



**United Nations** Global Compact

# 'First' COP2013

Communication On Progress  
December 6<sup>th</sup> 2013

**Office  
DEPOT®**

Office Depot International BV.  
COP 2013  
UN Global Compact

V0.1 DRAFT

To our stakeholders:

I am pleased to confirm that Office Depot International BV reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Environment and Anti-Corruption.

In this first Communication on Progress, we describe our actions to ensure continual improvement of the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Steve Schmidt  
President Office Depot International BV

## Human Rights Principles

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** make sure that they are not complicit in human rights abuses

## Labour Principles

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:** the elimination of all forms of forced and compulsory labour;

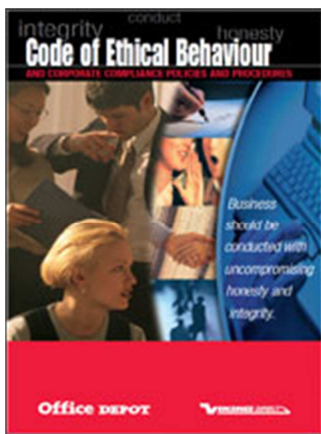
**Principle 5:** the effective abolition of child labour; and

**Principle 6:** the elimination of discrimination in respect of employment and occupation

## Assessment, Policy and Goals

At Office Depot International BV we have implemented a code of ethical behavior that reflects the following topics related to Human Rights;

- Confidential Alertline which is operated by an independent third party
  - This Alertline assist our employees in first complying with their ethical and legal obligations and second reporting suspected violations of applicable laws, office Depot policies, or established procedures
- Conflicts of Interest
- Equal Employment Opportunity
- Harassment and Discrimination
- Political Activities
- Anti-Boycott Act
- Gifts and Entertainment
- Outside Employment
- Vendor Relations
- Security Awareness
- Workplace Safety
- Employee Privacy



This Code of Ethical policy can be downloaded via;  
<http://www.officedepot.eu/greeneroffice/>  
(section; Tools, links and downloads)

### Office Depot International BV & Office Depot Europe B.V.

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Office Depot Europe B.V. is registered at the Chamber of Commerce of Limburg under number 12066592.

Office Depot Values and Commitment are founded on the principles of accountability and integrity. Office Depot expects organizations producing goods and providing services for it, including any approved subcontractors to follow and adhere our Supplier Guiding Principles in order to do business with Office Depot. These Supplier Guiding Principles apply to all Suppliers of Office Depot. The Supplier Guiding Principles represent Office Depot's commitment to source goods and services only from Suppliers who strive to comply fully with all applicable laws and regulations and those who meet internationally recognized standards and practices in dealing with its workers and their working environment.

All Suppliers of Office Depot must comply with all applicable laws and each of the following principles:

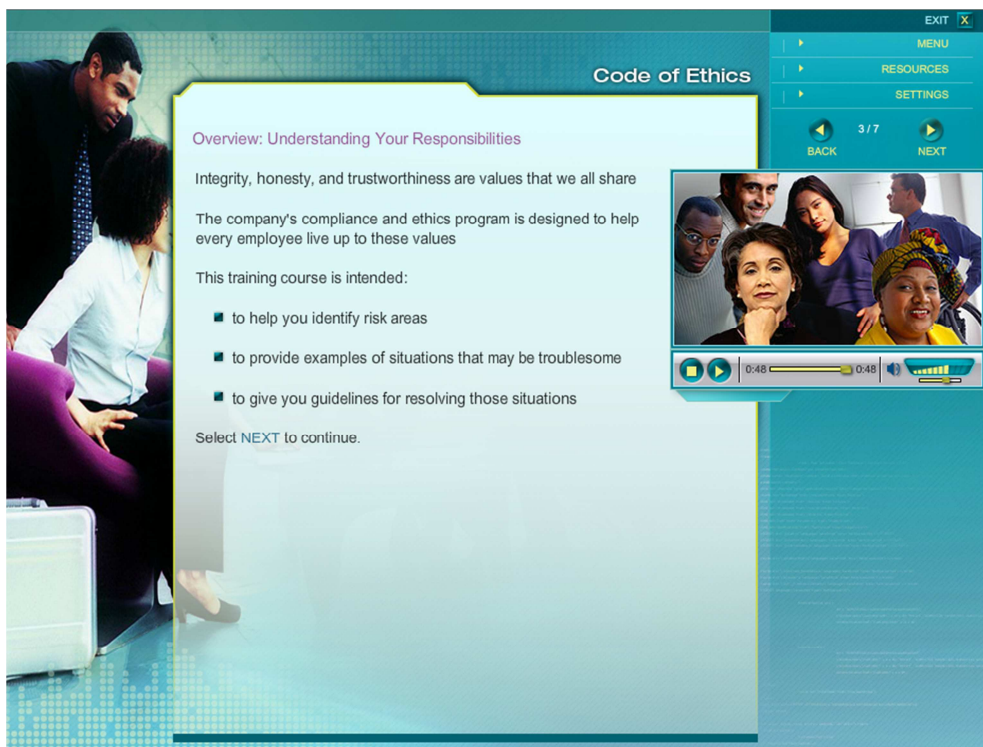
1. Labor Standards and Human Rights
  - a. Prohibition of Forced Labor, Human Trafficking and Slavery
  - b. Prohibition of Child Labor
  - c. Working Hours
  - d. Wages and Benefits
  - e. Respect for the Individual
  - f. Freedom of Association and Collective Bargaining
  - g. Non-Discrimination
2. Health and Safety
  - a. Working Environment
  - b. Security
3. Environment
4. Bribery and Corruption
  - a. Compliance
  - b. Anti-Corruption
  - c. Gifts and Hospitality
5. Management of Standard
  - a. Inspection Right
  - b. Communication
6. Standard Enforcement
  - a. Violations
  - b. Reporting of Potential Violations
7. Supplier Attestation



This Supplier Guiding Principle can be downloaded via  
<http://www.officedepot.eu/greeneroffice/>  
 (section; Tools, links and downloads)

## Implementation

All our associates need to complete an online training regarding our Code of Ethical Behavior. An example of a screenshot is shown below. This training is mandatory and needs to be completed annually using our online e-learning platform. Results and progress are tracked and reported to senior management.



Example screenshot 'Online e-learning Code of Ethics'

Our hotline managed by an independent third party is globally accessible for our own employees and vendors via phone or online.

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**Office DEPOT.**

**Welcome to the Office Depot Hotline Web Submission Site!**

To ensure your concern is reported correctly and in compliance with domestic and international privacy requirements, please select the correct link below based on your physical location. Your information will be treated confidentially and you may always choose to remain anonymous in your submission.

[English](#) | [Español](#) | [Français \(Canada\)](#) | [繁體中文](#) | [簡體中文](#) | [한국어](#) | [العربية](#) | [हिन्दी](#) | [English for EU Countries](#) | [Castellano](#) | [Deutsch](#) | [Polski](#) | [Čeština](#) | [Nederlands](#) | [Magyar](#) | [română](#) | [Slovenčina](#) | [Svenska](#) | [Français](#) | [Italiano](#) | [Português](#)

**Office Depot's Values**

- Integrity** - We earn the trust and confidence of associates, customers, suppliers and shareholders by being open, honest and truthful in all that we do.
- Innovation** - With a culture of creativity and a thirst for intelligent risk-taking, we aspire to do what has never been done.
- Inclusion** - We approach all opportunities and challenges by respecting the diverse thoughts, beliefs, backgrounds, cultures and energies of all associates, customers and suppliers.
- Customer Focus** - We fuel our customers' dreams by anticipating and listening to their needs and passionately delivering on our promises. Failure is not an option, as we promise to "wow" on recovery.
- Accountability** - We are responsible for achieving and sustaining unprecedented results that create extraordinary value for our shareholders and stakeholders through personal commitment, sensible thrift, collaboration and shared leadership.

**Toll-Free Calling Instructions:**

To report your concern by phone, dial 1-866-634-6854 to call from the U.S. and Canada. Click [here](#) to find out how to call from outside North America.

This site is hosted and maintained by an independent, third-party service provider on behalf of Office Depot. This site is intended for the use of Office Depot associates.  
Powered by Global Compliance.

## Measurement of outcomes

Since 2002 we have audited 3563 vendors according to Supplier Guiding principles. Details and outcomes over the recent years of our vendor compliance auditing program can be found at <http://officedepotcitizenship.com/business/compliance/>

The table below summarizes the results achieved since 2002 and our 2012(FY) audit results.

	2012 - Global	2011- Global	Change	Total since program inception in 2002
Total Audits	426	417	9	3563
Initial Audits	103	111	-8	1307
Follow-up Audits*	323	306	17	2256

\*This number includes Annual & Re-Audit

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## Environmental Principles

**Principle 7:** Businesses should support a precautionary approach to environmental challenges;

**Principle 8:** undertake initiatives to promote greater environmental responsibility; and

**Principle 9:** encourage the development and diffusion of environmentally friendly technologies

## Assessment, Policy and Goals

### Our Environmental Strategy and Policy

At Office Depot, we recognise the need to maintain a successful business and to deliver value to our shareholders and to a wide range of other stakeholders. We are therefore committed to minimising the environmental and social impacts of our own activities and of the products and services we provide.

We aim to:

- Implement a long-term strategy that addresses the environmental and social impacts of our own operations, both within our supply chain and within the product lifecycle of the products we sell.
- Establish systems to manage our environmental impacts, set objectives and targets to monitor our performance, and review and report our progress.
- Manage our emissions to air, water and land, minimise our use of natural resources and materials, reduce waste and increase recycling.
- Encourage our stakeholders to address green issues and develop their own strategies.
- Promote environmental product stewardship with our stakeholders.
- Support customers and end-users in addressing environmental and social needs within their procurement processes.
- Establish effective relationships and communication with both internal and external stakeholders, based on openness, trust and transparency.
- Comply with all applicable EU and local environmental regulations

### Why Green – laying the foundations

We:

- Comply with legislation – by using ISO14001 to ensure we have the proper processes and procedures in place to manage legal compliance
- All our sites are ISO14001 certified
- Meet current and future customer needs – by participating in stakeholder consultations, customer reporting and customer face-to-face meetings
- We actively participate in various stakeholder consultations upstream (vendors) and downstream (customers) while at the same time participate as member in

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partnerships (e.g. CSR Europe, UN Global Compact, WWF-GFTN-UK and, MVO Nederland)

- Improve efficiency and reduce costs – through route-planning optimisation, packaging box cutting system, e-business (e-ordering, e-cat, e-invoicing), Best Value Procurement
- Reduce risks for yourself and your customers – by having “green” product claims validated by third parties, active dialogue with our vendors to improve product and supply chain transparency.
- Have an Enhanced reputation – Already in 2009 we received recognition for our Outstanding Environmental Leadership.

### **Buy Green – responsible procurement**

We:

- Understand suppliers' approaches to sustainability – by two way dialogue at our vendor conference, vendor visits or vendor specific stakeholder events we continuously improve our approach to buy greener
- Engage with and influence your suppliers – by two way dialogue at vendor conferences, joined customer meetings and responsible procurement policy development
- Work in partnership with your suppliers to develop solutions – such as GLS carbon neutral delivery, MPS (Managed Print Services) in cooperation with Xerox and HP, Steinbeis and local service providers 'Closed loop paper concept'
- Consider Whole Life Costing and sustainability criteria – within our TCO Total Cost of Ownership tool (and approach) we have recently integrated a first set of sustainable criteria. These criteria refer to level off greenness of products, processes and carbon footprint.
- Keep up-to-date with developments in sustainable products and services –via Stakeholder dialogue, participating as a member partner in various organisations or foundations (UN Global Compact, SEDEX, GFTN-WWF-UK, CSR Europe, MVO Nederland, CDP Carbon Disclosure Project)

### **Be Green – walk the talk**

We:

- Implement your strategy – Our ISO 14001 certification, sustainability & environmental policy, annual CC (Corporate Citizenship) report
- Identify and engage with your stakeholders
- Set targets and monitor your progress – Our annual CC (Corporate Citizenship) report, integrated green KPI's (Key Performance Indicators) within our BSC (Business Score Card) at local and European level.
- Build internal capacity – Our governance structure will be explained at a later stage



- Drive continuous improvement – share local best practices, implement policies which will be regularly updated, identify areas for improvement at own facilities and across supply chain.
- Demonstrate long-term commitment – create shared value and long term partnerships (WWF-GFTN-UK since 1995)

### **Sell Green – avoid green washing**

We:

- Build long-term relationships with customers – Via customer reporting, Account management model (CSC, TAM, Web, mail, KAM, IBM, IBDM)
- Understand current customer needs and anticipate future ones – via customer meetings and events, Green reporting, participation in public stakeholder consultations, partnerships (CSR Europe, SEDEX, UN Global Compact, MVO Nederland)
- Understand current and future demand for sustainable products and services – Green reporting, participation in public stakeholder consultations, offer standard carbon footprint reduction or offsetting programs
- Innovate to meet future demand – Via closed loop services, cooperating with responsible logistic service providers

### **Tell Green – be open and transparent**

We:

- Communicate performance to key stakeholders – Via our CC report, corporate websites, conferences, vendor procurement events, customer visits and panels.
- Create internal 'champions' and drive buy-in – encouraged by green customer awards (Carbon compensation Think Green by GLS, Greenkey Award)
- Share good practice with your peers and other industry leaders – as a member of CSR Europe, SEDEX, UNGC, MVO Nederland, OPI and Sustainable Office
- Be open and transparent – via our CC report, policies (Sustainability, Environment, Paper procurement) corporate websites and customer reporting
- Invite feedback from stakeholders – Via our vendor conference, customer meetings and panels, corporate websites

### **Implementation**

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All our local operations are ISO14001 certified which enables us to ensure a proper implementation of our environmental strategy and policies. To engage our employees we do use various media and tools varying from poster campaigns, group training and e-learning tools. Our poster campaign 'Did you know?' addresses facts and figures based on our own performance combined with some more generic messages.

We offer programs to collect empty cartridges and e-waste as a standard while in addition a more advanced closed loop program to collect office waste paper has been successfully implemented by our UK operations.

In our warehouses have we implemented over the last few years box-cutters to eliminate plastic box fillers and remove unused box space. This has a positive impact on truck load efficiency and effectiveness that when combined with route planning optimization can further reduce carbon footprint emission per delivered package. In our Touchpoints (direct mailing, catalogs and web shops) we mark 'green' products using our GO (Greener Office) logo. Products marked using this logo are verified based on predefined criteria and validated by an independent third party. In 2014 we'll launch a new program called 'Source with Confidence' that engages and encourages our vendors to share 'green' product and production information. By means of this program we want to share responsibility – increase transparency – create partnerships. A short animation explains from a customer point of view how we want to change our way of working. This animation is available via <https://www.youtube.com/watch?v=wKLn0yP7Kc4>.

### Measurement of outcomes

In our annual CC (Corporate Citizenship) report we share our environmental impact and results linked to Buy Greener – Be Greener – Sell Greener. Details on the European operations can be found at the European Dashboard via <http://officedepotcitizenship.com/wp-content/uploads/2013/10/2012-European-Dashboard-Ledger-Final.pdf>

Some key achievements FY2012 compared to FY2011 are highlighted below:

Buy Greener	+175% products Third Party Ecolabel
Be Greener	-6% Recycling percentage
Sell Greener	+18% Green Sales (Euro) and +47% Green Sales Percentage

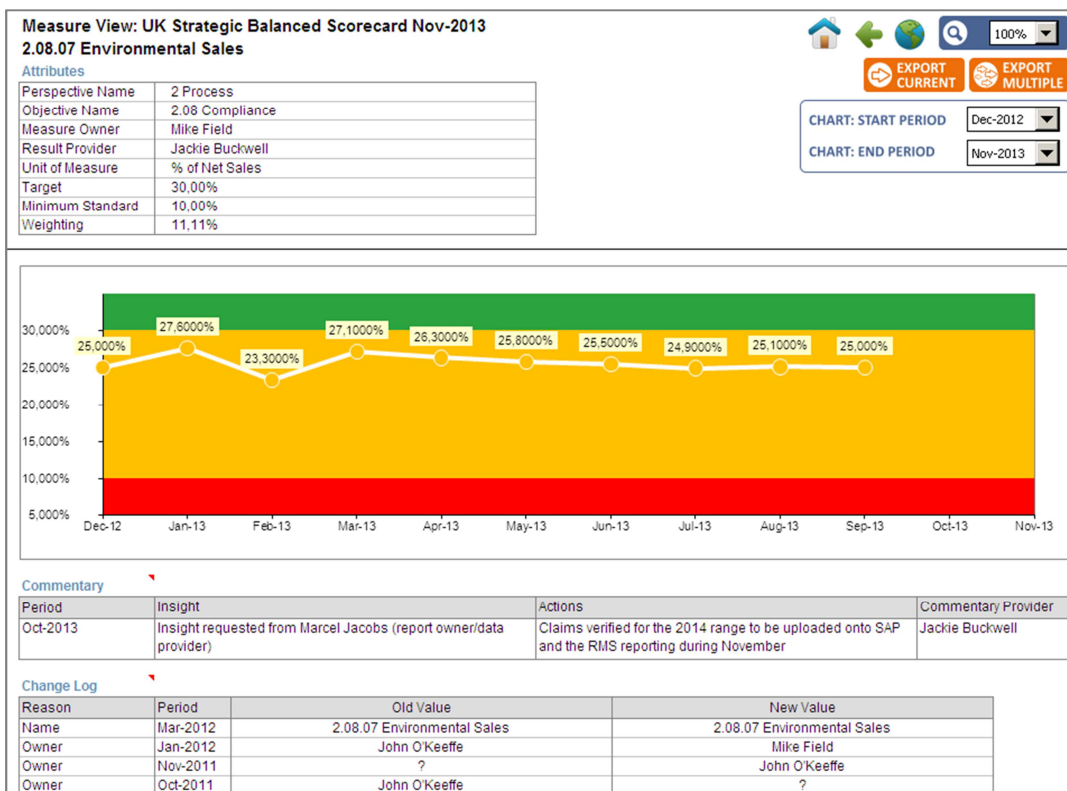
In 2014 we'll start to compensate our Carbon Footprint caused by customer Deliveries in accordance with the Gold Standard. At first we'll start compensation in the region Benelux-DACH (Germany, Austria and Switzerland). As soon as possible France, Ireland and United Kingdom will implement this approach as well. In parallel do we engage both our upstream (vendors) and downstream (customers) taking a joined responsibility to reduce our carbon footprint per delivery. We identify new logistic services, cross docking, new packaging materials or packaging quantities in combination with optimized order and delivery frequencies.

At our internal BSC (Business Score Card) we have identified 3 'green' KPI which Address Our Environmental Sales, Environmental Compliance and Carbon Footprint. The figure below shows a screenshot of the UK section of the BSC addressing the Environmental Sales 2013YTD.

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## Anti-Corruption Principles

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

### Assessment, Policy and Goals

At Office Depot International BV we have implemented a code of ethical behavior that reflects the following topics related to Anti-Corruption principles;

- Confidential Alertline which is operated by an independent third party
  - This Alertline assist our employees in first complying with their ethical and legal obligations and second reporting suspected violations of applicable laws, office Depot policies, or established procedures
- Conflicts of Interest
- Financial Integrity
- Insider Trading
- Antitrust, Monopolies and Economic Competition
- Foreign Corrupt Practices Act
- Anti-Boycott Act/Export Laws
- Gifts and Entertainment
- Vendor Relations
- Security Awareness
- Proprietary Rights and Computers
- Employee Privacy

Our SGP (Supplier Guiding Principles) are addressing at section 4 - Bribery and Corruption. Our vendors needs to sign our SGP as part of our business agreement (MPA – Master Purchase Agreement) before any business activity can take place. This section addresses three specific elements being Compliance - Anti-Corruption - Gifts and Hospitality. These requirements are not only protecting Office Depot associates they also protect and guide our vendors.

At Corporate level we have developed an Anti-Corruption/Bribery Policy. This policy addresses (originated August 1<sup>st</sup>, 2011);

- Office Depot's Statement of Policy
- What is a "bribe"?
- What denotes a "governmental official"
- Travel, Entertainment and Gift Giving
- Donations & Contributions
- Payment to Government Officials or Facilitations Payments
- Third Parties
- Customer Rewards/Loyalty Programs
- Accounting and Audit
- Training and Awareness
- Non-Compliance
- Reporting Violations

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- Administration of the Policy
- Examples of Red Flags



Download CC report 2013 via:

[http://officedepotcitizenship.com/wp-content/uploads/2013/10/OD\\_CCR\\_2013-rev1.pdf](http://officedepotcitizenship.com/wp-content/uploads/2013/10/OD_CCR_2013-rev1.pdf)

Or visit:

<http://officedepotcitizenship.com/>

## Implementation Plan 2014

This first COP addresses all activities that we as Office Depot International have undertaken to cover Human Rights Principles, Labour Principles, Environmental Principles and Anti-Corruption Principles. Based on the COP guidance we have identified areas for improvement that enable us to ensure continuous improvement while at the same time show our commitment and support if the Ten Principles of the United Nations Global Compact in all relevant areas of our operations.

Key focal areas of our 2014 plan are;

- Identification of references and clarification in our external communication like policies, guidelines and CC report
- Identify and describe at least one KPI for each of the Ten Principles that will be communicated to external stakeholders via corporate websites and CC report
- Stakeholder consultation to be defined
- Define mid-term improvement plan for next 3 years
- Set SMART Objectives and Targets providing insights on how we support the further integration and support of the Ten Principles in our core business

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This is our **Communication on Progress**  
in implementing the principles of the  
**United Nations Global Compact.**

We welcome feedback on its contents.

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