

GLOBAL COMPACT 2009 ANNUAL COMMUNICATION ON
PROGRESS



Rideau

RECOGNITION SOLUTIONS

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General information

Company Name: Rideau Recognition Solutions Inc.

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Contact Name: Mr. Lonn Shulkin

Contact Position: VP Marketing

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Date: July 28, 2009

Membership Date: February 11, 2005

Number of employees: 275

Sector: Other -Employee & Consumer Recognition Solutions

Brief Description of nature of business

Rideau Recognition Solutions is North America's leader in enterprise incentive and performance management solutions that help corporations and public sector organizations recognize, reward employees and customers. Through this, companies are able to accomplish corporate goals such as increasing employee engagement, productivity, customer retention and ROI.

We offer a complete suite of outsourced recognition solutions, which includes, but is not limited to Service Awards, Performance Awards, Corporate Merchandising and Customer Loyalty programs.

We are a vertically integrated company, offering our customers end-to-end solutions, from program conceptualization, design and branding through to manufacturing, administration and global distribution.

Statement of support

Rideau continually strives to be socially and ecologically responsible in its business operations and with its employees, partners, clients and community. To achieve such goals Rideau aims for transparency in its operations, communication strategy and for effective measuring of results. It is thus natural for Rideau to be part of the United Nations Global Compact. Rideau fully supports the Global Compact and will continually seek to go further in maintaining its commitment regarding human rights and the environment.

Rideau abides by the Global Compact's 10 principles through its internal policies. With comprehensive rules and a code of conduct that are binding on all employees who must sign it on their induction into the company. Every new hire receives an employee manual to remind them of their rights, their obligation and their recourses in the matters (amongst others) of equal opportunity, reasonable accommodations to people with disabilities, harassment at work, health and safety, privacy, gifts and gratuities. Rideau is dedicated to continuous improvement and seeks to foster a positive work environment where employees feel safe and can thrive. In light of this, an anonymous annual employee survey is carried out every year and Rideau carefully follows up on the results.

Rideau sees the intrinsic link between respecting the environment and respecting human rights which is why Rideau's environmental program has greatly expanded over the years. The EcoAction team, comprised of employees representing each department of the company, has been active in fostering an environmental consciousness throughout Rideau and implementing new programs. The latest accomplishments include the internal elimination of bottled water, a weekly environmental lunchtime workshop for employees, Rideau's vegetable garden and Rideau's certification for its recycling program.

Rideau is proud of being part of the UN Global Compact and I hereby affirm we will continue to improve our business practices in compliance with the 10 UN Global Compact's principles.

Yours truly,

A handwritten signature in black ink, appearing to read "Peter Hart", followed by a period.

Peter Hart
CEO, Rideau Recognition Solutions

Human Rights

Principal 1

Businesses should support and respect the protection of internationally proclaimed human rights;

Rideau entirely supports and respects the Universal Declaration of Human Rights. Rideau abides to the UN Global Compact principles for the workplace and seeks to have its suppliers and partners comply.

Principal 2

And make sure that they are not complicit in human rights abuses.

At Rideau, we abide by Global Compact's human rights principles through our internal policies. We have comprehensive rules and a code of conduct that are binding on all employees who must sign to it on their induction into the company. It protects the interests of the employee and other stakeholders.

Further, every new employee at Rideau receives an employee handbook delineating their rights, obligations and their recourses. The following are some of the subjects in relations to human rights addressed in our Rideau Employee Handbook.

Equal opportunity

Rideau judges individuals by their abilities, not their disabilities; the company seeks to give full and equal employment opportunities to all people capable of performing successfully in the company's position.

Under company policy and federal and provincial/state laws, people with disabilities are entitled to reasonable accommodations that allow them access to company programs, jobs, services, and activities unless accommodation pose an undue hardship on the company. People with disabilities not only have a right to ask for accommodations, they are encouraged to do so by talking directly with their immediate supervisor and/or their Human Resources department.

Harassment at work

Rideau is committed to maintaining a positive, fair work and educational environment, free from any kind of harassment. Sexual and/or psychological harassment of employees is a violation of federal laws. Freedom from sexual and psychological harassment is regarded as an individual right. Any employee is subject to disciplinary action for violation of this rule. In conformance with this policy, Rideau ensures fair and impartial investigations that protect the rights of both the person(s) filing the complaint as well as the person(s) complained against. Furthermore, retaliation against anyone who makes a complaint of harassment or who is involved in a complaint process will not be tolerated.

Health and safety

Rideau has an ongoing interest in the health, safety and protection of all our employees and will make every effort to provide (and maintain) a safe and healthy work environment. It is the responsibility of every supervisor to ensure that safe and healthy work conditions are maintained. Also, the company encourages employees to take an active role in keeping an injury free workplace. Rideau is committed to comply with all health and safety regulatory and compliance needs and to implement processes and programs that improve our employee's knowledge about health and safety. We will not tolerate unsafe work practices or behaviors. Employees who engage in unsafe acts or behaviors in the work environment will be subject to disciplinary action. Rideau encourages its entire staff to get involved in safety awareness activities and recognizes employees for safety accomplishments and ideas. Rideau maintains policy and procedure regarding the company personal protective equipment required. Furthermore, our annual employee survey shows the satisfaction level concerning safety to be at 90% versus 87% last year.

Privacy

Rideau acknowledges that employees have a fundamental right to privacy in the workplace and it is the company's stated belief that all employees should be treated with respect. While honesty and trust are the basis of an employee/employer relationship, the nature of our business and easy accessibility to valuable merchandise may require certain safeguard or actions to be taken to ensure against loss and theft. In the event of an immediate medical emergency, a safety threat, a reasonable suspicion of theft or other illegal activity, a search of an employee's personal belongings may be performed. This will be done in a responsible manner and that protects employee's privacy and dignity, it must be approved by senior management and, in the presence of Human Resources. Also, confidential matters between an employee and supervisor should not

be discussed with co-workers unless they have a legitimate business reason to know. In the same way that employees do, clients also have a right to security of information. Rideau respects and will preserve this right. Confidential information will remain the exclusive property of Rideau and its subsidiaries. No employee shall use Confidential Information for any purpose which might be directly or indirectly detrimental to our clients, to Rideau or any of its subsidiaries.

All employees are aware of their duties and their rights which are strictly enforced.

Labor Standards

Principal 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principal 4

The elimination of all forms of forced and compulsory labor;

Principal 5

The effective abolition of child labor;

Principal 6

The elimination of discrimination in respect of employment and occupation;

Every year, an employee survey is distributed to determine how our employees feel about the company. This year's results show that employee engagement has increased and is now at 80% versus 78% last year. The survey results also show that this year 85% as opposed to 80% are extremely satisfied with Rideau as a place to work. This demonstrates employees tend to appreciate the environment Rideau provides and would most likely not leave if given a similar opportunity elsewhere. Furthermore, employees are free to leave and welcome to do so should they no longer be happy with the company. All this clearly indicates that Rideau acts in accordance with Global Compact principals.

The increase in engagement again this year can most likely be attributed to the further improvement of "action teams," where one person from each department is selected to speak on behalf of their division. These department representatives meet every 90 days to discuss the biggest issues in their unit and try to come up with realistic ways to resolve those problems.

As previously mentioned, Rideau is committed to equal employment opportunity in every aspect of the employment policy and practice including selection, placement, training and career advancement. Rideau celebrates diversity and practices employment equity by participating in the Federal Contractors Program for Employment Equity (FCP-EE). In complying with the letter and

spirit of application laws and pursuing its own goals of diversity, Rideau shall not discriminate on the grounds of race, color, religion, sex, sexual orientation, national origin, citizenship status, age, disability, or veterans' status in employment, education, and all other areas of Rideau. John Turner, Rideau's Chief Financial Officer, in conjunction with Isabelle Lavigne, Rideau's Vice President of Human Resources, are responsible for the Employee-Management Employment Equity Committee. This committee works to ensure that no person shall be denied employment opportunities or benefits at Rideau for reasons unrelated to ability. The company will always provide reasonable accommodations to qualified individuals with disabilities upon request.

Rideau complies with local legislation around labor and employment practices, such as working hours, wages and benefits, equal opportunity and freedom of association, child labor, health and safety, work-life balance etc. The Rideau employee handbook is designed based on local legislations and it includes policies related to compensation, benefits, sexual harassment, disabilities, substance abuse etc.

Rideau complies with international social standards, such as ILO convention and OECD guidelines. Rideau employs individuals who have working permits and background check processes are also in place.

Rideau sends an annual questionnaire to its suppliers. It includes questions which will allow Rideau to gage supplier's business practices. Rideau not only complies with local legislation around labor and employment practices, we also require suppliers comply with local labor and employment laws, health and safety regulations or other company policies related to social issues.

Environment

Principal 7:

Businesses should support a precautionary approach to environmental challenges;

Rideau supports a precautionary approach and looks to anticipate and prevent environmental problems before they occur. Rideau conforms to the strictest air and water quality standards set by federal, provincial and municipal authorities. We carefully monitor all of our water waste generated in our factory operations. Our electroplating water effluent is tested and recorded daily. A sample of waste water is sent to an independent testing laboratory twice a year to ensure conformity with all laws and regulations. These reports are sent to the local authority twice a year in compliance with local laws. As for the municipal drinking water available to employees, this past year a water filtration system was implemented throughout the entire facility to ensure purified water is available at all times.

Our modern manufacturing facility uses the latest environmental technologies and procedures and is equipped with anti-pollution equipment and alarm systems. All chemical waste is stored and disposed of with an accredited company twice a year. Over the last five years, Rideau has seen the elimination of Tri-chlorethylene from 2547 kg to 0, the reduction of Sulphuric Acid from 10 gallons per week to 1 gallon per week, and the reduction of Nitric Acid from 5 gallons a month to 1/2 gallon a month. Rideau recycles all gold, silver, pewter and brass excess material used in our manufacturing processes. Furthermore, Rideau is dedicated to reducing greenhouse gasses by converting existing equipment that uses natural gas to electricity. Wherever possible, new equipment purchased will use electricity.

Principal 8:

Undertake initiatives to promote greater environmental responsibility;

Rideau's environmental program is highly dedicated to educating employees on environmental issues and fostering an ecologically responsible lifestyle at work and at home. As various initiatives and programs are implemented, employee communication sessions are held to ensure that the processes are followed properly.

Rideau's head office features a full-scale recycling program designed to reduce waste throughout the company. This program includes the recycling of paper and light cardboard materials as well as plastics, glass and metal products. Recycling bins are strategically placed throughout the offices, cafeterias, factory, shipping and receiving areas. All recyclables are collected daily and periodically shipped to external recycling facilities. This year, Rideau was awarded the highest level of certification for its recycling program from the "ICI ON RECYCLE" project developed by the Government of Quebec.

This past year Rideau has organized various educational activities for employees. For example, at the Christmas party, a contest of toys made of recycled materials was used to spread awareness about the need for reducing waste, about ingenious ways of recuperating materials and also about the poorer living conditions of youth in developing countries who only have these kinds of toys to play with. The distribution of disposable water bottles ceased completely as of February in order to encourage employees to reduce their waste and inform them of health concerns around the use of PBA plastics. Various workshops were given on Earth Day to inform employees on topics such as recycling, composting, ecological footprint, fair trade, natural home cleaning products and community supported agriculture. For International Biodiversity Day, seeds of native perennial flowers were distributed and employees were encouraged to plant them and become more aware of the importance of attracting pollinators, caretaking gardens and maintaining our biodiversity. This spring, Rideau started a vegetable garden and replaced a concrete surface with perennial flowers along the entrance of its offices and in the picnic area. Since the end of June, Rideau's environmental coordinator has offered weekly lunchtime workshops to employees on topics such as gardening, organic food, composting, climate change, ecological footprint, ideas of environmental activities for employees to do with their children. In August, Rideau will launch a contest to promote carpooling, active transportation and public transportation. At the end of the month, Rideau will also be hosting its first EcoAction day for children of employees. This will consist of a full day of environmental workshops and games.

Principal 9:

Encourage the development and diffusion of environmentally friendly technologies

During workshop sessions presented to employees, various environmentally friendly alternative technologies have been presented. For example, the use of solar power, wind power and bicycle powered technologies were spoken about on Earth Day and at a Rideau fundraiser BBQ in June

where smoothies were made out of a bicycle powered blender. The objective is to introduce employees and managers to renewable energy sources and to encourage them to question our current excessive energy consumption. Rideau is presently undergoing an energy audit and will communicate to its employees the results and plan of action to retrofit the company and thereby reduce its energy spending. Alongside this project there will be an initiative to encourage employees to weatherize their homes for the winter and thus reduce their energy spending.

Some of the main objectives the EcoAction environment committee will pursue include:

1. Following the energy audit, retrofit the company to reduce energy consumption
2. Implement a home weatherizing program for employees
3. Improve Rideau's procurement policy
4. Have 30 minute weekly environmental workshops on company hours rather than lunch
5. Establish a carpooling program at Rideau
6. Start an internal health and fitness program
7. Enlarge the vegetable garden for summer 2010
8. Offer more fair trade products internally (coffee, tea, sugar, chocolate, dried fruit)
9. Enlarge Rideau's composting program
10. Reduce Rideau's overall waste

Anti- Corruption

Principal 10:

Businesses should work against all forms of corruption, including extortion and bribery

This year's employee survey results show that Rideau has been able to foster an honest work environment. The results mark the trust index at 78% versus 74% last year. Furthermore, the belief that management will act upon reported unethical or dishonest practices has gone from 68% last year to 70% this year.

Rideau standards of conduct, as reflected in the employee handbook, continue to be designed to help maintain the company's reputation of honesty and integrity; all employees are expected to comply with these principals. In addition, our employees and managers must run our business in compliance with all the applicable laws and regulations of the countries in which we operate. Any violation of the following standards and/or laws and regulations will not be tolerated. Moreover, it is everyone's responsibility to report to the company or HR any violations of applicable laws and regulations without fear of retaliation. Employees should not accept or offer gifts, favors or entertainment, other than infrequent items of nominal value. Appropriate gift-giving can serve to build relationships. However, this should never be done if the possibility or even the appearance of improper influence exists. Rideau expects that its people will exercise good judgment, lead by example, and seek guidance, when necessary for their own conduct.