

Winterthur, December 28<sup>th</sup> 2010

## **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 efforts since we joined in May 2006 until now.

Yours sincerely,

**IPPAG MANAGER**  
Miss Florence Mosnier



**IPPAG 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 September 2008, the IPPAG Cooperative elected a new executive committee composed of:

- Mr Soeren Langhoff, Langhoff Promotion AS, Denmark: President
- Mr Thibaut Fontaine, Kick&Rush, Belgium: Committee member
- Mr Jeff Lederer, Prime Resources, USA: Committee member
- Mr Lauri Honka, Mastermark, Finland: Committee member (until April 2010)
- Mr Eduardo Zegaib, Eximaghen, Mexico: Committee member (since April 2010).

**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...**

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Integral part of the IPPAG committee's 2008 – 2010 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.

Concrete achievements and aims according to this strategy plan:

Values	2009	2010
Responsibility	<ul style="list-style-type: none"><li>- Establishment of CSR requirements</li><li>- Code of Conduct signed by all PPPs</li><li>- IPPAG social audits carried out with 6 PPPs</li><li>- 12 other PPP suppliers with existing reports, certificates, etc...</li><li>- All relevant documents available on the Intranet</li></ul>	<ul style="list-style-type: none"><li>- More IPPAG social audits</li><li>- Collecting information on individually audited suppliers: 50 audited suppliers now categorised on the IPPAG Intranet</li><li>- Independent progress made by PPPs: SA8000 certification, etc...</li><li>- Becoming a member of BSCI</li><li>- Editing an IPPAG 'info pack' on the subject</li></ul>

Actions this committee has implemented include:

**- Conducting social audits (SA8000 based audits with Asia Inspection):**

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 production levels.

There are currently 26 suppliers in this program (based mainly in China, but also Taiwan, Pakistan, Thailand and India). Each of these suppliers has been notified of IPPAG's commitment to the Global Compact and has been asked to provide details of their factory conditions and working standards.

- Successful social audits have been carried out with / sufficient existing social auditing information has been collected from 17 of these

- 3 are currently being assisted in the preparation of a second audit with a 'corrective action plan' after their first audit failed

- The status of the remaining 'PPP' suppliers who are unable to meet SA8000 criteria will be reviewed during our upcoming general meeting in Dusseldorf in January 2011.

**- Collecting and sharing information about individually audited factories:**

Of course, these 26 'PPP' suppliers cannot cover all our member companies sourcing needs. The promotions industry implies working with a very wide variety of consumer products. And these diversified client needs require us to work with a multitude of traders and factories...

Each of the 25 IPPAG member companies collaborates to exchange and share information concerning recommended factories that reach SA8000 standards per product category.

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:

◆ Sort by criteria Waiting for Approval Waiting for inspection Report in process Order containing multiple products

Orders (7)								
Print		Refresh		?	Export	<input type="text"/>		Search
		<< Previous		Page 1 of 1	Next >>			
	Status ◆	Product Name◆	P/O Number ◆	Report expected on◆	Factory ◆	Type ◆	AI Ref ◆	
<input type="checkbox"/>		Beach towel	CPT 103319	2010-Dec-29	Hawin Company Li...	PSI	R-fr-1028872	
<input type="checkbox"/>		tpe magnet ph...	10794A	2010-Dec-29	Vision Developme...	LT	R-fr-1028303	
<input type="checkbox"/>		foldable bag		2011-Jan-10	NINGBO LEYOND IM...	PSI	R-fr-1029021	
<input type="checkbox"/>		Scarf		2011-Jan-14	NANJING KINGCOLO...	PSI	R-fr-1028278	
<input type="checkbox"/>		PE LINING FOR...		2011-Jan-19	SHANGHAI PROMO	LT	R-fr-1028828	
<input type="checkbox"/>			AW1841	2011-Jan-07	WOO-HD WATCH & C...	SA	R-fr-1028795	
<input type="checkbox"/>		photo frame		2011-Jan-09	VISION DEVELOPME...	PSI	R-fr-1029022	

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 ultimate...

**Keywords :** trader, toys, plastics, houseware, beauty, chairs, tables, party, bars, golf, paper cups, 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.

### - The IPPAG Code of Conduct

In 2005, the IPPAG members collaborated to define and implement an IPPAG Code of Conduct (attached as appendix). This document has been signed by all members, and is widely distributed to all suppliers: they are asked to read, acknowledge and sign this document. Over the years, we have done significant work with our Chinese factories: making them aware of these requirements, and making sure they understand the importance of the clauses. Our Code of Conduct is regularly the theme of the supplier receptions and workshop we hold during trade fairs in Asia.

### - Workshops and educational role

IPPAG's activities also focus on a central educational role:

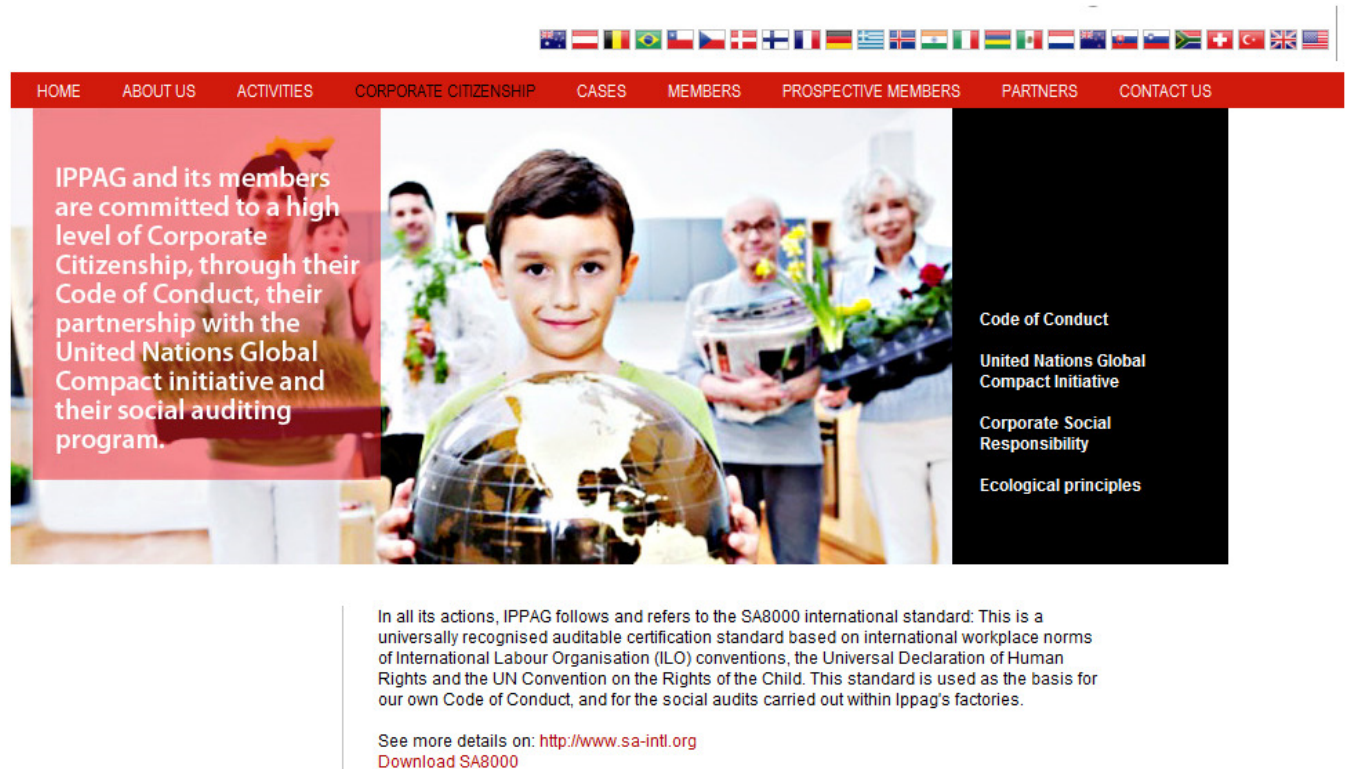
- with members: making sure information on regulations and product conformity is widely known and applied in each member company/ organizing workshops for purchase staff (concerning REACH with SGS for example), etc...
- with suppliers: stressing the importance of SA8000 - Global Compact issues in production / showing that our criteria for products, price, and standards is deeply connected to the protection of our clients reputations, and our personal convictions
- with clients: acting to demonstrate the compatibility but also the upmost necessity of integrating the Global Compacts 10 guiding principles in all their supply and product choices.

**- External communication (informative calendar, website, news stories, etc...)**

Our members are all encouraged to make the Global Compacts 10 guiding principles a focal point of their communication.

IPPAG stresses its own commitment regularly: by working closely with suppliers and clients as explained above and by promoting the principles in all our methods of communication.

Examples from the [www.ippag.com](http://www.ippag.com) website:



## Code of Conduct

IPPAG has introduced and implemented a Code of Conduct with all its preferred suppliers. This Code of Conduct follows the highest criteria for business practices, labour laws, environmental standards.

Here is a summary of the clauses:

1. Respect of Original Ideas and New Product Designs
2. Terms and Conditions
3. Equal Employment Opportunity / Non-discrimination
4. Forced Labour
5. Child Labour
6. Hours of Labour
7. Coercion and Harassment
8. Compensation
9. Health & Safety
10. Freedom of Association

[Full Code of Conduct document](#)

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## United Nations Global Compact Initiative

United Nations Secretary-General Kofi Annan first proposed the Global Compact in an address to the World Economic Forum on 31 January 1999.

He invited business leaders to join this international initiative, that would bring companies together with UN agencies, labour and civil society to advance universal social and environmental principles.

**IPPAG is a signatory and member of this initiative.** Read more on this initiative on [www.unglobalcompact.org](http://www.unglobalcompact.org)



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## Corporate Social Responsibility

In 2009, IPPAG will be implementing a unique and advanced CSR Corporate Social Responsibility program. In response to increasing demands from major clients and international brands, and in line with IPPAG's commitment to responsible importing, certified social audits will be carried out with many of Ippag's 'PPP' suppliers, and Ippag is also focusing its general sourcing on 'audited' and 'auditable' factories. Thus creating a network of 100% certified suppliers covering all needs for tenders, procurement and incentive programs, and all high profile promotional operations.

This gives IPPAG the most appropriate and the best of capabilities in terms of insuring high quality and safe sourcing for all products.

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