

**Global Compact Initiative - Communication on Progress**

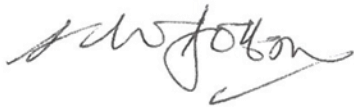
To our stakeholders:

I am pleased to confirm that Adare International Limited 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 sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Andrew Dutton

A handwritten signature in black ink, appearing to read 'Andrew Dutton', with a stylized flourish at the end.

**Chief Executive Officer (Adare International)**

Date: 31/03/19

**Global Compact – Communication on Progress 31/3/19****1. DESCRIPTION OF ACTIONS****Human Rights**

In the past 12 months, we have taken the following actions in this area:

- Ensure workers are provided safe, suitable and sanitary work facilities
- Protect workers from workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats
- Ensure that all workers complete Equal Opportunities training
- Take measures to eliminate ingredients, designs, defects or side-effects that could harm or threaten human life and health during manufacturing, usage or disposal of products

**Labour**

In the past 12 months, we have taken the following actions in this area:

- Ensure that the company does not participate in any form of forced or bonded labour
- Comply with living wage standards
- Ensure that employment-related decisions are based on relevant and objective criteria

**Environment**

In the past 12 months, we have taken the following actions in this area:

- Avoid environmental damage via regular maintenance of production processes and environmental protection system (air pollution control, waste, water treatment systems, etc.)
- Ensure emergency procedures to prevent and address accidents affecting the environment and human health
- Minimize the use and ensure safe handling and storage of chemical and other dangerous substances

- Successfully migrated 80% of our supplier spend to suppliers who are ISO9001 and ISO14001 accredited in order to encourage Adare's suppliers to be environmentally and socially aware.
- Successfully migrated 90%+ of our suppliers to using electronic invoicing in order to reduce the level of paper-based communication between Adare and its suppliers.

### **Anti-Corruption**

In the past 12 months, we have taken the following actions in this area:

- Assess the risk of corruption when doing business
- Mention "anti-corruption" and/or "ethical behaviour" in contracts with business partners
- Ensure that all workers complete Anti Bribery and Corruption training on an annual basis
- Ensure that internal procedures support the company's anti-corruption commitment

## **2. MEASUREMENT OF OUTCOMES**

In the past 12 months we have measured the outcomes of these actions using the following indicators:

- Demographics of management and employees broken down by diversity factors (e.g. gender, ethnicity, age, etc.)
- Rate of occupational diseases, injuries, and absenteeism
- Percentage of recycled materials
- Carrying out an Employee Engagement Survey resulting in the formation of Focus Groups
- Monitoring staff retention levels and completing new starter and exit interviews

### **3.1 Human Rights**

#### **Assessment, policy & goals**

Adare is committed to developing, maintaining and supporting a policy of equal opportunities in employment. It aims to create the conditions in which staff are treated equitably regardless of age, race, colour, nationality, ethnic origin, creed, disability, staff category, sexual orientation, gender, marital or parental status, political belief or social or economic class, or any other criteria that cannot be shown to be properly justifiable.

Adare will seek to develop programmes and procedures which comply with current and future legislation, ensure that its values and purposes are maintained and enhanced by emphasising equality of opportunity while also sustaining and accepting diversity.

Adare, as a recognised Investor In People organisation since 2003 is regularly assessed to ensure that its staff are developed, informed and rewarded appropriately.

#### **Implementation**

Implementing equal opportunities for staff is a continuing process that needs to be kept under constant review. The process involves devising policy; describing good practice with Adare; and establishing reporting procedures.

Adare seeks to ensure that, so far as is reasonably practicable, staff and applicants for employment are informed of the Equality and Diversity Policy and, as appropriate, any associated procedures and action programmes. Attention is drawn to the Equality and Diversity Policy at the Induction for new staff and the Policy is included as part of our core policy programme for all staff to access via the e-learning platform where staff must read and register compliance via the system, this must be completed during their probationary period.

Adare will seek to provide Equality and Diversity training for all staff who have a particular responsibility for implementing the Policy, i.e. managers, senior leaders and Board members.

#### **Measurement**

Staff who believe they have not been treated in accordance with the Equality and Diversity Policy may make their complaint either informally or by pursuing a formal complaint in accordance with the Grievance Procedure, as included in the suite of Policies available on the e-learning platform.

### 3.2 Labour

#### Assessment, policy & goals

Adare International Limited regards the occupational health, safety and welfare of its employees as of the utmost importance and recognises its duties under the Health & Safety At Work etc. Act 1974, the Management of Health & Safety At Work Regulations 1992 and other associated regulations. It is our policy to promote and ensure the highest standards and conditions at our sites in order to minimise risk, prevent injury, and ill health to our employees to minimise property damage, and to protect the general public as they are affected by our operations.

Adare believes that all aspects of its own operation should be carried out in such a way as to uphold the highest standards of ethics. Adare has therefore adopted the following ethical policy that provides a framework for setting and reviewing its ethical responsibilities.

The key ethical issues for Adare are:

- Business Integrity
- No Improper Advantage
- Disclosure of Information
- Intellectual Property
- Fair Business, Advertising and Competition
- Protection of Identity

#### Implementation

Adare assesses all areas of its activities, products and services to ensure that the company meets its social and ethical responsibilities.

Adare complies with all applicable legal requirements which relate to ethical business practices.

Adare ensures that this policy is communicated to all persons working for or on behalf of the company.

## Measurement

The Company complies fully with the Modern Slavery Act 2015 and publishes its statement on the company's website. The Company will ensure compliance with all legislation relating to the fair treatment of staff and will maintain data to evidence that it meets those requirements.

## 3.3 Environment

### Assessment, policy & goals

At Adare International, we believe that all aspects of our own operation should be carried out in such a way as to have a minimal adverse effect on the environment.

Adare International's activities are the provision of total marketing solutions including creative design, acquisition, storage and re-consignment of marketing products. We have adopted the following environmental policy that provides a framework for setting and reviewing our environmental objectives.

The key environmental issues for Adare International are:

- Suppliers' environmental aspects
- Correct waste disposal practices
- Greenhouse gas emissions

We will assess all areas of our activities, products and services with respect to their impact on the environment and incorporate those practicable procedures and controls necessary to ensure the protection of the environment and prevention of pollution.

Adare International will fulfil its environmental compliance obligations including relevant legal and voluntary requirements.

We will set and review environmental objectives designed to ensure continual improvement in our environmental management system and our environmental performance.

We will ensure that this policy is communicated within the company and available to any other interested parties.

This policy will be displayed in our offices and will be available to the general public on application to the company.

In order to achieve these objectives it is the policy of Adare International to implement and maintain an effective environmental management system based on the requirements of BS EN ISO 14001:2015.

## **Implementation**

**Objective 1:** To maintain the recycling and waste minimisation practices for redundant stock, paper, drinks cans and toner cartridges operating at all Adare International UK sites.

**Reason:** To minimise the environmental impacts of waste produced at Adare.

**Objective 2:** To monitor Greenhouse Gas Emissions, to compare electricity and gas consumption to business activity, and to evaluate options for minimisation.

**Reason:** To ensure a reduction in the environmental impacts of energy consumed by Adare.

**Objective 3:** To assess the environmental and corporate social responsibility performance of suppliers on an on-going basis.

**Reason:** To encourage suppliers of products and services to Adare to be environmentally and socially aware

**Objective 4:** To use the environmental management system to manage the environmental impacts of new office and warehouse sites.

**Reason:** To ensure that changes in premises do not have a negative impact on environmental performance.

## **Measurement**

**Objective 1 Target:** To maximise recycling and minimise landfilling of waste during 2018.

**Objective 2 Target:** To reduce Greenhouse Gas Emissions relating to electricity and gas consumption by 5% per £1 million of company turnover managed through UK locations during 2018.

**Objective 3 Targets:** Supplier-spend in 2018:

- ISO 9001 certified suppliers 80%
- ISO 14001 certified suppliers 80%
- FSC certified suppliers 90%

**Objective 4 Target:** To maintain the ISO 14001 certified environmental management system across all Adare International sites in 2018.

### **3.4 Anti-Corruption**

#### **Assessment, policy & goals**

Adare is committed to the prevention of bribery and corruption and endeavours to conduct all its business with integrity and within the requirements of the Bribery Act 2010.

All staff, service providers and other third parties associated with Adare are required to engage in the highest standards of ethical business behaviour to ensure that appropriate and honest corporate decisions and actions are consistently taken.

Adare does not tolerate, permit or engage in bribery, corruption or improper payments of any kind in our business dealings, anywhere in the world, both with public officials and within the private sector.

Adare promotes transparency and insists all staff and associated third parties adhere to the Company's Anti-Bribery Policy. We have implemented a rolling programme of risk assessments, business-process reviews and awareness training for all staff to reduce any risk of potential noncompliant activity.

The Company's business policies and practices support Adare's adherence to the anti-bribery and corruption legislation. They encourage every employee and associated third party to practise and promote ethical and honest business practices at all times.

Any employee found in breach of the associated policies will be subject to disciplinary action up to and including summary dismissal; third parties associated with Adare who are found to be exposing Adare to bribery and corruption risk will be investigated and appropriate action taken.

#### **Implementation**

- We have implemented a rolling programme of risk assessments, business-process reviews and awareness training for all staff to reduce any risk of potential non-compliant activity.
- We include any-corruption requirements and integrity clauses within contracts with intermediaries or suppliers/subcontractors and business partners as appropriate
- We regularly communicate with “at risk” employees and associated persons



- We undertake appropriate due diligence of third parties and associated persons
- We communicate our zero-tolerance approach to bribery to third parties, including actual and prospective customers, suppliers and partners
- We provide copies of the anti-bribery and whistle-blowing policies to all associated persons, including consultants, agents and others who act on behalf of Adare, at the outset of new contractual relationships or by way of an update for existing relationships
- We have appointed a Compliance Committee whose responsibilities reflect this Policy.

### **Measurement**

- Regularly monitor “at risk” employees, associated persons and business activities
- Regularly communicate with “at risk” employees and associated persons
- Undertake appropriate due diligence of third parties and associated persons
- Regularly review all documentation detailing expenditure where such payments and bribes could be contained