



March 16, 2020

## Staples CEO Update: Employee Safety, Free Shipping & No Order Minimums & Managing High Demand Items

Dear Valued Staples Customer,

I want to reach out with an update on what we're doing to support you as our global community navigates the personal and business implications of COVID-19. Serving your needs in a safe manner is of the utmost importance to us. Here are three things we are doing to ensure you, your family, and your business have the essentials you need.

- We've taken proactive steps to ensure our associates and their families are protected, including providing up-to-date guidance from the Centers for Disease Control and Prevention (CDC) on prevention, ceasing all non-essential business travel both domestically and internationally, and putting new policies in place to ensure sick team members remain home. For our delivery drivers especially, we've established new measures to keep drivers and customers safe. These measures include arming drivers with sanitizing products, easing desktop drops when requested, and no longer requiring customers to sign for deliveries. Additionally, we have augmented our in-store cleaning procedures, increased frequency of cleanings, and canceled in-store community events. Finally, we are stressing the importance of social distancing with all customers and associates within all of our retail locations.
- Until further notice, we will provide free delivery on all orders and no minimum order size requirement. This will give you and your colleagues the ability to get the products you need, when and where you need them. It goes without saying that larger bundled orders help us deliver value and reliable service and are also better for the environment. So please continue to consolidate orders where possible, as we strive to meet the needs of the maximum number of customers.
- We're doing everything possible to help you act on the preventative measures advised by the CDC. We've seen unprecedented demand for many products, especially hand sanitizer, N95 masks, gloves, and disinfectants. To get you the products you need in a reasonable timeframe, we are urgently partnering with our suppliers to replenish our inventory and to provide you with alternatives. In the immediate term and for the greater good of our communities, we've prioritized our customers who are on the front lines combatting the spread of COVID-19, including hospitals, first responders and long-term care facilities. We recognize the needs of all our customers are important and will refresh our sites and products as soon as possible so that these products will be made available to all.

Relying on the expertise of the CDC and local health officials across the country, we are committed to sharing information as soon as we have it to protect the health and wellbeing of our customers and associates. At the heart of our core values is you, and the Staples team members who serve you, and we are here to support your needs in every way possible.

Sandy Douglas  
Chief Executive Officer, Staples, Inc.

## Current answers to your questions as of 3/20/20

### With the global outbreak of Coronavirus (COVID-19), is Staples experiencing any disruption to the products and services they offer me or my organization?

Yes, Staples is experiencing unprecedented demand in certain categories, such as hand sanitizer, N95 masks, gloves, disinfectants, toilet paper, paper towels, and facial tissue. For these impacted categories, we are working diligently with our suppliers to return to a stable inventory position as soon as possible and will use this communication vehicle to update status. Most other categories are in stock and available to purchase. **\*\*Answer updated on 3/20/20**

### What is Staples doing to manage the impact on customer orders?

Our merchandising, sourcing, supply chain and support teams across the company are taking proactive measures to maintain the highest levels of support for our customers, which includes:

- Leveraging our scale and relationships with key suppliers to maintain the best stocking positions for products based on availability
- increasing our safety stock levels on imported business essential products and preparedness items where supply remains unconstrained
- Making sure we have alternatives for products that could be impacted across the market
- Strategically shifting our sourcing of our new Product Brands to ensure the best possible supply
- Monitoring our suppliers daily to ensure we can proactively address/communicate disruption if/when appropriate

### How is Staples allocating supply of heavily constrained health + wellness products like hand sanitizer, N95 masks, gloves and disinfectants?

Our primary objective is to serve our customers who are on the front lines combatting the spread of COVID-19 or who are the most at risk of being severely impacted by the virus. These groups would include customers like hospitals, first responders, and long-term care facilities ("Health Care").

Using this as our guiding principle, we are taking the following actions:

- We will fulfill back orders from Health Care customers as soon as inventory is received.
- If a Health Care/Official First Responder customer received a cancellation notice on a back order in error, we will ensure they are recoded in our system as a Health Care Customer. A Staples Account Representatives must follow the internal process deployed earlier the week of 3/16 to vet a missed account. All requests will be reviewed as they come in and could be denied. If an account prioritization request is accepted, customer ordering on the hand sanitizer and high demand cleaning items will be reactivated and THEY MUST submit a new order when items become available again.
- Back orders for all other customers have been canceled in order to prioritize vital supplies to Health Care and first responder organizations. We could not fulfill these orders in a reasonable timeframe while also prioritizing these frontline customers.
- Our sites will be continuously refreshed to reflect product status. Skus that we believe we could fulfill within a reasonable timeframe will show as "Backordered" with our best estimate of the date when we will be able to deliver; skus that we believe we cannot fulfill within a reasonable timeframe will show as only 'out of stock.' In some specific cases where demand has been extraordinary, we have removed these skus from our sites temporarily. Please note that this does not imply that Staples will no longer carry these skus going forward.

**\*\*Answer updated on 3/20/20**

### How will customers know if they will receive a back order they placed?

Customers will receive either an email with an order status update or a cancellation notice due to our inability to provide the products ordered in a reasonable time.

### How will customers know when constrained products are again available to order?

These products will show in stock on the website when they become available.

### Is there a way to place a Special Order on Staples Advantage?

Yes, if you are looking for hard to find items, you can place a request for a quote using the Special Order feature. Items that are displayed as out of stock or on back order, are **NOT** available for Special Order.

### Can my organization return large order quantities if we over purchased items?

We will try to accommodate returns but ask that you are mindful of the quantities you are ordering.

- See [here](#) for specific details on Staples.com return policy.
- See [here](#) for specific details on Staplesadvantage.com return policy.

### What restrictions and guidance are currently in place related to Staples employees, contractors, or third parties that may be traveling to or from affected regions, and then returning to or visiting headquarters or operational locations?

To ensure we service our customers, we will utilize audio/video and or in person meetings when appropriate to answer questions and continue to support customer needs. In addition, we have instituted a temporary travel ban for all non-essential domestic and international business travel.

We have also communicated CDC and WHO best practice guidelines for the prevention of spreading disease, including:

- Avoid close contact with people who are sick
- Avoid touching eyes, nose, and mouth with unwashed hands
- Wash your hands often with soap and water for at least 20 seconds
- If soap and water are unavailable, use an alcohol-based hand sanitizer

As this is a rapidly evolving situation, we are continuing to monitor closely and will update our policies as necessary to ensure adequate protective and preventative measures remain in place.

### What preventative measures is Staples taking to mitigate the risk of COVID-19 transmission and protect the health and wellness of customers?

### 3/20/20 COVID-19 FAQs

We continue to take the guidance from the CDC and WHO and are doing regular education with our associates on best practices on healthy workplace habits. We are also encouraging associates with remote capabilities to work from home and have restricted non-essential business travel. Quarantine protocols have also been set in place and are in line with CDC and Canada Health identified warning locations and situations. Furthermore, associates have been directed to not come to work if they are exhibiting symptoms of COVID-19.

#### What preventative measures are delivery drivers taking?

Our drivers are taking extra precautionary measures as they are in contact with many customers, including health provider locations. The drivers are no longer capturing signatures from customers with our devices and have been provided with additional sanitizing products at their locations as available and as deemed necessary by the location. We are also complying with any and all customer requests to change normal delivery routines, such as leaving packages outside hospitals instead of desktop deliveries. As with all of our employees in the abundance of caution, we are asking our drivers not to come to work if they are exhibiting symptoms of COVID-19. **\*\*Answer updated on 3/20/20**

#### Will Staple' associates complete company documents on COVID-19 policies and procedures that customers require of all vendors?

Due to the volume of requests for information on Staples COVID-19 policies and procedures, we have created this FAQ document and ask that customers utilize the information provided within it in lieu of requiring Staples associates to complete separate forms. Should you require information not reflected in the FAQ document, please work directly with your Staples representative for additional needs. **\*\*Answer updated on 3/20/20**

#### Where are the products Staples sells being sourced from?

As one of the largest distributors in the United States, Staples has strategic suppliers and manufacturers that may have items or components that are manufactured in the US and or globally to include China.

#### How does Staples handle items that are imported from China?

We are closely monitoring the situation and are following the official public health guidance from the CDC that items shipped from China. Per the [CDC's website](#):

*"Currently there is no evidence to support transmission of COVID-19 associated with imported goods and there have not been any cases of COVID-19 in the United States associated with imported goods."*

#### Does Staples' Disaster Recovery / Business Continuity Plan include Pandemic Planning and Preparedness?

At Staples, the safety of our associates, customers, and businesses is a top priority.

Therefore, Staples has developed a Pandemic Plan in accordance with the World Health Organization's (WHO) guidance. In the event of a Pandemic, our phased approach corresponds with the WHO's guidelines, and will allow Staples to respond proactively when possible and reactively when necessary as the situation warrants.

In general, Staples' focus of pandemic preparedness is to:

- Limit the impact of an outbreak on our associates and their families
- Limit the impact of an outbreak on our delivery business by maintaining essential operations and services to whatever extent possible.

In the event of a Pandemic outbreak, Staples' *Business Continuity Plan* for key functional areas (Supply Chain, Customer Service, etc) serves as our procedural documents with regards to technology and systems. Our company's *Crisis Communication Plan* serves as the procedural document for communication strategies during a pandemic. Warehouses comply with *Emergency Response Plans* that are specific to each location.

In order to limit the negative impact of a pandemic on our business, *Staples' Crisis Management Team* (a cross-functional group with key team leads across the family of companies in Staples, led by the Business Continuity Manager) is responsible for making rapid decisions within the framework of our Staples Business Continuity Plans, and Staples Crisis Communication Plan.

In the case of a pandemic outbreak, Staples' Leadership Team considers and acts on Staples issues related to:

- Communications (i.e. to associates, customers, vendors, and suppliers)
- Technology Considerations
- Essential Function and Essential Associate assignments
- Policy and Procedure execution

This team draws upon the *Staples Business Continuity Plan* and the *Staples Crisis Communication Plan* for each operating company and/or site, including an analysis of the associate, business, and social consequences resulting from a pandemic. Contacts with local authorities on pandemic issues are coordinated through the Staples Physical Security (law enforcement), HR (health) or business continuity team (emergency management agencies).

The team's responsibilities, at a minimum, include the following:

- Monitor an evolving pandemic, as it is a dynamic situation
- Keep up to date with recommendations from local / national health experts, which are likely to change in different phases of the pandemic.
- Ensure clear communication between associates, health practitioners, our EAP, and local authorities involved with disease control.
  - Reduce the chances that employees become infected, both at home and at work, by considering suitable protective measures

Staples is committed to staying current with the latest Pandemic data issued by the WHO and by national public health (US' CDC, Centers for Disease Control and Prevention, and Canada's PHAC, Public Health Agency of Canada), and our plans will be adjusted and intensified should the WHO's Pandemic Alert be elevated or changed.