

CosfibelPremium

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Global Compact

Activity Report



WE SUPPORT



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António Guterres Secretary-General
United Nations
New York, NY 10017
USA

Dear Mr Secretary-General,

I am pleased to re-confirm that COSFIBEL PREMIUM supports the ten principle of the Global Compact with respect to human rights, labor, environment and anti-corruption. Our company is involved for this action since 2012 and we want to renewed commitment to the initiative and its principles.

With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of our strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. COSFIBEL PREMIUM already made a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of Communication on Progress (COP).

Here is our 5th annual communication that describes all we made this past year to implement the ten principles. But, this year we want also to have a bigger impact and go through the advanced level.

We named Franck Bretin as Sustainable Development Director and his goal is to give a new impetus to our CARES program (social inclusion) and make happen real and concrete solutions for certified recyclable raw material for our products.

The group Direction committee is giving the direction for the Sustainable Development and check regularly the status of projects.

Since years, we involve our customers, subcontractors and partners with our sustainable actions and are always promoting our values and the ten principles.

Sincerely yours,


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COSFIBEL PREMIUM, a member of the COSFIBEL group, is a global provider of promotional packaging and merchandising solutions serving the beauty, fashion, wine & spirits and fine food industries. We offer them global and innovative solutions of personalized products and services all over the world.

We study and develop packaging and merchandising solutions ranging from functional and aesthetic packaging to point-of-sale presentations, as well as promotional items and accessories such as bags, jewelry, towels and other gifts.



Cosfibel premium is an SME whose main office is based in Boulogne Billancourt. In order to strengthen our proximity with our suppliers, we are also present in several regions of the world:



Human Rights and labor principles

(3 to 8)

COSFIBEL fully subscribes to the Declaration of the Human Rights. Indeed, our Group works with partners in geographical areas where the risks of non-respect of its rights can be high.

For many years, our Group has therefore taken steps to promote respect for these principles relating to human and labor rights.

1 / The Group has put in place a reference document: "CORE VALUES" distributed to all Group employees and aimed at communicating the Group's values. This document includes the following elements:

"Respect for the human beings and his environment"

- Cosfibel Group unreservedly supports the Universal Declaration of Human Rights and the United Nations Global Compact and makes every effort to ensure that these principles are strictly and actively adhered to.
- Cosfibel Group complies with all applicable national laws and ethical and civic principles in those countries and regions in which it operates.
- Cosfibel Group strongly supports sustainable development and applies the underlying economic, environmental and social principles in all aspects of its business activities.
- Cosfibel has introduced a corporate social responsibility programme with a view to increasing the number of people from ethnic minorities and with disabilities that it employs.

Each and every Cosfibel employee has received and read this document. A copy is also issued to all new employees, and the document is included in our Quality Manual.

Human Rights and labor principles

(3 to 8)

2 / During the year 2016, Cosfibel Premium team 124 employees, including 43 employees at its headquarters in Paris :

- 85% of these posts are held by women, as is the management committee.
- Our company trains young students throughout the year on internships.
- In addition, 9 hours of training are carried out on average per year per employee, including, for example, training on social and environmental risks at our suppliers.

3 / Working with countries "at risk" in terms of respect for Human Rights and Labor has prompted us to put in place a rigorous control of the social conformity of all our suppliers.

These SA8000 / SMETA SEDEX auditing campaigns have been carried out for several years and are the subject of an annual program with constant monitoring of the status of our suppliers' panel.

We have a resource totally dedicated to this function of social auditing and follow-up of action plans for progress and more than 800 audit actions have been carried out since 2007, the year of the beginning of the process. In 2016, COSFIBEL Premium carried out 100 internal pre-audits and 12 external audits (carried out by third parties) in addition to the direct audits carried out by our clients.

4/ We have also amended our "General Terms of Purchase" to include a number of **mandatory social principles**. This document must be appended to every purchase order issued to our suppliers. Among other things, it sets out our ethical and social policy and imposes the following mandatory requirements:

- o No children under 16 may be involved at any level of the business.
- o No forced labour of any sort may be employed at any stage of our production processes.
- o No hazardous or undeclared work must be involved in the production of our own products.
- o No discrimination of whatever nature may take place in our factories.

This document is now appended to each and every purchase order. This ensures that our partners understand and accept these requirements.

We adopt a "zero tolerance" attitude. In other words, we immediately cease working with any supplier that fails to comply with all of the rules.

Human Rights and labor principles

(3 to 8)

5/ In 2016, Cosfibel Premium continued to implement its CARES® programme.

CARES stands for "Cosfibel Actions for Responsible and Ethical Sourcing"

This is an innovative supplying method designed to promote a new type of partnership. These suppliers support social inclusion by helping economically vulnerable people to find work. CARES supports fair trade, minority groups, small businesses, disabled people and social reintegration companies.

Specifically, the objectives are as follows:

- Promoting the employment of people with disabilities or in a state of great social or economic fragility in our suppliers
- Promote social integration enterprises at our suppliers by integrating the services and products of these companies
- Promoting socially inclusive products: for example by offering materials or products from the fair trade market.

Concrete actions were taken in 2016:

- Lancôme Beauty Box



- Operation carried out in a **workshop in Shanghai comprising 36 vulnerable people in partnership with the association Magnolia of Shanghai** (which works to support women or single mothers in great difficulty) for an L'Oréal project (Lancôme Beauty Box)
- The staff of the association worked on the conditioning of 58,000 BBOX and 46,000 Brush pouch for 6 weeks
- The packaging of the Lancôme Beauty Box for the Europe part was carried out **in collaboration with a company for the integration of disabled workers (TEB Barcelona SCCL, 500 employees with a mental handicap)** in order to promote their professional integration in companies. This operation lasted 6 weeks and produced 56,000 vanity and 30,000 kits.

Human Rights and labor principles

(3 to 8)

o Shenzhen Shitong:

We promote with our Chinese suppliers a local freight forwarder to transport the containers from the factory to the port. This company employs people with disabilities to carry out documentation and control of trucks. In 2016, this company delivered 63 containers for our suppliers and we wish to continue this development.

o Robedrijf, (Netherlands):

We are collaborating with this company for the copacking and sorting of cotton discs for the brand The Body Shop. This structure is a center for the integration of people with disabilities. It employs about 1000 people with physical or mental disabilities on a part-time or full-time basis.

o We have also developed partnerships with factories in the provinces of Hunan and Anhui.

We have been able to formally identify that these two provinces of China are particularly poor and underdeveloped in particular through indicators such as HDI, GDP, migration rate. These factories are located in or in close proximity to areas classified as "impoverished county" by the Chinese state. (IC 592 zone)

These partnerships have a real social impact:

- Limit labor migration and allow employees to live with their families.
- Promote job creation and increases the quality of life in these provinces
- Encourage the hiring of people with limited access to the labor market
- Enabling employees to have a stable job and income and guaranteed good working conditions
- Developing relations with local integration organizations, for example with the China disabled federation and Charities, which helps people with disabilities or extreme poverty to find work.

Human Rights and labor principles

(3 to 8)

Our tools and processes of control of the program CARES:

We initially carried out social audits and the construction of the integration project with the factories. These partners were subsequently endorsed by L'Oréal as part of their Solidarity Sourcing program. The aim is to promote the inclusion of economically vulnerable populations or persons excluded from the labor market.

This program is evaluated with the FTE (Full Time Equivalent) unit, which allows us to quantify the number of people impacted by these collaborations in full-time equivalent.

For the year 2016, we calculated a total of 163 FTEs for the L'Oréal operations. This is an important success for which L'Oréal congratulated us.

Projects 2017:

We wish to continue to develop and promote these programs with our suppliers and customers. We plan in 2017:

- **To renew the packaging project for the Lancôme Beauty Box 2017**, which will be totally realized in Europe in collaboration with our partner TEB (company for the integration of disabled workers in Barcelona).
- **To further develop and promote the partnership with Robedrijf** for the packaging of The Body Shop cotton discs as well as for baggage operations carried out in Anhui and Hunan factories.
- **To continue to develop and promote the partnership with Shenzhen Shitong** among our Chinese suppliers to increase container delivery volumes in China.
- **Develop new partnerships** with a luggage factory in **China** and one in **Cambodia**, a very poorly developed country

For 2017, we estimate an increase in the number of people impacted that will exceed the threshold of 200 FTEs

Environmental principles

(9 to 11)

1 / COSFIBEL has been involved for several years in an active approach to sustainable development, one of the three pillars of which is respect for the environment.

In 2007, the creation of a Sustainable Development Department intensified this approach. Our value charter also includes the concept of sustainable development and respect for the environment.

In order to shape our commitment, we have drawn up a CSR policy in 2015, which is distributed to all our employees.

In this context, in 2017 we will disseminate a CSR report detailing our actions and the Sustainable Development projects for Cosfibel Premium.

2 / In 2009, we carried out a carbon footprint of our Group.

This study enabled us to highlight the most greenhouse gas emitting process in our business:

- 48% are related to the transport of goods
- 41% related to the materials used to design our products

We are continuing to develop our action plan through the constant search for more environmentally friendly solutions.

To do this we develop actions such as:

- Reduction of volumes through optimization of packaging thanks to the use of the optimization software (Cape pack)
- The search for sourcing alternative to Asia and closer to our delivery locations which is materialized by the development of partnership with suppliers in Brazil, Turkey, Eastern Europe and Southern Europe.
- We value it with our customers for less polluting modes of transport.
- Eco-design and the search for more responsible materials.

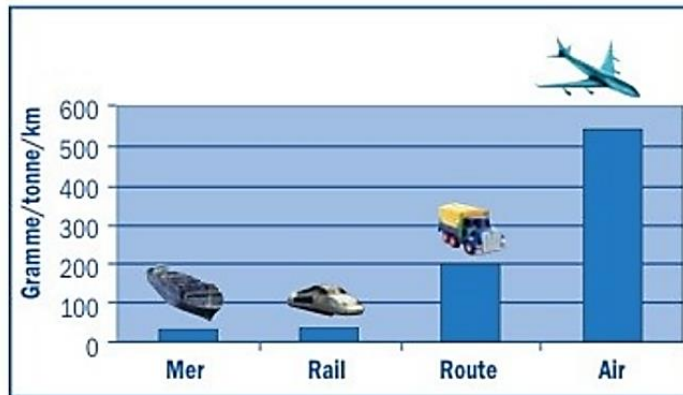
Environmental principles

(9 to 11)

3 / In our business, it is the Transport footprint that is the heaviest.

In order to reduce it to the maximum, we give priority and value to our customers the transport that emits the least CO2.

Comparison of CO2 emissions between different modes of transport



Source : Commission Européenne

Today, about 95% of our main freight transport is carried out by sea. Our goal is to reach 100%.

In addition, 100% of the shipping companies we work with are implementing the "slow steaming" process (deliberately reducing the speed of cargo ships to reduce fuel consumption and carbon emissions.) If a freighter reduces its speed by 10%, its carbon footprint decreases by 20%.

When possible, we also offer our customers the train transportation from China to Europe.



We are currently undertaking an approach to encourage our road freight carriers to take into account the environmental impacts of their activities (eg : being a signatory to the CO2 Objective Charter)

Environmental principles

(9 to 11)

4/ Our “General Terms of Purchase” also include environmental commitments, and in particular **recommendations on the materials used**:

- The deliberate addition of chemicals that may be hazardous to health or to the environment is strictly forbidden.
- We prefer to use recycled materials, provided that these materials are of the requisite quality and that sufficient quantities are available. We also wish to be notified in the event that recycled materials may potentially be used, so that we can offer this option to our customers.
- The minimum possible volume of packaging must be used.
- All paper and cardboard must be ECF (Elementary Chloride Free).

Compliance with the chemicals regulations and the protection of the natural resources of each country and region is our priority. We have a strict program for the European Reach regulations and the RBUE regulations for example. We are also attentive to all developments outside Europe (USA and Japan Textile Standards, California Proposition 65, etc.) but we must respect higher standards either on our own initiative or from our customers. We carry out systematic laboratory tests to ensure the absence of prohibited substances and carry out strict follow-up of traceability and original research of materials.

5 / We are also implementing a **process of continuous improvement with our suppliers** to take into account the environmental impacts of their activities. In 2016, 20% of our main suppliers are ISO 14001 certified.

Environmental principles

(9 to 11)

6 / Since 2010, Cosfibel Premium has been FSC certified and is committed to manufacturing FSC (Forest Stewardship Council) certified products and packaging and we are promoting this policy to our customers.

The purpose of FSC certification is to promote responsible management of the world's forests. This means that forests must be managed in an environmentally appropriate, socially beneficial and economically viable manner, in line with the needs of current and future generations.

There are three types of FSC label:

- FSC 100%: the product contains nothing but fibre from FSC certified forests.
- FSC Mix: the product is made from fibre from FSC certified forests (reclaimed materials and/or timber from FSC controlled sources).
- FSC Recycled: all the timber or fibre in the product is reclaimed material.

Each entity undergoes a scheduled annual compliance audit.

Today, 80% of our paperboard / paper suppliers are FSC certified. In addition, we sold approximately 450,000 FSC-certified products in 2016.

7 / Cosfibel Premium is committed to eco-design, we have chosen to work on the environmental impact of our products by selecting and searching for more virtuous materials and manufacturing processes:

- Seeking solutions with fair certification for cotton: BCI (Better cotton initiative) or FFL.
- Reduce the use of plastic bags for our products. In 2017, we will be able to offer a 100% recyclable, biodegradable and FSC certified kraft paper packaging.
- Introduce eco-responsible materials and processes (seaweeds, textiles and plastic certified recycled, prints with vegetable inks ...)

We promote and transmit these alternatives to our customers and we will propose in 2017 an eco-responsible collection made up of ecological and / or recycled, recyclable products / materials.

Principles of the fight against corruption

(12 to 14)

1 / Our "General Terms of Purchase" include references to prevent corruption:

"No corruption, of any kind. Gifts are not allowed ".

Our control policy is defined in a very vigilant and constant awareness of our teams to prevent corruption such as:

- The selection of suppliers is made on the basis of competitiveness and quality performance criteria calibrated by quantitative and qualitative indicators.
- Collaborators responsible for sales and purchasing operations are made aware of the detection of these practices among customers and suppliers and ensure the transparency of the markets on which they are positioned.

2/ We have also produced a **framework document** setting out the applicable Quality Control rules. This document is intended for all our employees in Asia (and in particular those responsible for Quality Control), as well as all our suppliers. The document sets out the rules applicable to Quality Control activities, covering the following two themes in particular:

- o Transport/Meals/Accommodation:
 - The costs associated with Cosfibel employees are to be covered EXCLUSIVELY by Cosfibel.
 - Factories are not required to contribute to any expenditure, of whatever nature. If such a contribution is made, it must be declared in the interest of transparency.
- o Behaviour and integrity of Cosfibel employees:
 - Cosfibel employees must NEVER seek, give or be implicated in corruption, bribery, gifts or advantages.
 - Cosfibel employees must NEVER request or accept money, gifts or advantages.

Active support for the UN's sustainable development goals

Cosfibel contributes to the broader objectives and issues of the UN:

We contribute, directly or indirectly, through our business and competence to the following broader United Nations development goals:



With its own CARES program (Cosfibel Actions for Responsible and Ethical Sourcing), Cosfibel promotes and creates new types of partnership with these suppliers:

- We encourage social inclusion by helping economically vulnerable people, people with disabilities and women find work. (Collaboration with social workshops, collaboration with associations for women's rights or the right of disabled workers)
- We develop commercial partnerships with suppliers located in less developed and poor areas, for example in Hunan and Anhui provinces in China. These collaborations help to revitalize economically those areas often classified as "poor regions" by governments
- These collaborations also make it possible to limit the migration of the labor force to economically developed areas. For example, to the Chinese coasts. Improving the quality of life and family life of workers while reducing the rural exodus.

Objectives:

Today we have 7 projects in our CARES program. Our goal for 2017 is to reach 10 projects and exceed 200 full-time equivalent beneficiaries.