



United Nations Global Compact

COP2014

Communication On Progress

March 3, 2015

**Office
DEPOT®**

Office Depot International BV.
COP2014
UN Global Compact

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.

The COP2014 describes 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 assists 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.com/speciallinks/us/od/docs/guides/code-of-ethics.pdf>

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

T: +31 (0)77 323 8888 M: +31 (0)6 52506466 F: +31 (0)77 323 8912 W: www.officedepot.eu

Columbusweg 33, 5928 LA Venlo, the Netherlands or P.O. Box 3278, 5902 RG Venlo, the Netherlands

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://officedepotcitizenship.com/business/compliance/supplier-guiding-principles/>

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Implementation


All our associates need to complete an online training regarding our Code of Ethical Behavior. 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.

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


Measurement of outcomes

Since 2002, we have audited 3939 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 audit results achieved between 2012 and 2013.

Factory Inspections 2012 Global vs. 2013 Global

	2013 - Global	2012- Global	Change	Total since program inception in 2002
Total Audits	376	426	-50	3939
Initial Audits	90	103	-13	1397
Follow-up Audits*	286	323	-37	2542

*This number includes Annual & Re-Audit

	Global - 2013	Global - 2012	% Improvement
Zero Tolerance**	1%	4%	3%
Needs Improvement	69%	69%	0%
Satisfactory	26%	27%	-1%

**Zero Tolerance includes Denied Access graded as Zero Tolerance

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During 2014, Office Depot reported our Global metrics via the Office Depot Corporate Citizenship Report and the Dow Jones Sustainability Index, as part of our Global Audit Transparency.

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 recognize 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 minimizing 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, minimize 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.

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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
- Most of 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 partnerships (e.g. CSR Europe, UN Global Compact, WWF-GFTN-UK and, MVO Nederland)
- Improve efficiency and reduce costs – through route-planning optimization, 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.

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 carbon neutral delivery for our DACHbenelux region
- Keep up-to-date with developments in sustainable products and services –via Stakeholder dialogue, participating as a member partner in various organizations 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

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- 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
- Share good practice with your peers and other industry leaders – as a member of CSR Europe, 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

Most of 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

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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 2015, 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.

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/planet/tell-green/>

2014 Report with 2013 Data:

#	Environmental Metrics & Submetrics	GRI	Main European Markets		
			UK and Ireland	DACH Benelux ¹	France
1.0	Greener products in Office Depot assortment ^{2,3}	EN27	2,200	3,400	2,100
1.1	Recycled products ^{3,4}	EN27	1,100	770	500
1.2	Products with other green attributes ^{3,5}	EN27	1,100	2,700	1,600
2.0	Greener products with ecolabels ³	EN27	1,200	2,700	1,300
3.0	Greener marketing paper fiber, percent by weight ⁶	EN27	N/A	93%	98%
4.0	Waste footprint, metric tons ^{7,8,9}	EN23	350	200	200
4.1	Recycling footprint, metric tons ^{7,8,9}	EN23	2,100	1,700	2,600
4.2	Recycling Rate, percent ^{7,8,9}	EN23	86%	89%	93%
#	Environmental Metrics & Submetrics	GRI	Main European Markets		

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			UK and Ireland	DACH Benelux ¹	France
4.3	Cost of waste, US dollars or Euros ^{7,8,9}	NA	€200,000	NA	€145,000
4.4	Recycling net income, US dollars or Euros ^{7,8,9}	NA	€112,000	NA	€104,000
5.0	Facilities' carbon footprint, metric tons CO ₂ e ^{9,10}	EN15 EN16	8,700	8,200	8,600
5.1	Cost of energy, US dollars or Euros ^{9,11}	NA	€2.1 Million	€1.9 Million	€1.8 Million
6.0	Water footprint, cubic meters ^{9,12}	EN8	25,000	NA	15,000
7.0	Greener sales, US dollars or Euros ^{2,18}	NA	€146 Million	€186 Million	NA
8.0	Technology and ink/toner taken-back from customers for recycling, metric tons ^{9,13,14}	EN23	1,300	45	260
8.1	Number of Ink/toner cartridges collected from customers ^{9,14}	EN23	154,000	58,000	239,000
9.0	Greener copy paper fiber in copy paper sold, percent by weight ¹⁵	EN27	22%	52%	NA
9.1	FSC certified virgin fiber in copy paper sold, percent by weight ^{15,16}	EN27	9%	49%	NA
9.2	Recycled fiber in copy paper sold, percent by weight ^{15, 17}	EN27	13%	3%	NA

Footnotes:

1 DACHBenelux = Germany, Austria, Switzerland, Belgium and Luxemburg | 2 Green attributes are defined in the Office Depot GreenerOffice™ Rating System (not all attributes are applicable in all countries): Recycled, Remanufactured, Recycling Solution, Designed for Recyclability, Helps Avoid Waste, Responsible Forestry (North America), Certified Chain of Custody (Europe), Responsible Agriculture, Plant-based/Biobased, Compostable, Refillable, Reusable, Rechargeable, Energy Efficient, Renewably Powered, Carbon Balanced, Made with Renewables, Reduced Harsh Chemicals, Chlorine Free, Biobased Formula and Biodegradable in Water; light, mid and dark green thresholds for 'Shades of Green' are used in North America (www.officedepot.com/go-ratings) | 3 Office Depot North America: products with at least \$1,000 sale, OfficeMax North America: total number of known products; UK and Ireland: based on 2013 OD catalog; DACHBenelux: based on

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storeserver data; France: products in France's Green Book | 4 includes products with 10% or greater postconsumer recycled content (North America), 30% or greater postconsumer recycled content (Europe), 20% or greater preconsumer recycled content and/or are remanufactured | 5 Includes applicable green attributes in footnote 1, excluding Recycled and Remanufactured | 6 FSC certified or recycled 10% or greater fiber by weight, for Europe it also includes PEFC certified fiber | 7 North America: US only | 8 Combination of actual and estimated data, based on billing period, provided by Office Depot internal team and third-party waste management vendors; excludes data from locations serviced by municipalities that do not provide waste/recycling data to Office Depot; Waste footprint = tonnage sent to landfill, incinerated and/or waste to energy, excluding tonnage that was recycled; note, last year North America's data was reported in short tons | 9 Office Depot does not perform additional procedures to validate data provided by third parties, we are reliant on their reporting accuracy | 10 'Facilities' are buildings owned or leased by Office Depot with utility usage in the reporting year; carbon footprint calculated following the WRI/WBCSD GHG Protocol, using actual and estimated monthly data from natural gas, electricity and propane; Office Depot North America: includes estimated fugitive HFCs emissions and used the U.S. EPA Climate Leaders methodology, some of the reduction in footprint improvement attributed to updated EPA regional emissions factors; OfficeMax North America: estimate based on trend in past three years of reporting; UK and Ireland: used Defra/DECC's GHG Conversion Factors for Company Reporting | 11 North America: includes electricity only, the largest of our NA energy spend; Europe: includes natural gas and electricity spend | 12 Actual and estimated based on monthly bills provided by vendors | 13 Includes technology, ink and toner cartridges or a combination thereof depending on the service options available within countries; based on actual and estimated tonnage | 14 Provided by vendor | 15 Copy paper is defined as uncoated printing paper with basis weight between 20lb and 32lb; includes sales in Retail (stores), Direct_(Web, catalog and call centers for non-contract customers) and Contract (larger customers with formal contracts) | 16 Excludes FSC 100% Recycled which is counted in 'recycled'; For UK & Ireland, PEFC and FSC fiber tonnage is 13% | 17 North America: postconsumer recycled content; Europe: a combination of post and preconsumer recycled content | 18 Includes both proprietary and nonproprietary products

Additionally in 2014, we started to compensate our Carbon Footprint caused by customer Deliveries in accordance with the Gold Standard for the Benelux-DACH (Germany, Austria and Switzerland) region.

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

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- 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 need 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 1st, 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
- Administration of the Policy
- Examples of Red Flags

To see more from our annual Corporate Citizenship Report visit:

<http://officedepotcitizenship.com/>

Implementation Plan 2015

This 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 of the Ten Principles of the United Nations Global Compact in all relevant areas of our operations.

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Key focal areas of our 2015 plan are;

- Identification of references and clarification in our external communication like policies, guidelines and CC report
- Stakeholder consultation to be defined
- 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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