

COMMUNICATION ON PROGRESS (COP) TO THE GLOBAL COMPACT

January 2016

Statement of continued support by the Chief Executive Officer (CEO), Mr Mike Oxley:

IPPAG Global Promotions is committed to behave in a socially and ethically exemplary way and we believe that we are responsible for all the people who take part in the production and support of our products and services worldwide.

IPPAG Global Promotions and its partners are committed to a high level of Corporate Citizenship, through our Code of Conduct, our partnership with the United Nations Global Compact Initiative and our Social Auditing Program.

Please find below our Communication on Progress, which demonstrates our intent to continue with our efforts to support the principles of the Global Compact.

Yours sincerely,
Mike Oxley
Managing Director

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Registered in England and Wales.
Company no: 07795532

Background Information

IPPAG Global Promotions – is a global joint venture company headquartered in London, providing full service solutions for promotional products.

Due to the diverse nature of our business, which involves global sourcing, there are many requirements, which we purchase directly from factories in both high and low risk countries (Maplecroft definition) in addition to small urgent requirements where we purchase from EU wholesalers and use local printers and embroiders. On this basis we need to have a multi-tiered strategy for implementing our commitment to the ten principles of the Global Compact, which is controlled through our preferred supplier network.

Preferred Supplier Program

- Detailed supplier assessment.

We assess and score suppliers according to the following areas: Spend, Product Quality, Pricing, MOQ's, Inspections & QC Procedures, Delivery, Samples, Complaints Procedure, Co-operation & Service, CSR and Audits/Accreditations. Scores are weighted according to our priorities. 68-93 points are an 'A' preferred supplier. 48-67 points are a 'B' preferred supplier. Less than 48 points are a 'C' preferred supplier.

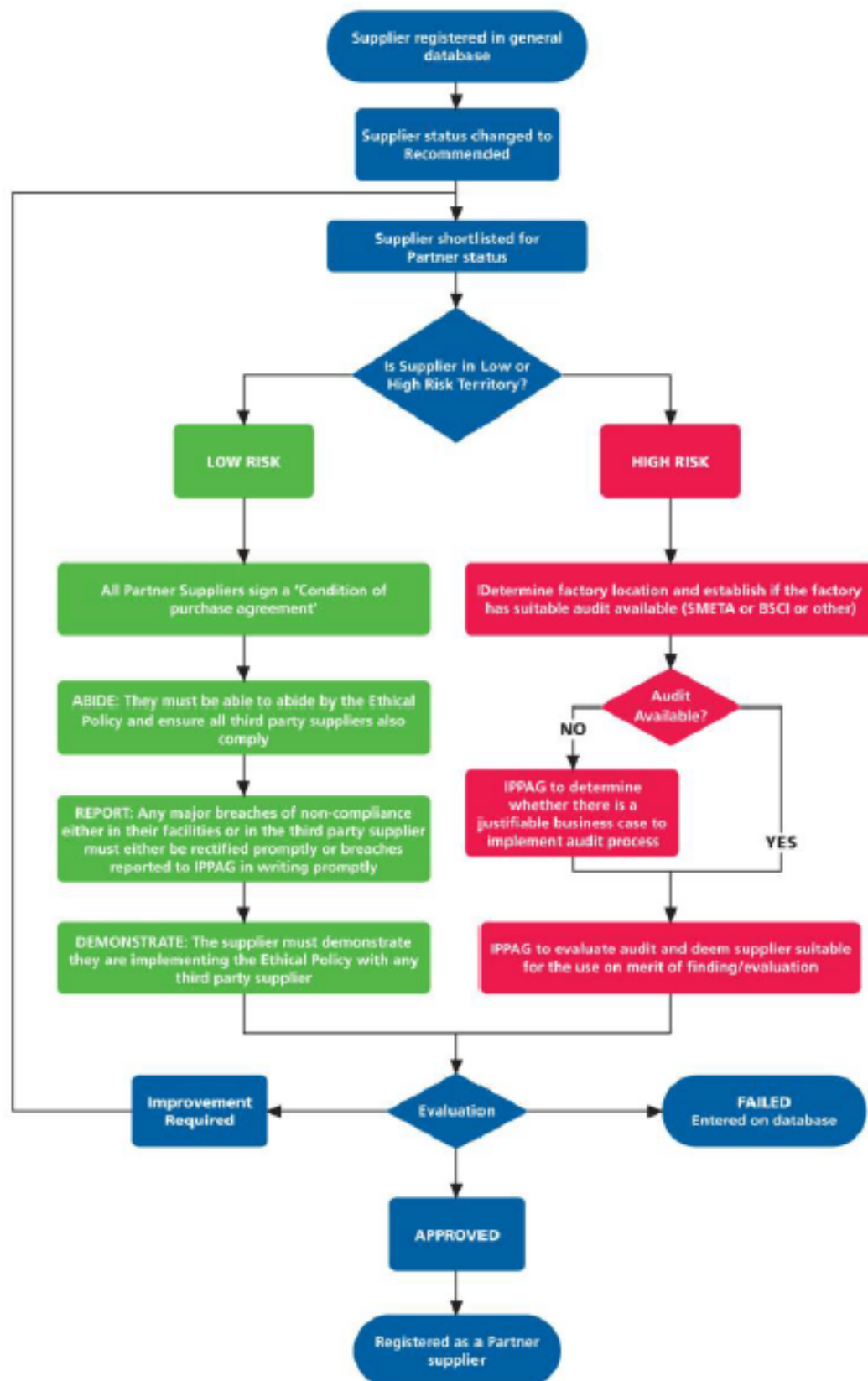
- Auditing to become a Preferred Supplier.

After the detailed supplier assessment, to become a Preferred Supplier the process varies according to whether the supplier is located in a high or low risk territory based on the Maplecroft definition (for example Europe and North America are considered low risk and China and India are considered high risk) as detailed below.

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Human Rights Principles

Assessment, Policy and Goals

IPPAG Global Promotions expects employers to respect fundamental human rights, to treat their workforce fairly and with respect. In order to make our position clear we have documented an Ethical Policy based on the Ethical Trading Initiative Code of Conduct. Please refer to Appendix A.

Implementation

Due to the nature of our business there are large requirements, which we purchase from factories in both high and low risk countries (Maplecroft definition) in addition to small urgent requirements where we purchase from EU wholesalers and use local printers and embroiders to decorate the items. On this basis we need to have a multi-tiered strategy for implementing our Ethical Policy.

For suppliers based in High Risk countries (ref: Maplecroft)

Independent third party audits are conducted on all our preferred suppliers and we ensure they achieve reasonable evaluations before any work is contracted. On this basis IPPAG Global Promotions can and will provide copies of these audits, which we hold on file. I.e.; Social Audits, SMETA, BSCI, SA8000

For suppliers based in Low Risk countries (ref: Maplecroft)

All our preferred suppliers must sign a Conditions of Purchase agreement with IPPAG Global Promotions before we conduct business, which in summary, confirms the following.

1. The supplier is prepared to abide with the Ethical Policy in Appendix A and ensure that any third party suppliers in the supplier's supply chain also comply with Appendix A.
2. Any major breaches of non-compliance either in their facilities or in third-party supplier facilities must either be rectified promptly or breaches reported to IPPAG Global Promotions in writing promptly.
3. The supplier must demonstrate they are implementing the Ethical Policy with any third party suppliers. There are three options for demonstrating implementation.
 - i. Third party independent auditing.
 - ii. Internal auditing if thorough and established procedures are in place.
 - iii. 'Self-certification' for factories in Low Risk countries.

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If the supplier fails to comply with either of the above, IPPAG Global Promotions may, at its sole discretion terminate any agreement or contract that it has with the supplier with immediate effect.

Labour Principles

Assessment, Policy and Goals

IPPAG Global Promotions expects employers to follow Labour principles, to treat their workforce fairly and with respect. In order to make our position clear we have documented an Corporate Social Responsibility Code of Conduct and Ethical Policy based on the Ethical Trading Initiative Code of Conduct. Please refer to Appendix A.

Implementation

IPPAG Global Promotions is closely tied to its parent organization: the Swiss based IPPAG Cooperative (The International Partnership for Premiums and Gifts) created in 1965. As such, IPPAG Global Promotions Corporate Social Responsibility program follows that of the IPPAG Cooperative and its member companies.

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.

The IPPAG Board has made an upmost priority of developing and implementing a vast CSR program throughout the group of IPPAG members and it's supply chain.

IPPAG has a network of Preferred Partner Suppliers, which are used regularly by IPPAG Global Promotions. The IPPAG Cooperative carries out yearly reviews of its Partner suppliers performance and auditing levels: via data collection and internal assessments

Environmental Principles

Assessment, Policy and Goals

We ask our employees and suppliers to take into account the effect their activities have on the environment at all times.

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IPPAG Global Promotions is committed to minimisation of waste and the recycling of materials.

Where appropriate energy management will be used to help our consumption and also to save energy for the general environment.

Implementation

In meeting our commitment we will endeavour to:

- Legal

As a minimum, meet statutory requirements of environmental regulations and standards to which we subscribe.

- Recycle and use of Recycled Materials

Recycle and reuse any materials possible and use environmentally friendly products where possible including paper, tins, packaging etc.

- Waste Management

Minimise water product wherever possible and make sure waste materials are disposed of in an environmentally safe manner and in accordance with regulations.

- Suppliers

Work in partnership with suppliers and customers to ensure best practice is followed for supply of goods and services. Suppliers sign our Code of Conduct which states; IPPAG Global Promotions expects all factories, suppliers and any third party factories to be committed to minimisation of waste and the use of harmful chemicals, and also committed to the recycling of materials.

- Energy

Manage all energy supplies and water supplies to obtain optimum consumption through management initiatives. We will also endeavour to cut vehicle emissions by using eco friendly transport or public transport where possible.

- Company Awareness

IPPAG Global Promotions encourage its employees to act in an environmentally conscious manner, and will encourage awareness of environmental responsibilities throughout the company.

IPPAG Global Promotions is working to continually carry out and improve our impact on the environment.

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Anti-Corruption Principles

Assessment, Policy and Goals

IPPAG Global Promotions pride ourselves on our reputation for acting honestly, openly, fairly and ethically wherever we do business. Our reputation is built on our values as a company, the values of our employees and our collective commitment to acting with integrity throughout our organisation.

We are committed to acting professionally and fairly in all of our business dealings and relationships wherever we operate. We take a zero-tolerance approach to corruption in all its forms and do not accept it in our business or in those we do business with.

Implementation

We uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate and will actively co-operate with law enforcement authorities in the investigation and punishment of any act of corruption or bribery by any person employed by or associated with IPPAG Global Promotions.

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