



Lesmar Ltd
The Barn
Wheathampstead Place
Wheathampstead
St Albans
AL4 8SB
UK

9th March 2016

COMMUNICATION ON PROGRESS (COP) TO THE GLOBAL COMPACT

Statement of continued support by the Chief Executive Officer (CEO)

I am pleased to confirm that Lesmar Ltd reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Yours sincerely,

Mike Oxley
Managing Director

Background Information

Lesmar Ltd - we specialise in creative product ideas and designs for merchandise that promote our client's branding. Whether the items are to be given away for promotional purposes, or sold retail, we find and design new ideas that are going to be popular with the end-users of the products and offer good value for money for our clients.

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 via our Supplier Assessment Procedure.

Supplier Assessment Procedure





Human Rights Principles

Assessment, Policy and Goals

Lesmar 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 which is included in our Staff handbook.

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. All suppliers in high and low risk countries confirm they comply with the Ten Principles of the UN Global Compact via our online supplier self-assessment questionnaire. Copies kept on file.

Measurement of Outcomes

- Lesmar have in place a Supplier Assessment Procedure which evaluates our key suppliers (both in high risk and low risk countries) using a specific grading criteria which covers areas of Human Rights, Labour, Environment and Anti-Corruption. Each supplier is reviewed/evaluated to give a score (Red/Amber/Green) and grade accordingly and logged on the Lesmar supplier database.
- In 2015 Lesmar targeted evaluating 10 of their high risk key suppliers and 30 of their low risk key suppliers which was achieved. They are now marked as S1 (Green) preferred suppliers on our supplier database.



Labour Principles

Assessment, Policy and Goals

Lesmar 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 Ethical Policy based on the Ethical Trading Initiative Code of Conduct which is included in our staff handbook.

Implementation

Lesmar employees are entitled to Health Insurance and Pension Scheme

Lesmar has a Discrimination Policy

Lesmar Ltd's preferred suppliers sign a copy of The Ten Principles of the United Nations Global Compact and sign a copy of our Ethical Policy (the International Standard – ETI Base Code, Ethical Trading Initiative Code of Conduct).

Measurement of Outcomes

- Target was for 10 High risk key suppliers and 30 low risk key suppliers to sign the Ten Principles of the United Nations Global Compact and our Ethical Policy (the International Standard – ETI Base Code, Ethical Trading Initiative Code of Conduct), which was achieved.
- We renewed our registration with Sedex. - Members of Sedex – the not for profit membership organisation dedicated to driving improvements in responsible and ethical business practices in global supply chains. Our Sedex number is S000000047914
www.sedexglobal.com
- SMETA audit - Our target was to increase the number of suppliers in our supply chain with SMETA audits from 35 suppliers to 45 suppliers, which was achieved.
- We renewed our membership to be Charter Members of BPMA, therefore providing continuity and quality of supply, providing regulatory certification/ documentation, constantly scrutinising to ensure compliance with accreditation standards. - *bpma Membership Number: 40908*
- We continue to be the UK member of IPPAG – a Cooperative of over 25 market leading promotional item wholesalers & distributors spread across the world www.ippag.net

IPPAG (The International Partnership for Premiums and Gifts) is a Swiss based Cooperative created in 1965.

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



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. Lesmar 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 waste 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; Lesmar 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

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

Lesmar is working to continually carry out and improve our impact on the environment.

Measurement of Outcomes

ISO14001 certified. Certificate number: E1309/190701

Lesmar are WEEE registered (Waste Electrical and Electronic Equipment) Our ref: **WEE/FC0360QW**

Lesmar ensure that when sourcing products from Non-EU countries they comply with all EU directives such as CE, REACH and ROHS. All certificates are stored.

Target was to find 15 more suppliers with ISO14001 certification, which was achieved.

Target was to find 5 suppliers with SMETA-4-pillar audits (which include environmental policies), which was achieved.



Anti-Corruption Principles

Assessment, Policy and Goals

Lesmar 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 Lesmar. As a UK registered and operating company, we are bound by the Bribery Act 2010, described as "the toughest anti-corruption legislation in the world" (Breslin (2010) p.362. We have issued a new Staff handbook to further include this

Measurement of Outcomes

Target was for 20 High risk key suppliers and 30 low risk suppliers to sign the Ten Principles of the United Nations Global Compact and to sign our Ethical Policy (the International Standard – ETI Base Code, Ethical Trading Initiative Code of Conduct).