



## **CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT AND UK MODERN SLAVERY ACT STATEMENT**

This Statement relates to the fiscal year ended December 31, 2017 ("fiscal 2017") and describes the activities of ACCO Brands Corporation and its consolidated subsidiaries ("ACCO Brands," "we," "us" and "our") to address slavery and human trafficking in our business and supply chains. Not all of the entities in our consolidated group are subject to the California Transparency in Supply Chains Act and the UK Modern Slavery Act. We have prepared this Statement on a consolidated basis for the entire ACCO Brands group because we have common policies and compliance programs relating to slavery and anti-human trafficking across our business.

This Statement was posted on June 30, 2018 and does not reflect changes to our compliance policies, practices or procedures that may have occurred after such date.

### **OVERVIEW**

#### ***Business and Supply Chain Overview***

We are one of the world's largest designers, marketers and manufacturers of recognized consumer and end-user demanded brands used in businesses, schools and homes. We manufacture some of our products and some are third-party sourced. For fiscal 2017, we manufactured approximately half of our products locally where we operate, and sourced the remainder. We have manufacturing facilities in Australia, Belgium, Brazil, Canada, China, Czech Republic, England, Germany, Italy, Mexico, Poland, Portugal, Sweden and the United States. Sourcing primarily comes from China, but we also source from other North American, South American, Far Eastern and European countries. We maintain distribution centers in Australia, Brazil, Belgium, Canada, Czech Republic, England, France, Germany, Italy, Netherlands<sup>i</sup>, New Zealand, Poland, Sweden, and the United States. We also have other smaller offices in China, England, Germany, Japan, Poland, Taiwan and the United States. For additional information concerning our manufacturing facilities and distribution centers, see our Annual Report on Form 10-K for fiscal 2017 that we filed with the U.S. Securities and Exchange Commission and any subsequent filings that we make. These filings are available on our website at: <http://ir.accobrand.com/phoenix.zhtml?c=112835&p=irol-reports2017&language=us&country=us>.

Due to our internal hiring procedures, labor policies and the locations of most of our employees, ACCO Brands believes that the risks of slavery and human trafficking in our own workforce are remote. In addition, these risks are further mitigated since ACCO Brands does not use migrant labor. We have less influence over the labor practices of our sourced product vendors and their supply chains. Accordingly, we have established the compliance procedures

discussed in this Statement primarily to mitigate the risk of slavery and human trafficking in our supply chains for third-party sourced products.

On February 1, 2017, we acquired Esselte Group Holdings AB (“Esselte”). Esselte is a leading European manufacturer and marketer of office and consumer products. It takes products to market under the Leitz, Rapid and Esselte brands in the storage and organization, stapling and punch, business machines and do-it-yourself tools product categories. In our last Statement, we noted that we were in the process of integrating Esselte’s policies and procedures relating to slavery and human trafficking with those of the rest of our business. That integration has been completed and selected aspects of that integration are discussed in this Statement. The Esselte acquisition did not change our risk profile relating to slavery and human trafficking. In addition to having no known slavery and human trafficking controversies, prior to the acquisition, Esselte had policies and procedures in place to address these issues.

### ***Selected Policies***

#### **ACCO Brands Code of Business Conduct and Ethics**

ACCO Brands Corporation observes high ethical standards in the conduct of its business. The company respects internationally accepted legal principles and strives to obey the laws of those countries in which it does business. A detailed compilation of the company's commitment to ethical behavior is published in its Code of Business Conduct and Ethics, which is available to all stakeholders on our website at

<http://ir.accobrand.com/phoenix.zhtml?c=112835&p=irol-govConduct&language=us&country=us>.

Our Corporate Responsibility Principles provide, among other things, that ACCO Brands employ a diverse workforce; compensate all employees fairly, consistent with local standards and practices; nurture an inclusive, collaborative work environment; and will not knowingly conduct business with third parties which employ children or other workers under conditions that would be abusive or exploitative.

#### **Supplier Code of Conduct**

As indicated in our Supplier Code of Conduct, which has been approved by senior leadership, ACCO Brands is committed to ensuring that workers are treated with respect and dignity and we seek relationships with suppliers that are committed to manufacturing under fair and safe labor conditions. The Supplier Code of Conduct is publicly available on our website at

<http://ir.accobrand.com/phoenix.zhtml?c=112835&p=irol-govhighlights&language=us&country=us>.

In addition, it is distributed to employees as part of training, as well as to new suppliers in 15 languages including English. In 2017, the Supplier Code of Conduct was distributed to Esselte suppliers as part of that business’s integration into our slavery and human trafficking compliance program.

Among other things, the Supplier Code of Conduct provides that:

- Suppliers shall not use forced labor, whether in the form of prison labor, indentured labor, bonded labor, or otherwise.
- Suppliers shall not employ people younger than 15, under the minimum legal age or the minimum age for completing compulsory education in the country of manufacture, whichever is higher.
- Suppliers shall treat every employee with respect and dignity, and shall not subject any employee to physical, sexual, psychological, or verbal harassment or abuse.
- 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.
- Suppliers shall not require workers to work more than the maximum hours of daily and weekly labor set by local laws and workers should be granted at least one day off in every seven-day period, if required by local law.

The Supplier Code of Conduct indicates that the supplier is responsible for ensuring compliance by itself and any sub-contractor(s) and factories.

## **VERIFICATION OF PRODUCT SUPPLY CHAINS TO ADDRESS AND EVALUATE RISKS OF SLAVERY AND HUMAN TRAFFICKING**

ACCO Brands seeks to identify and evaluate the potential risks for slavery and human trafficking in its supply chains through reviewing the supplier's geographic location and the nature of its manufacturing activities for us. As discussed below, we also conduct factory assessments of new suppliers, as well as annual audits.

As a source of market intelligence to help identify risk, ACCO Brands participates in various trade organization groups that are focused on this issue and utilizes industry benchmarking data and information published by the U.S. government to help identify potentially high risk areas.

### **AUDIT OF SUPPLIERS**

ACCO Brands' Supplier Code of Conduct provides that, to ensure compliance with the Code, we have the right to monitor factories through audits by third parties and visits by ACCO Brands personnel. In addition, our forms of purchase order terms and conditions and manufacturing agreement provide for inspection rights to audit compliance with the Code of Conduct.

To become an ACCO Brands supplier, a supplier must undergo a factory assessment that reviews quality, social and security practices and standards. Our internal personnel conduct these assessments. Slavery and human trafficking risk are reviewed as part of the assessment.

In addition, we use a third-party service provider, which is a well-known international firm that specializes in supply chain audits, to conduct annual social responsibility audits of suppliers. These audits include a slavery and human trafficking assessment. As part of our ongoing focus on mitigating supply chain risk, we are in the process of reviewing our supplier data collection process and reporting across a number of different areas, including slavery and human trafficking, with a view to determining whether to enhance our policies and/or procedures.

Factories that make finished products and/or branded components that identify ACCO Brands or any of its subsidiaries, a licensor or a customer are audited. In addition, all factories that make blank finished goods and ACCO Brands' licensed products are audited. Other third party factories in designated low risk countries also are audited if determined to be appropriate by ACCO Brands' compliance staff based on the perceived risk.

Audits include reviews of documents, interviews with workers and site visits of production facilities and worker housing. We conduct unannounced, semi-announced and announced audits, depending upon the risk profile of the supplier. Our audit program also includes unannounced audits to the extent a supplier is required to correct a violation to our Supplier Code of Conduct or local law. The frequency of audits is based on the perceived risk of the supplier and other relevant factors.

Our audit process includes a Corrective Action Plan ("CAP") on a specified time frame if deficiencies in an audit category are identified. The failure to complete requested corrective actions may result in termination of the supplier relationship.

## **CERTIFICATIONS AND CONTRACTUAL TERMS AND CONDITIONS**

ACCO Brands requires suppliers that undergo audits to certify compliance with the Supplier Code of Conduct.

If we determine that a particular factory does not comply with our Supplier Code of Conduct, we typically strive to work with the supplier to develop and implement an appropriate CAP. However, depending upon the circumstances, ACCO Brands may elect to end its relationship with a supplier at any time for failing to adhere to our Code.

In addition, our forms of purchase order terms and conditions and manufacturing agreement require that suppliers comply with our Supplier Code of Conduct and that they require their subcontractors and suppliers who manufacture products or components for us or who provide services for us abide by the Supplier Code of Conduct and any other codes, policies and procedures to which our direct supplier has agreed to comply.

## **INTERNAL ACCOUNTABILITY STANDARDS AND PROCEDURES**

Relevant new employees are provided with a copy of the ACCO Brands Code of Business Conduct & Ethics and Supplier Code of Conduct. These materials also are included in our online employee intranet that all employees have access to. In addition, employees periodically

undergo compliance and ethics training, including with respect to the Supplier Code of Conduct and our Corporate Responsibility Principles. Failure of employees to abide by the requirements of the ACCO Brands Code of Business Conduct & Ethics and our Corporate Responsibility Principles can result in corrective action up to and including termination of employment.

ACCO Brands has an independent compliance function that is headed by the Vice President, Associate General Counsel – Global Compliance and Litigation and Vice President, Global Compliance Operations to ensure that the Codes are supported. We also use specialist outside counsel to assist us with certain aspects of our slavery and human trafficking compliance.

Each factory's performance in relevant audit categories is reported to the compliance team, which works with the sourcing departments and suppliers to implement any CAPs and, together with the sourcing departments, monitors the implementation and effectiveness of the CAPs. ACCO Brands maintains a supplier audit database that stores information on the results of supplier audits and any CAPs.

ACCO Brands has a hotline and confidential web form for employees, suppliers and other interested parties to report violations of its policies, including the provisions of the Supplier Code of Conduct that address slavery and human trafficking. Contact information for these mechanisms is on our website at <http://www.mysafeworkplace.com>.

## **TRAINING**

ACCO Brands provides training to relevant employees and management on a local level who have direct responsibility for supply chain management. Our training includes, but is not limited to, training regarding slavery and human trafficking and mitigating the risk of the supply chain being impacted by the same. ACCO Brands also provides periodic training updates and refresher training to these personnel. In 2017, relevant Esselte employees were trained on these issues. We periodically provide supplier training on slavery and human trafficking. In September 2018, ACCO Brands will host another Supplier Compliance Training Summit in Asia. This follows on a similar summit that we held in 2016.

Solely for purposes of compliance with the UK Modern Slavery Act, this Statement has been approved by the Board of Directors of ACCO UK Limited and signed by a director of that entity. A signed copy of this Statement is available upon request by contacting us at [vendorcompliance.socialresponsibility@acco.com](mailto:vendorcompliance.socialresponsibility@acco.com).

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<sup>i</sup> Scheduled to be closed during the second quarter of 2018.