

COMMUNICATION ON PROGRESS

Company **Brand Addition**

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Period covered by this Communication on Progress 04/02/2018 - 17/12/2018

16th February 2007 Membership Date

Employees 368

Commercial Sector

Brief description of nature of business

Brand Addition has a leading position in the market of providing creative, cost effective branded products to some of the world's most well known brands.

We have over 30 years' experience and from our operations in Manchester and London (UK), Hagen (Germany), Istanbul (Turkey), Dublin (Ireland), Hong Kong, Shanghai and Guangzhou (PRC) and St Louis, USA. Our team is dedicated to providing customers with the very best in creative merchandise solutions for their corporate marketing activities and consumer promotions delivering a consistent quality of products and services across our operations.

Our target audience is international businesses who are seeking to control their supply chain in line with their corporate values, generate cost savings through leveraging their spend and control their brand across multiple markets.

Statement of Support

Brand Addition will continue to maintain our support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Our belief is to continuously improve in all areas, measure our improvements where possible and share expertise across our business.

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. Brand Addition will also commit to sharing this information with our stakeholders using our primary channels of communication.

Signature Chu he

Name and Position Chris Lee, CEO

HUMAN RIGHTS

PRINCIPLE 1 BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

Brand Addition conducts every aspect of its business with honesty, integrity and openness, respecting human rights and interests of its direct employees, suppliers & members of our supply chain and our clients

Brand Addition is committed to ensuring that the rights of all workers are upheld. In doing so Brand Addition supports local, national law and industry best practices. To verify this Brand Addition is aligned with the principles of the SA8000 standard and regularly conducts internal audits of its business and throughout our supply chain and suppliers to demonstrate compliance.

Brand Additions CSR policy recognizes that the company's social, economic and environmental responsibilities are integral to our business values and operations. This is further reinforced throughout our supply chain with our buyer's code of practice which forms part of our supplier's contract in providing services to Brand Addition.

PRINCIPLE 2 BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

Our European and Far East vendor assesment programs are well established and continue to ensure that factories and suppliers we are using in high risk countries do not contravene the principles of the ETI, ILO and SA8000. We regularly assess factories, distributors and importers throughout our supply chain (Usually every 2 years or more frequently depending on risk). Corrective action plans are issued and followed up after each audit. Throughout 2018 we have evaluated and improved our assessment methods and templates to reflect industry best practice to ensure that our suppliers continue to be closely monitored for compliance to these standards.

The Brand Addition Code of Practice highlighting these principles has now been added to our terms of business which all suppliers worldwide have to sign up to otherwise we are unable to conduct business with them.

LABOUR

PRINCIPLE 3 BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

Brand Addition operates an Employee Forum which consists of a cross section of employees from across the Manchester, London and Dublin sites. Employees have always expressed a preference to deal personally with any issues or concerns as opposed to having a trade union. All employees as part of the induction process are notified of their rights with regard to freedom of association.

PRINCIPLE 4 BUSINESS SHOULD SUPPORT THE ELIMINATION OF FORCED AND COMPULSORY LABOUR

Brand Addition has been accredited with the Investors in People status for the UK Operations in Manchester and London since 2009. More recently our focus has been to continue to build on our health and well-being initiatives, including flexible working, increased holiday entitlements, phased returns and team get-togethers.

The IIP standard provides a simple and flexible framework that is versatile, flexible, non-prescriptive, outcome based and recognises that every organisation is different and therefore needs to reach their end goals in their own way

Brand Addition issued Slavery & Human Trafficking Statement in 2016 highlighting our due diligence processes which support The Modern Slavery Act 2015 and is available on our company website.

PRINCIPLE 5 BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR

Within our supply chain we continue to assess factories in the Far East and other risk countries such as Turkey, Bangladesh & India using SA8000 and the ETI Gap as guides to ensure compliance is met. This is actively encouraged and reiterated during the European vendor audit programme through our tier 2 supply chains. This is an ongoing process and Corrective Action Plans are monitored.

PRINCIPLE 6 BUSINESS SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

Brand Addition is committed to promoting diversity and equal opportunities in employment. We will not support any form or unlawful or unfair discrimination on the grounds of colour, race, religion and/or belief, nationality, ethnic origin, gender, sexual orientation, HIV status, marital or family status, disability or age. We are proud to be a multi-cultural business that seeks new and exciting opportunities to offer to our talented team or new comers to the business.

Brand Addition develops and implements procedures and practices that provide equality of opportunity for both current employees and those applying for positions within the company.

Brand Addition believes that its future success is dependent upon its workforce reflecting the composition, talents and skills of the community in which it operates.

Diversity and equality of opportunity within the company are consistently reflected in our decisions relating to the recruitment, selection, training, promotion, transfers, benefits and terms and conditions of our employees. All decisions will be made on the basis of objective and job related criteria.

ENVIRONMENT

PRINCIPLE 7 BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

Brand Addition continues to take a precautionary approach to environmental challenges via the Environmental Legislation Update Service. Brand Addition is notified by ELUS well in advance of changes to legislation and as such is well prepared to take on new challenges.

PRINCIPLE 8 BUSINESS SHOULD UNDERTAKE INITIATIVE TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

Brand Addition is accredited to ISO14001 & ISO5001 and is continually working to reduce its impact on the environment from the energy it takes to run our operation to the products and services sourced and offered to our clients.

Brand Addition discusses and sets annual KPI's to drive improvement to help reduce its impact on the environment. These initiatives range from suggestions from employee's to longer term projects.

PRINCIPLE 9 BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES.

Due to the success of a project aimed at improving the office lighting, we have now replicated this good practice in our UK warehouse and also the floodlights on the front of the building this involved replacing 250W Metal Halide lamps with 80W Cool White LED lamps in these areas.

Measurement

CO2 output was reduced by:-Offices – 26.35 to 5.85 Outside lights – 2.76 to 0.74 Warehouse lights – 11.94 to 4.94

As part of our ISO 50001 certification we have a lighting strategy in place and we are working on a program to replace our current metal halide lamps with LED lights. Our 3 European sites are certified. We have a target in place of a 1% reduction in carbon emissions (from electricity usage) across the 3 sites for 2018.

ANTI-CORRUPTION

PRINCIPLE 10 BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS INCLUDING EXTORTION AND BRIBERY

Our Code of Practice communicates this message to our supply chain.

Our Internal Policy is held within our document control register and on the Intranet for all employees to access. Training is given to all new employees on the importance of our corporate and social responsibility not only as a business but also how each employee can assist in ensuring that we comply with these 10 principles.

All supplier gifts are saved and used for a staff Christmas raffle once a year. Proceeds raised are given to our nominated charity in that year.