

IPPAG Cooperative
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Basel, April 8th 2013

COMMUNICATION ON PROGRESS (COP) TO THE GLOBAL COMPACT

Dear Mr Lavigne-Delville,

I am pleased to confirm that the IPPAG Cooperative continues to support the ten principles of the Global Compact in respect to human rights, labour rights, the protection of the environment and anti corruption. With this communication, we express our intent to support and advance those principals within our sphere of influence.

We commit to making the Global Compact and its principles part of the strategy, culture and day to day operations of our organisation, and the companies that compose it. We also undertake to make a clear statement of this commitment – to our members, their employees, our partners, clients and suppliers, and to the public.

Please find below our Communication on progress (COP) as a description of our continued efforts since we joined in May 2006, and since our previous COP (December 2011).

Yours sincerely,

IPPAG COOPERATIVE
GENERAL MANAGER
Miss Florence Mosnier



IPPAG COOPERATIVE PRESIDENT
Mr Soeren Langhoff





Some background information:

IPPAG (The International Partnership for Premiums and Gifts) is a Swiss based Cooperative created in 1965, made up of 25 distributors of promotional items in different countries around the world.

The Cooperative's purpose is to produce shared resources, output and added value for all its member companies, based on the open exchange of information, and resulting in commonly developed initiatives and projects.

In April 2012, the IPPAG Cooperative elected a new executive committee composed of:

- Mr Soeren Langhoff, Langhoff Promotion AS, Denmark: President
- Mr Tomas Kaderka, IMI, Czech Republic: Committee member
- Mr Greg Banks, Prime Source, New Zealand: Committee member
- Mr Eduardo Zegaib, Eximagen, Mexico: Committee member

This committee has made an upmost priority of developing and implementing a vast CSR program throughout the group of IPPAG members and our supply chain... Several new initiatives have been added to this program as of January 2013.

Integral part of the IPPAG committee's strategy plan based on IPPAG's 4 key components:

Values	Competences	Services	Output for members
Responsibility	C.S.R. requirements, incl. issues re. Code of Conduct, Environment, CO2, Labor, Potential Brand Damage, etc.	Establishment of a Certified Supplier System, including CSR Audit, Self-Assessment, code of conduct and PPP	CSR Package: A selected product and supplier platform, documented to meet your customers requirements.

Updated IPPAG Cooperative CSR program as of January 2013:

1) Renewed IPPAG Code of Conduct: EPPA model

The IPPAG Cooperative has chosen to update it's Code of Conduct by aligning this document and its articles on the newly published 'EPPA' model.

EPPA is the European Promotional Products Association, and IPPAG's President, Mr Soeren Langhoff is an active member of EPPA CSR steering committee.

EPPA is currently developing an industry specific CSR certification program: for promotional item distributors and wholesalers : more information available on :

<http://www.eppa-org.eu/english/code-of-conduct.html>

<http://www.eppa-org.eu/english/code-of-conduct/eppa-code-of-conduct.html>

The EPPA Code on responsible entrepreneurship



EPPA commits to maintain a certifiable Code of Conduct which supports companies in responsible entrepreneurship. From baseline of 'commitment to' towards external verified certification for ensuring social and environmental responsibility in the industry and compliance to EU laws and regulations.

The objective is to set and maintain industry norms:

- to commit to responsible entrepreneurship
- to assess and verify the performance of the companies in our industry

And to achieve:

- protection and empowerment of all personnel within our industries' scope of control and influence, who produce products or provide services, including member companies itself as well as suppliers/ subcontractors (1st tier)
- that our products meet all the requirements from EU laws & regulations to protect consumer interest.

IPPAG has therefore chosen to adopt this Code of Conduct as its own: acknowledged by all IPPAG Cooperative members and partner suppliers.

In addition, selected IPPAG Cooperative member companies will be acting as pilot companies in EPPA's certification program.

2) Long term and high level CSR objective and framework: the United Nations Guiding Principles.

IPPAG has developed a strong interest in the United Nations Guiding Principles program.

In 2012, IPPAG managers had the opportunity to participate in various introductory seminars and have invited relevant guest speakers to our general meetings:

SAI: www.sai-intl.org/

DIEH: www.dieh.dk/

Global CSR: <http://global-csr.com/>

This has allowed us to raise our member companies' awareness and understanding of the United Nations Guiding Principles and their implications for businesses.

Specifically the Guiding Principles 2nd pillar and its implications:

"The corporate responsibility to respect human rights

- *The responsibility to respect does not stop at the boundaries of a company and includes business relationships (suppliers)*
- *Exists independently of states' abilities and/or willingness to fulfil their own human rights obligations, and does not diminish those obligations*
- *Defines responsibility and appropriate action when causing, contributing to or being linked to human rights infringements"*

Extract of meeting minutes from IPPAG's General Managers meeting, September 2012, Brno, Czech Republic:

"We intend to follow and adapt all member companies processes, according to the UNITED NATIONS GUIDING PRINCIPLES. As demonstrated during our meetings in Brno: this is destined to become the leading worldwide CSR reference.

This is a gradual process:

The UNGPs have been unanimously adopted with the UN, and have received strong support from multinationals. However, their true implementation requires numerous structural changes within all levels of the global supply chain.

The recommendation we have received is to:

- *Commit to the program with a statement of policy*
- *Dedicate resources to a phased implementation of the principles: to be used as guidance in all everyday supply chain processes*
- *Integrate the principles concretely by working with recognised partners who can facilitate the transition"*

Step 1: STATEMENT OF POLICY:

In line with the recommendations of the United Nations Guiding Principles, the IPPAG Cooperative is currently in the process of issuing a 'statement of policy': internally on a member level, to suppliers, on www.ippag.net, in relevant media, etc...

Step 2: Implementation:

Operational principals: Following SAI's six step framework, IPPAG has provided SAI's handbook on the 'Implementation of the UN Guiding Principles to all members and provided initial training with a dedicated workshop (IPPAG General managers meeting, Dusseldorf, January 2013).

This has allowed us to place strong focus on: *'how to translate the UNGP and IPPAG's long term and high level CSR objectives based on the UNGP into practical supply chain management. It highlights elements like supply chain mapping, risk assessments, auditing, capacity building and grievance mechanisms...'*

Six Steps to Implementing the Guiding Principles	
1	Committing to a human rights policy
2	Assessing risks of adverse human rights impact
3	Integrating human rights in policies, procedures and responsibilities
4	Tracking human rights implementation
5	Communicating human rights impact
6	Remediating adverse human rights impact

In addition, IPPAG is currently implementing the use of SAI's Social Fingerprint supplier courses amongst all partner suppliers.

SAI's 'Social Fingerprint' online supplier evaluation tools and methodology:

- *"measure and improve the social performance of suppliers through nine process indicators*
- *supports improvements along any standard (can be adjusted to IPPAG)*
- *is used for global risk evaluation*
 - *screening of new and existing suppliers (part of due diligence process)*
 - *determine level of auditing and support required for new and existing suppliers*
- *and is used as global supplier capacity building program to develop and implement systems to address root causes of on-going compliance problems"*

3) Conducting social audits (SA8000 / SMETA audits):

IPPAG traditionally works with a network of Far East suppliers: these suppliers have been integrated into our Preferred Premium Partner program, or 'PPP' system over a number of years based on criteria such as their excellency of service, product quality, following of our own Code of Conduct, and commitment to reaching SA8000 / SMETA production levels.

Collecting and sharing information about individually audited factories:

In addition to our network of group preferred suppliers, our members also individually follow these procedures with their own suppliers, and share this information with their fellow IPPAG members: meaning that each of the 25 IPPAG member companies collaborate to exchange and share information concerning recommended factories.

Our factory inspection and auditing partner Asia Inspection, has created a joint IPPAG web platform, where each individual IPPAG company can access and use audit / inspection reports carried out by their fellow members:

<input type="checkbox"/>	Service Type	Product Name	Purchase Order No.	Supplier Name	Service Date	Your Internal Ref.	Result	Your Decision
<input type="checkbox"/>	PSI	O/58238...	O/58238+39...	CONG TY...	13-Nov-20...	O/58238+39 - ...	Passed	Approved Undo
<input type="checkbox"/>	PSI	Large bag	O/58326/752...	Ningbo Kail...	12-Nov-20...	O/58326/7521...	Passed	Approved Undo
<input type="checkbox"/>	PSI	O/58044...	O/58044/Q17...	SHANGHAI...	11-Oct-2012		Passed	Approved Undo
<input type="checkbox"/>	PSI	O/58044...	O/58044/Q17...	SHANGHAI...	28-Sep-2...		Passed	Approved Undo
<input type="checkbox"/>	PSI	O/56875...	O/56875/739...	CONG TY...	14-May-2...		Passed	Approved Undo
<input type="checkbox"/>	PSI	One by ...		Shujie Om...	17-Apr-2012		Passed	Approved Undo
<input type="checkbox"/>	PSI	Mini Am...	0/56790/7389...	Wellyp Tec...	10-Apr-2012		Passed	Approved Undo
<input type="checkbox"/>	PSI	O/58955...	O/58955/758...	Crescent E...	07-Jan-2013		Failed	Approved Undo

Similarly, members are informed about factories who fail such social audits, as they are placed on an internal 'black list'.

In addition, our internal supplier database system (the IPPAG Intranet) references audited suppliers first in any product search.

Supplier Results for "pens"

Ningbo Shining Pen International

Address : 9D, Intern. Convention & Exhibition Center, China

Description : established in 2000, shining pen is a fast growing corporation which is specialized in pens. with experienced, hardworking and professional teams on pens, depending on the strong supports of the associated professional manufactories of pens, refills, printing and package, shining pen present our customers good service, steady quality, competitive price, satisfied delivery time, widely selection and timely new products recommendation. our promise on quality is that " we will be responsible for every defective pen outside the agreed percentage." our goal on quality is no single defective pen ...

Keywords : pens, shining



Halley Comet

Address : Suite 612, Taiwan

Description : established in 1970, halley comet international, inc. has been an indispensable sourcing and exporting partner for global importers and retailers with names like yves roches, avon, schweppes, oriflame, lancome and many more. the rich experience acquired over these years has not only allowed us to establish excellent connections with hundreds of factories in southeast asia, but also to gain extensive knowledge in manufacturing and dealing with chinese manufacturers. for everything from gift items, holiday decorations, stationeries, household products to electrical appliance, we are the ulti...

Keywords : trader, toys, plastics, houseware, beauty, chairs, tables, party, bars, golf, papercups, paper cups, water bottles



Encouraging this exchange and availability of information has helped to increase to use of social auditing procedures, and has given all our members better access to audited factories.