILO standards regarding working hours and conditions for all employees.

#### **Involuntary Labour**

Suppliers shall not use involuntary labour. “Involuntary Labour” is defined as work or services which are extracted from any person under threat or penalty for its non-performance and for which the worker does not offer himself or herself voluntarily, and includes all manner of prison, bonded, indentured and forced labour.



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Workers must be free to leave once their shift ends and free to leave their employment after reasonable notice.

### **Immigration Law Compliance**

Suppliers shall only employ workers with a legal right to work, including workers obtained through an employment agency. Workers' legal right to work must be validated by reviewing original documentation prior to commencement of work.

### **Non Discrimination or Harassment**

Suppliers shall employ workers solely on the basis of their ability to do the job and shall not discriminate on the basis of age, gender, racial characteristics, maternity or marital status, pregnancy, sexual orientation, disability, national, cultural, religious or personal beliefs in relation to hiring, wages, benefits, termination or retirement. There shall be no inappropriate medical testing used in determining employment. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

### **Freedom of Association & Collective Bargaining**

Suppliers shall respect the rights of workers to associate, organise and bargain collectively in a legal and peaceful manner. Suppliers shall ensure that employee representatives are not discriminated against and have access to carry out their representative functions in the workplace.

Where the right to freedom of association and collective bargaining is restricted under law, suppliers must not hinder the development of parallel means for independent and free association and bargaining.

### **Working conditions are safe and hygienic**

Suppliers shall provide a safe and hygienic working environment, including monitoring of compliance with applicable legislation, regulations and the ILO standards.

Suppliers shall ensure that personal protective safety equipment is available and workers are adequately trained in its use. Safeguards on machinery must meet or exceed local laws, and workers shall be provided with all appropriate protective equipment.

### **Working Hours**

All working hours will comply with national laws and benchmark industry standards, whichever affords greater protection. Overtime work should be voluntary, and overtime should not be requested on a regular basis. Suppliers shall guarantee workers breaks and days off in compliance with applicable law.



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### **Wages and Benefits**

Suppliers shall provide wages and benefits that comply with all local laws and regulations or match prevailing local manufacturing or industry rates, whichever is higher. Overtime pay shall be calculated at the legally required rate, regardless of whether workers are compensated hourly or by piece rate.

### **Regular employment is provided**

To every extent possible suppliers must ensure work performed must be on the basis of a recognised employment relationship established through national law and practice.

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the imposed use of labour-only contracting or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive and prevalent use of fixed-term contracts of employment.

## **B. Environmental Standards**

Suppliers shall as a minimum comply with all applicable laws and regulations relating to the environmental impacts of their business, and maintain procedures for notifying local authorities in the event of an environment accident resulting from the supplier's operation. Supplier compliance with environmental law shall include any international or applicable local laws affecting the source of materials and processes used to manufacture products. Detailed performance standards are a matter for suppliers, but should address at least the following:

**Waste Management:** - Waste is minimised and items recycled whenever this is practicable. Effective controls of waste in respect of ground, air, and water pollution must be adopted. In the case of hazardous materials, emergency response plans must be put in place.

**Packaging and Paper:** - Undue and unnecessary use of materials shall be avoided, and recycled materials should be used whenever appropriate.

**Conservation:** - Processes and activities shall be monitored and modified as necessary to ensure conservation of scarce resources, including water, flora and fauna and productive land in certain situations.

**Energy Use:** - All production and delivery processes, including the use of heating, ventilation, lighting, IT systems and transportation, must be based on the need to maximise efficient energy use and to minimise harmful emissions.

**Product Selection:** - Proactively work with and provide assistance to Staples in selecting products which are environmentally beneficial.



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### **C. Arms**

Suppliers shall not be engaged:

1. in the manufacture of arms; or
2. in the sale of arms to governments which systematically violate the human rights of their citizens; or where there is internal armed conflict or major tensions; or where the sale of arms may jeopardise regional peace and security.

### **D. Conflicts of interest**

Suppliers and contractors must avoid any situation that may involve a conflict or the appearance of a conflict between their personal interests and the interests of Staples. Each supplier and contractor must make prompt and full disclosure to Staples of any situation which may involve a conflict of interest. Conflicts of interest include, but are not limited to:

- Ownership of a significant financial interest in any competitor of Staples.
- Serving as a director, officer, partner, consultant or in any competitor of, Staples.
- Acting as a broker, finder or other intermediary for the benefit of a third party in transactions involving Staples or its interests.
- Any other arrangement or circumstance, including family or other personal relationships, which might influence the supplier or contractor from acting in the best interest of Staples.

### **E. Insider Trading**

Suppliers must ensure that non-public information obtained as a consequence of a relationship with Staples may not be used for the personal profit of the supplier, contractor, their employees or of anyone as a result of association with their employees.

The Corporations Act 2001 contains stringent prohibitions against insider trading. This prohibited conduct applies both to the securities of Staples and to those of its customers, suppliers, or other companies with whom Staples does business.

### **F. Business Courtesies and Inducements**

Offering, giving, soliciting or receiving any form of bribe or under-the-table payment, including unauthorised gifts, is prohibited. Good judgment and moderation must be exercised to avoid misinterpretation and any adverse effect on the reputation of Staples or its employees.



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## **G. Intellectual Property**

Suppliers and contractors must use Staples trade information, copyrights, and trademarks only in a manner that is permitted under their contract with Staples, and in any event, safeguard them as assets of Staples, and not misappropriate or infringe the trade information, trademarks, or copyrighted works of others.

Suppliers and contractors must not use trade secrets or proprietary or confidential information for their own purposes or disclose such information to unauthorized third parties.

Suppliers and contractors must use notify Staples of any unauthorized use of the Staples name, trademarks and logo by a third party.

## **H. Confidentiality**

Suppliers and contractors must protect Staples information, not disclose it to any third party, and use it only for the business of Staples.

## **I. Monitoring and Compliance**

Generally, suppliers will not be engaged as a preferred supplier to Staples unless the Ethical Sourcing Policy can be complied with and Staples considers performance is acceptable, or genuine attempts are being made to address violations of this policy. Staples reserves the right to audit compliance with this policy or appoint a third party to conduct an audit. Any violations will be reported to the supplier's management for their attention and, if appropriate corrective action. Regardless of corrective action required, Staples may terminate its relationship with any supplier who does not comply with the Ethical Sourcing Policy, without liability to the supplier for damages resulting from termination.

The provisions of this policy constitute minimum and not maximum standards and suppliers in Australia and New Zealand, together with their contractors, must apply this policy as well as other applicable laws, and where the provisions of law and this policy address the same subject, they must apply that provision which affords the greater protection.

Those suppliers operating off-shore must as a minimum, abide by all laws in that jurisdiction, together with the labour standards set out in this Policy. Staples reserves the right to apply additional standards on a case-by-case basis, having regard to existing principles already broadly accepted within the community (for example, additional ILO conventions or SA8000).



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## Schedule 7 – Staples’ Supplier Code of Conduct

At Staples, we strive to work with suppliers who treat their workers with dignity and respect, adhere to applicable laws and regulations, and make their products in an environmentally sustainable manner. Accordingly, we require each supplier providing us with Staples® brand products to comply with the following Supplier Code of Conduct (“our Code”).\* We strongly recommend that our other branded suppliers and subcontractors comply with our Code or similar standards:

- 1. Forced Labor:** Suppliers shall not use forced labor, whether in the form of prison labor, indentured labor, bonded labor, or otherwise. Employers must allow employees to keep their own identification documents. Employees are free to leave a position after giving reasonable notice.
- 2. Child Labor:** Suppliers shall not employ people younger than 14, or the minimum age for the completion of compulsory education, or the minimum age of employment required by law in the country of manufacture, whichever is highest.
- 3. Harassment and Abuse:** Suppliers shall treat every employee with respect and dignity, and shall not subject any employee to physical, sexual, psychological, or verbal harassment or abuse.
- 4. Nondiscrimination:** Suppliers shall not subject any person to discrimination in employment (including hiring, salary, benefits, advancement, discipline, termination, or retirement) on the basis of gender, marital status, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.
- 5. Health and Safety:** Suppliers shall comply with applicable environmental laws and regulations and provide a safe and healthy environment to prevent accidents and injury to health from occurring. Suppliers shall identify, assess and minimize the impact of emergency situations by implementing emergency plans and response procedures. These plans and procedures must include the following: emergency exits are unlocked and accessible during working hours, fire extinguishers must be present and charged, evacuation plans must be posted and drills must be conducted annually. Supplier shall identify, evaluate and control exposure to hazards and provide employees with any applicable personal protective equipment.
- 6. Freedom of Association and Collective Bargaining:** Suppliers shall recognize and respect the right of employees to freedom of association and collective bargaining. Management is encouraged to engage in direct communication with employees.
- 7. Wages and Benefits:** Suppliers shall pay employees at least the minimum wage required by local law, or the prevailing industry wage if no minimum wage law applies, and shall provide legally mandated benefits.



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8. **Hours of Work/ Compensation:** Employees should not be required to work more than 60 hours a week except in extraordinary business circumstances. Employees should be granted at least one day off in every seven-day period. In addition to their compensation for regular hours of work, suppliers shall compensate employees for overtime hours at the applicable premium rate in their country. In countries that have not established premium overtime rates, suppliers shall not pay employees less than their regular hourly rate for overtime hours.

9. **Ethics:** Suppliers are held to the highest standards of integrity. Embezzlement, corruption, bribery and extortion are strictly prohibited. Suppliers must respect all intellectual property rights and regulatory requirements of the country they ship to.

10. **Environmental Impact:** Suppliers must meet all applicable environmental laws and regulations in their country to manage hazardous chemicals and all waste and emissions materials.

#### **Monitoring and Compliance**

To ensure compliance with our Code, Staples shall have the right to monitor factories producing Staples® brand products through audits by third parties and visits by Staples personnel. We seek relationships with suppliers that are committed to manufacturing Staples® brand products under fair and safe labor conditions and sound environmental practices. If we determine that a particular factory does not comply with our Code, we typically strive to work with the supplier to develop and implement an appropriate corrective action plan. Nevertheless, depending upon the circumstances, Staples may elect to end its relationship with a supplier that produces Staples® brand products at any time for failing to adhere to our Code. Staples will provide factories with a copy of the Code upon completion of the first audit. The Code must be posted in a place visible to employees, in their native language.

\* Staples® brand products are products, including all labelling and packaging, which are marked with a brand name belonging to Staples or one of its affiliates or subsidiaries.