

# United Nations Global Compact - Communication on Progress (COP) Gemaco Group

## Period 2013 – 2014

### Introduction to the COP 2014

In 2013 the Gemaco Group has further established and improved its processes and terms of business in regards to fully comply with the 10 principles of “The Global Compact”. We are committed to further improve our Corporate Social Responsibility processes and strive for a clear and documented corporate CSR approach communicated to our employees as well as our partners and stakeholders.

With this Communication on Progress (COP) we express our intent to support and advance those principles within our sphere of influence throughout our supply chain. We are committed to make the Global Compact and its principles part of our strategy, corporate culture and day-to-day operations of our company and undertake to make a clear statement of its commitment, both to our employees, partners, clients, and to the public.

The primary endeavour of the Gemaco Group is, to be the most innovative provider of promotional items, gifts, premiums and fulfilment programs. Our goal is to create innovative products for the most challenging marketing campaign from our customers in, and thereby to grow and to increase the value of the company. Throughout the world, whatever activities we engage it reflects recognized universal standards.

We afford benefits for the company – by minimizing risks, improving our reputation and forming an identity. We intend to continuously increase our level of dialogue with our stakeholders to take their interests into greater consideration and to facilitate innovation. We recognize that many obligations as set out in our Group wide Code of Conduct have already been practiced for years and are ingrained in our behaviour and values. We are also aware of the fact that there is always a need for continuous improvement and enhancement, especially with regards to our environmental impact, process and design capabilities and our management systems.

### Word from the CEO

“The Gemaco Group has an obligation towards not only their shareholders and stakeholders but also towards its clients and their consumers to uphold the principles of the United Nations Global Compact in every aspect of the business. The Gemaco Group is aware of this responsibility and goes beyond the formal requirements. In all aspects of our daily business, our code of conduct to minimize environmental and social impact forms an integrated part of our operations and actions. We ensure this aspect of our business by participating in several CSR programs such as BSCI and Sedex. In addition we participate in the self-assessment program of Ecovadis to benchmark our performance and progress We understand that CSR is an ongoing process and try to improve our efforts on a daily basis. The Gemaco Group thinks global and acts local.”

- Mr Olivier Somers, CEO Gemaco Group -

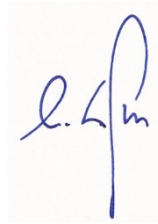
## Gemaco Group Statement of Compliance

The Gemaco Group hereby states that all business activities are complying with the terms and regulations set out by the UN Global Compact ten principles as communicated by the United Nations. The Gemaco Group further declares that all future and existing business activities with partners in the field of Supply Chain Management are subject to a regular compliance check with emphasis on human rights, labour rights, the protection of the environment and anti corruption.

Mechelen, May 2014



Olivier Somers  
CEO Gemaco Group



Alex de Geus  
COO Gemaco Group

### Gemaco Offices Covered by this COP

The below mentioned offices are fully owned subsidiaries of the Gemaco Group and are covered by this Communication on Progress:

#### Gemaco Belgium

Gemaco NV, Hanswijkvaart 51, 2800 Mechelen, Belgium

#### Gemaco Holland

Gemaco BV, Franse Akker 9, 4824 AL Breda, The Netherlands

Gemaco Sales Promotion, Gooimeer 6 – 33, 1411 DD Naarden, The Netherlands

#### Gemaco Germany

Gemaco GmbH, Rudolfstraße 10 V, 41068 Mönchengladbach, Germany

Gemaco GmbH, Grindelhof 68, 20146 Hamburg, Germany

Gemaco GmbH, Friedrich-Ebert-Str.157-159, 48153 Münster, Germany

#### Gemaco Switzerland

CPT AG, Münchensteinerstr. 43, 4002 Basel, Switzerland

#### Gemaco France

Gemaco France SAS, 5 rue de Chazelles, 75017 Paris, France

#### Gemaco United Kingdom

Gemaco UK Ltd., 30 Little Britain, London EC1A 7DH

Gemaco UK Ltd., 1 North Parade, Parsonage Gardens, Manchester M3 2NH

#### Gemaco Poland

Gemaco Sp. z o.o., ul. Czczota 14, 02-607 Warszawa, Polska

#### Gemaco Asia

Gemaco China, 301 Building A, No. 33, Lane 672, Chang Le Road, 200040, Jing'an District, Shanghai

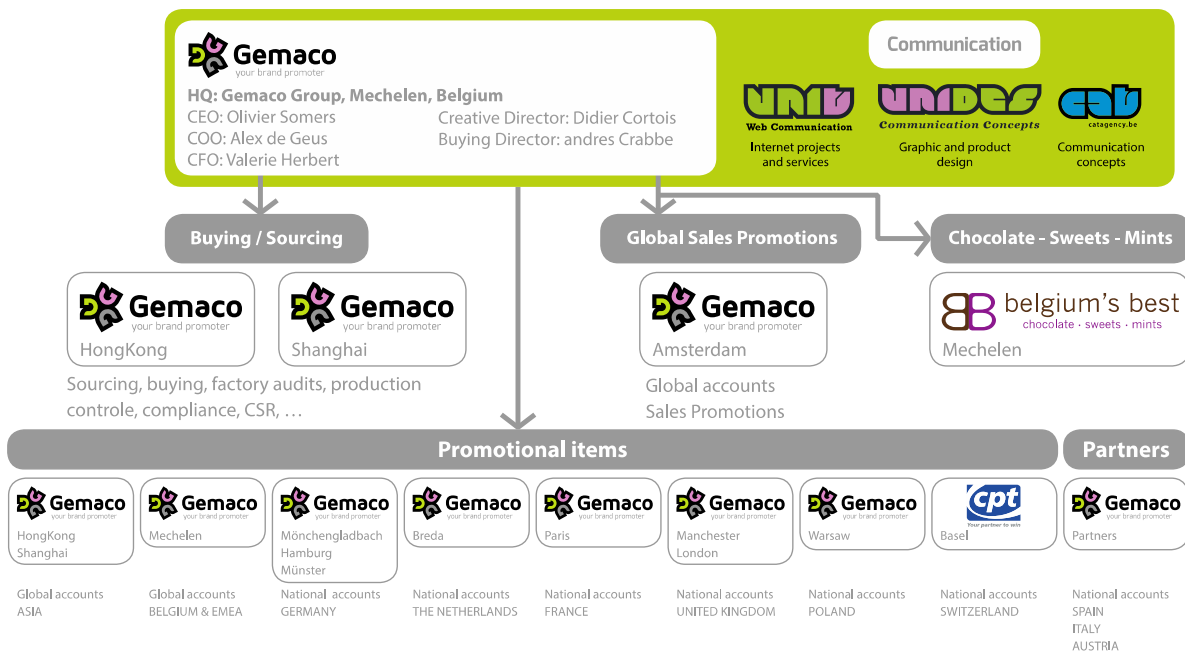
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## The Gemaco Group

For over 30 years Gemaco has been a provider of promotional products, premiums, sales promotion, clothing and fulfilment programmes. Ever expanding, with offices and partners in the Far East and all over Europe, we have become a leading supplier of promotional items.

Our global presence means our account and procurement teams partner with our clients and suppliers and ensure dedicated project management complying with all legal regulations as well as ensuring socially and environmentally secure procurement in Asian and Europe. We are committed to create the most creative and most outstanding promotions for our clients.



The Gemaco Group employs over 200 staff in its offices in Europe and Asia. With its offices in 7 EU Countries and Procurement and Sourcing offices in China and Shanghai the Gemaco Group ensures the best possible Service to all relevant stakeholders

For more than 30 years the Gemaco Group is a leading supplier in Europe when it comes to premiums, sales promotion and gifts, merchandising, textiles and fulfillment programs.

**Key figures:**

- Offices: 7 EU Countries
- Employees: > 200
- Turnover: > €60 Mio
- Shareholders: Management & Saffelberg Investments

## Gemaco Mission

Gemaco strives to boost your brand image and market share, by developing and delivering tailor-made promotional items that captivate your (future) customers.

With our extensive experience, both creative and logistical, we aim to win their hearts and minds through unique all-in concepts. Gemaco offers your company a one-stop promotional solution, including the design, manufacture and distribution of an item that is perfectly adapted to your brand, budget and goals. By taking care of the entire process, our dedicated team of professionals will elevate your brand to new heights.

## Gemaco Vision

Every promotional item is an opportunity to create brand awareness and to carry out your brand values in front of existing and future clients, on the high street and far beyond.

A well-thought promotional strategy helps you to attract new corners of the market and to make a long-lasting impression on your target group. By selecting a promotional item that stands out from the crowd – because of its originality, its high quality and bespoke nature – your company undoubtedly leaps ahead of the competition. Gemaco's dedicated team of professionals has both the expertise and the experience to speak volumes for your brand.

## Gemaco Values

### BRANDING

Gemaco helps your brand to stand out from the crowd: in the shops, on the shelves and in the mind of your commercial relations.

Our team of experts increases the visibility of your brand and boosts your share of the market.

### CREATIVITY

To make sure that your promotional items are on the ball and on trend, our trend scouts stay on top of the latest product developments.

In this way, the timeless values of your brand are linked with the hottest trends of the day.

### KNOW-HOW

Gemaco is an international company with a global outlook combined with a specific local knowledge.

You can count on our diverse team with extensive experience, both technical and logistical, in different sectors and industries, especially banking and automotive.

### QUALITY

Every promotional item is an extension of your brand and your product. This is why we apply the same quality standards to our products as you to yours.

Our extensive quality control by official control agencies reviews every single step and guarantees perfect qualitative products and services during all project phases.

**CSR**

Your brand's value can be greatly harmed when your supplier doesn't deal properly with Corporate Social Responsibility.

Choosing for Gemaco is choosing for a company with a global outlook and a progressive vision that strives towards a sustainable society and takes responsibility for the effects of their business activities.

**STABILITY**

Besides an international market player Gemaco is also a trustworthy partner, dedicated to providing impeccable services to all our clients, in all project phases.

Innovative thinking, vast competence and maintaining financial transparency shape our business and make us the perfect partner for your promotional concepts.

**Gemaco Code of Conduct**

The aim of the Gemaco Code of Conduct is to define the professional standards we aspire to in all our activities and the standards we expect of our employees. Gemaco Group sees the Code of Conduct as a key element in our relations with employees and third parties. It will therefore be issued as part of the terms of employment for all Gemaco Group companies. The Executive Board insists on full compliance with the Gemaco Group Code of Conduct.

A Copy of the Gemaco Code of Conduct will be made available upon request

**Gemaco Green Purchasing Guidelines**

In the 21st century, the entire society has increased awareness towards environmental issues, and urges companies to develop a recycling oriented society. As a supplier of gifts and premiums, we think we need to manage operations keeping the question in mind: "What does the society truly expect?" Since we consider environmental protection as one of the most important management issues, we have been working on reducing the impact on our environment. Our products are made of materials provided by many suppliers. Therefore, to reduce impact on environment at all phases of business operation, environmental protection activities for only our company are not sufficient. Total environmental protection activities that include our suppliers are needed.

A Copy of the Gemaco Green Purchasing Guidelines will be made available upon request

## General CSR and QA Improvement Actions

### Fully dedicated CSR Manager

The Gemaco Group has appointed a fully dedicated CSR Manager who is handling all CSR relevant business processes. The CSR Manager is maintaining and responsible for all Gemaco CSR operations including documentation of processes, maintaining of CSP platforms such as Sedex and Ecovadis and ensures the compliance with the Gemaco's CSR directives. The CSR Manager reports directly to the Chief Operations Officer (member of the board of the Gemaco Holding).

Contact Details Gemaco CSR Manager:

Mr Fabian Hänggi  
CPT AG  
Gemaco office Switzerland  
Münchensteinerstrasse 43  
4002 Basel  
Switzerland

Tel: +41 61 377 73 67  
e-mail: fabian.haenggi@cpt.ch

### CSR & QA Task Force

At the Gemaco Group we have installed a group wide task force ensuring compliance with all legal regulations as well as the ten principles of the UN Global Compact and the set out guidance of other significant CSR organizations such as BSCI (Business Social Compliance Initiative), Sedex and Ecovadis.

The Task force consists of members of the higher management of the Gemaco Group as well as a dedicated CSR Manager taking care of all formal CSR aspects. The task force defines CSR and QA relevant processes, ensures compliance with CSR regulations and undertakes regular examinations of the Gemaco Group's business partners.



The Taskforce holds quarterly meetings but also reacts immediately in urgent cases. Since the task force features member of the higher management team it is ensured that CSR relevant topics are addresses directly to the highest authority of the Gemaco Group .

## Sourcing offices in Shanghai and Hong Kong

The Gemaco Group features two sourcing offices in Shanghai and Hong Kong (see organizational chart on page 4). The specialized personnel manage the relations to china based suppliers ensuring compliance with the Gemaco supplier Agreement and the supplier code of conduct. Our offices in Far East coordinate the procurement process, ensure compliance of our suppliers by performing on site audits and manage the supplier qualification, certification and evaluation.

## Asia Sourcing System – Condor

In 2013 the Gemaco Group has implemented a Far East supplier management database. The system “Condor” gathers all supplier relevant information in one database and allows to rank suppliers based on available audits, order related score and annual supplier ranking score. All procurement activities in Far East are coordinated using this planning system. With the ability to block suppliers that do not comply with the Gemaco terms of business this ITC tool enables the Gemaco Group to direct the business towards suppliers that have the same understanding of CSR related aspects as the Gemaco Group.

Trader	Factory	Supplier	City	Country	Compliance	OTSP	Last rating	Score
		Kaiyong (Fujian) Import & Export Co., Ltd.		China				
		Kam Lun Die Cast (Plastic) Products Ltd.		China			0	
		King Well Supply Ltd.		Hong Kong				
		Lead Saint Time International Trading Co., Ltd.		China				
		LEYONG INTERNATIONAL LTD.		China		0	2013	56
		LIM International Ltd		China				
		MM Int'l Trade Co., Ltd.		China		0		
		Matic Innovapromo Services		China		0	2013	48
		MERRILL ENTERPRISES CO., LTD. / SHENZHEN MERRILL		China		0	2013	52
		MM Modern Elastic Co Ltd		China				
		Nangong Kingstler Garments & Accessories Co Ltd		China				
		Nany Corporation (L'YAG) Limited		China	BSCI	0	2013	56
		Ningbo Repair (Shanghai) Industrial Co., Ltd	Shanghai	China	BSCI	0	2013	56
		Nevecon International Co Ltd		China		83	2013	51
		NIJAI SUN TRADING COMPANY		HONG KONG		92	2013	66
		Ningbo Bana International Trade Co., Ltd.		China		100	2013	64
		NINGBO BETA TEXTILE CO., LTD.		China		0		
		Ningbo Binbin Stationery Co. Ltd		China		0	2013	49
		Ningbo PTZ multi Stationery & Gifts Co Ltd		China		0	2013	38
		Ningbo Hengyan Textile Product Co., Ltd.		China				
		Ningbo Hefung Leisure Products Co., Ltd.		China				
		NINGBO HUIFENG INTL ENTERPRISE CO., LTD		China		0	2013	27
		Ningbo Kingnet Industrial Co.		China		100	2013	63
		Ningbo Kingnet Rubber Elastic & Electronic Machinery		China		0	2013	45
		Ningbo Langstem Import and Export Co. Ltd.		China (PC)	BSCI BSEDEX	0	2013	54
		Ningbo MW Industry Co., Ltd.		China				
		Ningbo P.J. Furniture Co Ltd		China				
		Ningbo Qitian Electric Co., Ltd.		China				
		Ningbo Royalart Household Co., Ltd.		China				
		Ningbo Taitian Co Ltd		China				
		Ningbo Vertak Mechanical & Electronic Co Ltd		China				
		Ningbo Vigor Electric Appliance Co., Ltd.		China		100	2013	41
		Ningbo Weifeng		China				
		Ningbo Wellwin Rubber Co., Ltd		China				

Print screen: Condor sourcing system - supplier overview

**Supplier Evaluation: 63** Evaluation year: 2013

Supplier: FUSIAN SPORT TRADE CO., LTD.  
Address: BLDG. 01, NO. 4 HONGYUAN ROAD, BODOU INDUSTRIAL ZONE, FUDONG, CHINA  
Contact: 0511 8768775

**Turnover:** 3D bar chart showing 2013 turnover of approximately 3000.

**Rating: 100** (Actual OTSP score based on 2 orders)

**Supplier Evaluation Details:**

Category	Score	Weight	Points
A Finance	2	2	2
B Items	2	4	4
C Delivery	2	2	2
D Samples	2	2	2
E Complaints	2	4	4
F Cooperation	2	4	4

Print screen: Condor sourcing system - supplier detail view



## General Supplier Management Process

In 2013 and beginning of 2014 the Gemaco Group has implemented and improved its processes concerning supplier evaluation and qualification. Within this ongoing process the documentation of our supplier's compliance with the ten principles of the UN Global Compact has been clearly improved. Furthermore, this process ensures that non-compliant suppliers can be identified before business is made.

The Gemaco supplier qualification and certification process consists of the following steps:



Gemaco Supplier Management Process

### Supplier Sourcing

Sourcing is only allowed from suppliers listed in the central supplier management database "Condor". With the ability to list suppliers based on their ranking (annual supplier performance ranking) the Gemaco Group ensures that only qualified and evaluated suppliers are allowed. The Gemaco sourcing offices in Shanghai and Hong Kong ensure the currentness of data shown in the system

### Supplier Qualification

Suppliers are qualified based on their efforts in respect to CSR

#### Step 1: Supplier self assessment form

Collect basic information from supplier - The Supplier fills out the Gemaco supplier self assessment form with information concerning Company Profile, production Capacity, CSR background, Quality Control Systems, Basic questionnaire on 4 pillars: Labour Standards, Health & Safety, Environment, Business Ethics

A copy of the Gemaco supplier self assessment form will be made available upon request

**Step 2: CSR background check**

Sourcing staff in Far East performs back ground check on submitted data.

Verify CSR information provided in SSA, validate Memberships, review available audits & audit results, Check status of CAP, asses if supplier can fulfill Gemaco Code of Conduct

**Step 3: Compliance and Documents**

Supplier is invited to sign documents that prove his intention to meet the Gemaco Group requirements. Signatory of the following documents by the potential supplier:

- Gemaco Supply Agreement
- Gemaco Code of Conduct

The 10 principles of the United Nations Global Compact form an integral part of the Gemaco Code of Conduct. It is mandatory for every supplier to sign the Gemaco Code of Conduct in order to do business with the several Europe based offices of the Gemaco Group.

A copy of the above mentioned documents will be made available upon request

**Supplier Evaluation**

Suppliers are evaluated based on every order (OTIF Score) and in an annual supplier ranking. The annual supplier ranking is operated by the sourcing offices and supports aspects of all business activities within the cooperation. The following aspects are considered in this ranking:

- Financial data (number of orders, annual turnover, payment terms)
- Article data (price, quality, production lead time, MOQ,
- Shipping data (available shipping terms)
- Sample data (sample lead time, sample costs, sample delivery costs)
- Complaint management (number of complaints, complaint handling)
- Cooperation (reaction time on inquiries, quality of offers, layouts, contact by phone)
- CSR (UNGC Signatory, other social/environmental certificates/audits, material certificates)

Ranking will be included in Condor database and made available to all Gemaco Group employees.

A copy of the Gemaco Supplier Ranking will be made available upon request

**Identify areas of improvement or phase-out of supplier**

Based on the supplier performance the supplier will either be invited to participate in improvement programs or will be phased out in the set supplier management process. Hereby, suppliers with low score will be automatically less ordered. Suppliers that fail to comply with the agreed terms will be black listed. Ordering from those suppliers will not be possible anymore.

Suppliers that have shown positive tendencies will be invited to issue a Corrective Action Plan to improve their service and CSR measurements.

## COP on Specific UN Global Compact principles

The following section contains information on progress for specific UN Global Compact principles:

### Human Rights Principles (1 / 2)

**Principle 1:**

Business should support and respect the protection of internationally proclaimed human rights, and...

**STATEMENT**

The Gemaco Group has always endeavored to conduct business responsibly and ethically. This main principle is an integral part of the Gemaco Code of Conduct and the Gemaco Supplier Agreement. We respect international human rights principles aimed at promoting and protecting human rights, including the United Nations Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. Our acknowledgment of these international principles is consistent with our dedication to enriching the workplace and preserving the environment where we operate and engaging with stakeholders to pursue progress toward these goals.

**Principle 2:**

Make sure that they are not complicit in human rights abuses Assessment, Policy and Goals

It is primarily the responsibility of governments to uphold human rights, but we also see it as our responsibility to use every suitable opportunity to encourage the observation of human rights even outside the area of our direct influence and to ensure security for Gemaco Group.

Where we are the operator or responsible for managing operations and there are rumors of human rights abuses in the environment in which we are operating, we immediately undertake an objective investigation of the facts and the background circumstances and evaluate the extent of any abuse.

**IMPLEMENTATION**

Our health, safety, security and environmental protection policies form an integral part of our corporate mission, from which our business segments and Group companies derive their aims. All our efforts focus on the continual improvement of environmental quality and safety standards as well as security best practices throughout the Group.

The Gemaco Group trains new employees to incorporate the Gemaco Code of Conduct in all their doing from day one. Furthermore, the Gemaco Code of Conduct forms an integral part of the conditions of employment every new employee has to sign when coming aboard the Gemaco Group. In addition the management team of the Gemaco Groups performs annual meetings with all employees at all sites of the Gemaco Group to renew the commitments made in the Code of Conduct. This procedure ensures that every employee is aware of his duties and responsible concerning human rights.

The Gemaco Group has established a special e-mail address ([compliance@gemaco-group.com](mailto:compliance@gemaco-group.com)) where employees and other stakeholders may report any deviations from the Gemaco Code of Conduct and any other internal or external directive in place.

In addition, the Gemaco Code of Conduct has to be signed by any supplier as part of the Gemaco supply agreement. This signatory is compulsive and ensures that our suppliers understand the values and approach of the Gemaco Group with respect to the human rights.

### MEASUREMENT OF OUTCOME

Within our buying and procurement organization in Shanghai we have implemented measurements of efforts made such as signed Gemaco Codes of Conduct by suppliers. Furthermore, all Gemaco Group employees are sensitized to report any contravention of human rights directly to the attention of the COO. Any report will be followed up and the respective partner will be placed on probation and asked to resolve the issue immediately. In the mean time the Gemaco Group stops all business activities with the concerned organization.

## Labor Principles (3 / 4 / 5 / 6 )

### **Principle 3:** STATEMENT

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

Our business success and reputation are based on our employees; their dedication, creativity and qualifications and above all on their motivation and willingness to learn. We are happy to recognize their individuality and their desire for personal responsibility. We take it as understood that they want to give their best and we want our corporate policies to encourage them to be proud and happy to work for us. They should be able to find and pursue opportunities for personal development in the workplace. Successful employees have a high level of energy, a willingness to make decisions, a sense of urgency, the ability to be flexible and enjoy working as a team with people from different cultures.

**Principle 4:** The elimination of all forms of forced and compulsory labour

As a global enterprise, we operate in host countries with the most varied socio-economic and socio-cultural systems and are bound by relevant national regulations. Gemaco Group respects and complies the fundamental employment rights set out in international conventions of the United Nations (UN), the International Labor Organization (ILO), the Organization for Economic Cooperation and Development (OECD) and the UN Global Compact Initiative. We expect this commitment from all companies that do business with us but especially our suppliers.

**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

Gemaco Group assures and sets out in the Agreements made with its suppliers and subsidiaries to only employ workers at or above the legal minimum age. This minimum employment age is laid down in several conventions of the International Labor Organization (ILO). These conventions regulate internationally valid lower limits. If a higher minimum employment age is valid in the country in which a supplier maintains its business premises, then the supplier must adhere to it.

The prohibition of child labor is assured in our supply chain.

Our goal is to promote the economic well being of the enterprise and the long-term employment and personal development of all our staff through training and other development measures. It is the responsibility of the relevant management together with Operations to determine staffing requirements. Each employee is expected and encouraged to take ownership and responsibility for

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their personal development in relation to job skills required. Training and career planning is formally monitored on a regular basis using employee appraisals. We make sure that the company has the technical and managerial skills needed for our business development.

We take active technical, people-oriented and organizational precautions to avoid health, safety and security risks. Our facilities worldwide are planned to high safety levels that exceed local authority regulations and meet the strictest industrial insurers' regulations. All systems are tested in regular practice drills to make sure that they work properly.

We attach great importance to the health of our employees at their place of work. When we send our employees abroad we provide them with medical care tailored to their individual needs and the requirements of the country in question.

#### IMPLEMENTATION

The safety and security of our employees and all persons present at our sites is important to us. We provide periodical training courses to make our employees more safety-conscious and to give them practical skills in dealing with sources of danger. Preventive measures and active accident and incident avoidance through substantial improvements in workplace safety and analysis of potential risk factors allow us to optimize our workplace safety performance on an ongoing basis. Human life is always the first priority for us. However, we expect staff members to treat the equipment and information entrusted to them with appropriate care and to use these assets for their intended purposes. Gemaco Groups' security standards and documents apply to all employees, consultants, partners and official guests of our company.

Only authorized persons are allowed to enter Gemaco Group premises and have access to Gemaco Group information. All employees are obliged to take any measures to avoid any risks for their own safety and safety of local residents.

Labor principles form an integral part of the employment conditions and have to be signed by each employee at the beginning of his work for the Gemaco Group. The respective files are archived in each employee's personal files.

#### MEASUREMENT OF OUTCOME

All working contracts for employees of the Gemaco Group fully comply with local law and the guidelines of the International Labor Organization (ILO). In the past twelve Months there were no labor related incidents reported within the Gemaco Group and all its offices. Possible labor right related cases in the future are being handled according to the regulations set out in the local laws

## Environmental Principles ( 7 / 8 / 9 )

### Principle 7: STATEMENT

Business should support a precautionary approach to environmental challenges;

Gemaco Group is committed to responsible, visionary environmental management.

### Principle 8:

Undertake initiatives to promote greater environmental responsibility, and

Through innovation and its products, Gemaco Group influences not only future designs in the field of gifts and premiums, but also - with environmentally-friendly and resource conserving activities - looks to maintain and continuously improve high corporate environmental standards contributing to the conservation of an environment worth living in.

### Principle 9:

Encourage the development and diffusion of environmentally friendly technologies assessment, policy and goals

We take proven and economically effective technologies as a basis and accept responsibility for the health, safety and security of our employees.

We emphasize increasing energy efficiency, improved recycling levels and the reduction of emissions and waste to a minimum. Our processes and products are developed using state-of-the-art environmental and safety technologies. Our staff is responsible for the occupational safety of their operations and for actively protecting the environment. The qualifications of our staff are kept up-to-date by ongoing training programs.

Modern environmental technologies for minimizing emissions into air and water, up-to-date management of waste and wastewater are standard practices in our organization.

Climate protection and renewable energy sources: We see the climate debate as an important contribution to environmental stability and participate actively in it. Over and above that, we accept without reservation the need for active measures to reduce greenhouse gases. We recognize the need of a shift to renewable sources of energy supply and emphasize programs to achieve that goal.

We stipulate that our suppliers comply with our "Green Purchasing Guidelines"

### IMPLEMENTATION

Gemaco considers global environment protection as an important management issue, and is developing an ISO14001 compliant system in all of its branches. We are continuously promoting efforts to reduce the impact on our environment within the company under the environmental management system mentioned above. These activities are now becoming company-wide activities, beginning with global warming prevention, achievement of zero-emission and reduction / recycling of packing materials. Many of these efforts relate to our Far East production sites so we need to start at the production stage with reducing the impact on the environment as stated in the ISO14001 environmental management system. We support prohibition of Substances of Concern (SOC) starting from "RoHS directive 2000/53/EC", "76/769/EEC" and "Law Concerning the Examination and Regulation of Manufacture, etc of Chemical Substances", domestic low and conformity with the "Europe REACH directives EC/1907/2006." are additional environmental milestones.

In view of the circumstances, Gemaco established the "Gemaco Green Purchasing Guidelines" to facilitate activities in two main domains: the development and implementation of an environmental management system and subsequently the elimination of SOC in materials.

Specific guidelines to get our “Environmental declaration” into action are:

1. Aim to save and use limited sources efficiently.
2. Promote to save energy in all corporate activities, fulfil the responsibility for prevention of the global warming.
3. Change ozone-unfriendly substances to protect the ozone layer.
4. Control chemical substances adequately and eliminate harmful chemical substances.
5. setup a management system and make an effort to comply with in-house rules, which are stricter than local regulation.
6. Take part in social activities related with the environment.

We strongly recommend our suppliers to declare that products delivered to Gemaco do not contain substances prohibited in the “Laws regarding products” and appendix “List of regulated chemical substances related laws and regulations”.

Product safety and especially the control of chemical substances are an integral part of the Gemaco Supplier Agreement.

## Anti-Corruption Principles ( 10 )

**Principle 10:**  
Business should work against corruption in all its forms, including extortion and bribery

### STATEMENT

Gemaco Group expects the highest standards of integrity in all business interactions. We prohibit any and all forms of corruption, extortion and embezzlement and have monitoring and enforcement procedures implemented to ensure conformance. Bribes or other means of obtaining undue or improper advantage are not offered or accepted. Information regarding business activities, structure, financial situation and performance is only to be disclosed in accordance with applicable regulations and prevailing industry practices. We respect Intellectual property rights; transfer of technology and know-how is to be done in a manner that protects intellectual property rights. Gemaco Group upholds standards of fair business, advertising and competition. Appropriate means to safeguard customer information are available. Programs that ensure the confidentiality and protection of supplier and employee whistle blowers are maintained.

Above statement is an integral part of the Gemaco Code of Conduct.

### IMPLEMENTATION

The Gemaco Group has established a special e-mail address ([compliance@gemaco-group.com](mailto:compliance@gemaco-group.com)) where employees and other stakeholders may report any deviations from the Gemaco Code of Conduct and any other internal or external directive in place.

Further, the Gemaco Group holds annual training meetings with all employees at all Gemaco sites where the Gemaco Code of Conduct and other internal directives are presented.

### MEASUREMENT OF OUTCOME

The Gemaco Group has not been involved in any legal cases, rulings or other events related to corruption and bribery within the last reporting period. Our Accounting is subject to annual statutory audit which are performed by a specialized and independent third-party company. The resulting reports are one method to identify suspicious transaction within the company.