

**Communication on Progress
Cartamundi Turnhout NV 2019-2020
UN Global Compact**



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Who we are?

One Group, One Team

4 continents — 12 physical + 1 digital production plant — 6 Design centers - 8 sales offices
Close connectivity to the customer!



- Belgium (Turnhout)
- Germany (Altenburg)
- Poland (Krakow)
- France (Nancy)
- Ireland (Waterford)
- Spain (Vitoria)
- USA (Erlanger)
- USA (East Longmeadow)
- USA (Dallas)
- Brazil (Manaus)
- India (Pard)
- Japan (Saitama-ken)



- France (Paris)
- Switzerland (Neuhausen)
- Sweden (Stockholm)
- Hongaria (Budapest)
- Spain (Valencia)
- Singapore
- Austria (Vienna)
- USA (Miami)
- USA (Los Angeles)
- USA (Seattle)
- India (Mumbai)
- Italy (Venice)
- Brazil (Sao Paulo)
- Germany (Kiel)



Cartamundi Group

60.255.935
Boxes in 2019



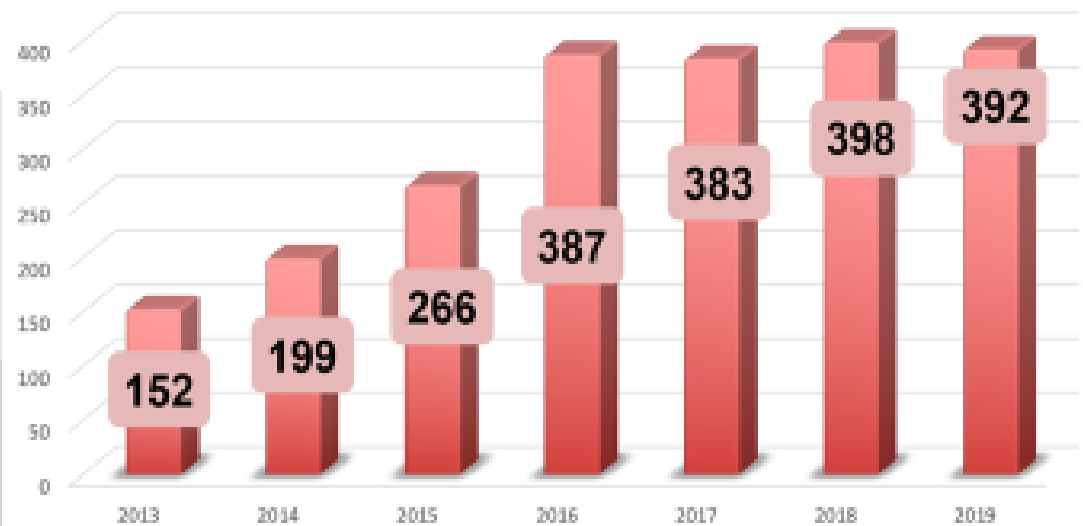
2500
Employees on
4 continents



407.601.244
decks in 2019



revenue
mio. €



channels

Publishers

Industries

10%

70%

Retail

20%

services

- production
- distribution
- marketing
- design studio

update

Channels



Industries



Publishers



Retail

Letter CEO Continued Support Global Compact



Visbeekstraat 22 - BE-2300 Turnhout

Cartamundi Services N.V.
Visbeekstraat 22
2300 Turnhout
Belgium
Tel: +32 (0)14 42 02 01
Fax: +32 (0)14 42 82 54
info@cartamundi.com
www.cartamundi.com

Oktober 2nd, 2020

To our stakeholders,

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

1. Respect and protect human rights
2. Prevent violations of human rights
3. Support freedom of association at work
4. Abolish forced labor
5. Abolish child labor
6. Eliminate discrimination at work
7. Support a precautionary approach to environmental challenges
8. Promote environmental responsibility
9. Encourage environmentally friendly technologies
10. Combat corruption in all its forms, including extortion and bribery

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 are also committed to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,


Stefaan Merckx
CEO Cartamundi Group

Human Rights

Principles	Commitment	Systems, Procedures & Values	Performance Highlights & Key Measurements 2019
<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights</p> <p>Principle 2: make sure that they are not complicit in human rights abuses.</p>	<p>Our 2500 colleagues all over the world are our most valuable asset and form the heart of our company.</p> <p>Cartamundi sets good social conditions for each of them and sets high standards on the ethical way of doing business.</p> <p>Our customers reward us for this approach by giving us a gold score in social audits.</p> <p>Cartamundi encourages their suppliers to act in the same way by following the global ethics policy.</p>	<p>Global Ethics Policy:</p> <p>At Cartamundi, we attach great importance to the safety, health and well-being of our own employees, customers, consumers, suppliers and partners worldwide who come into contact with our company. That is why we strive for one pleasant working environment with attention for everyone, for society and the environment.</p> <p>Our commitment towards these topics is officialized in our Global Ethics Policy.</p> <p>Our employees have accepted this commitment through their labor contracts.</p> <p>Suppliers are invited to behave in a same ethical way as Cartamundi and are invited to follow this Global Ethics Policy.</p> <p>The policy contains different elements to support and respect the protection of human rights:</p> <ul style="list-style-type: none"> • Minimum age • Forced labor • Child labor • Working hours & compensation • Health & Safety • Diversity/inclusion • Harassment/Dignity & Respect • Personal Information Protection • Freedom of association <p>Trust Persons</p> <p>Cartamundi Turnhout NV has identified two workers as trust persons for the company.</p> <p>These trust persons can be contacted by any employee in case of any act of violence, bullying or unwanted sexual behavior.</p> <p>In case the employee doesn't feel comfortable to address their concern to the internal trust persons, they might also get in touch with the external prevention advisor of Cartamundi Turnhout NV (Idewe).</p> <p>This procedure of trust persons is open to Cartamundi employees as well as to subcontractors or temporary employees which want to report an issue linked with Cartamundi Turnhout NV or one of its employees.</p>	<p>During 2019 all employees of Cartamundi Turnhout NV have followed an internal training to refresh the knowledge of the global ethics policy & the ethical procedures and policies.</p> <p>All employees are also invited to sign an amendment to the labor contract specific on the ethical procedures and policies, in which they declare to accept the current procedures and accept the disciplinary measures in case of non-compliance.</p> <p>The onboarding process for new employees (white- and blue-collar people) have been updated with the ethical business topics.</p> <p>Every quarter, a group of new employees follows an internal training session on Corporate Social Responsibility (CSR) and Ethical topics. Training given by the CSR Manager.</p> <p>In 2019 Cartamundi Turnhout NV has reported 15 cases which have been handled by the trust persons.</p> <p>During this year the procedure has also been opened to temporary employees as well as subcontractors working in the Cartamundi Turnhout plant.</p>

		<p><u>Child Labor Policy</u> Cartamundi Turnhout NV has setup a child labor policy/procedure to prevent any child younger than 16 years can work in the Cartamundi Turnhout production plant. In the same policy, strict rules for young workers between 16 and 18 years old has been stipulated.</p> <p><u>Religious Accommodation Policy</u> At Cartamundi we believe that all employees have a right to work in an environment that supports and accommodates religious practices. The religious accommodation policy includes clear instructions on how employees can request an accommodation to comply with their religious beliefs while at work or during the job application process. Examples of an accommodation request may be:</p> <ul style="list-style-type: none"> • Scheduling Changes • Substituting or Shift swapping • Change of Job Task or Lateral Transfer • Dress and Grooming Standards • Use of Facility • Tests or Selection Procedures 	<p>In 2019 Cartamundi Turnhout NV has launched new ethical procedures & policies to make sure to support and respect the human rights. A detailed procedure on Child Labor and Religious accommodation has been rolled out. In 2019 the topic “ethics” has been integrated in the internal quality management system. This way of working allows us to continuously improve the management of this topic. Data collection on number of religious accommodation requests as well as numbers on young workers (less than 18 years) have been integrated in the general KPI Dashboard.</p> <p>This way of working has been rewarded by a gold score during the RBA audit (185,3/200) – September 26th 2019.</p>
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Labor Standards

Principles	Commitment	Systems, Procedures & Values	Performance Highlights & Key Measurements 2019
Principle 4: the elimination of all forms of forced and compulsory labor	There will not be any use of forced, prison or indentured labor in the production of Cartamundi products (*1). All employment, including overtime, shall be on a voluntary basis.	<u>Global ethics policy</u> The Global Ethics Policy includes a clear paragraph on forced labor: “1. There will not be any use of forced, prison or indentured labor in the production of Cartamundi products (*1). All employment, including overtime, shall be on a voluntary basis.”	During 2019 all employees of Cartamundi Turnhout NV have followed an internal training to refresh the global ethics policy & the ethical procedures and policies. All employees are also invited to sign an amendment to the labor contract specific on the ethical procedures and policies, in which they declare to accept the current procedures and accept the disciplinary measures in case of non-compliance. In case of violations against the forced labor regulations, employees can turn to the trust persons to report and solve the case.
Principle 5: the effective abolition of child labor	The use of child labor is prohibited. No person shall be employed in a factory that produces or manufactures any Cartamundi product at an age younger than sixteen (*2), or younger than the age for completing compulsory education in the country of manufacture where such age is higher.	<u>Child labor Remediation policy & procedure</u> The Child labor remediation policy and procedure has been set to ensure that child labor is not used and to define the procedures adopted to manage remedial actions if child labor is used within the company or by suppliers or contractors. Cartamundi Turnhout NV does not hire young people under the age of 18 within the 3-shift operation. In accordance with Belgian legislation about night work (cf. recruitment procedure). Cartamundi Turnhout NV can recruit young people aged 16 years via a dual apprenticeship contract or a holiday work contract, only in day shifts or 2 shifts (cf. recruitment procedure). If an employee establishes or suspects a minor is active in the workplace in 3 shifts or outside a context of dual learning or holiday work, HR must be informed immediately. HR will verify age and notify youth protection to determine steps together.	During 2019 all Cartamundi Turnhout NV employees have been trained on the ethics procedures/policies, including the child labor policy. On the HR dashboard, a KPI on number of young workers (younger than 16 years) and a data on workers between 16 & 18 has been added. The Belgian law doesn't allow people below 16 to work. Nevertheless, Cartamundi Turnhout NV may recruit young people between 16 and 18 years via the “dual apprenticeship” system or holiday work. For those people Cartamundi Turnhout NV has set clear guidelines to protect those young workers (between 16 and 18 years) at the work floor. The age of all workers is checked by a copy of the ID card during the onboarding process.
Principle 6: the elimination of discrimination in respect of employment and occupation	Cartamundi expects its employees to treat everyone equally regardless of race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, marital status, citizenship, genetic information, or any other characteristic protected by law.	<u>Global Ethics Policy</u> The Global Ethics Policy contains 2 paragraphs linked with the topic of discrimination: 5. Diversity/Inclusion – Cartamundi expects its employees to treat everyone equally regardless of race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, marital status, citizenship, genetic information, or any other characteristic protected by law.	During 2019 no changes have been made to the global ethics policy as well as the equal pay men-women.

		<p>6. Harassment/Dignity/Respect – Cartamundi treats their employees with dignity and respect. No employee shall be subject to abuse, cruel or unusual disciplinary practices.</p> <p><u>Equal Pay Men-Women</u> Cartamundi complies with all local, national and international laws applicable. Article 119 of the treaty of Rome stipulates the equal pay against women and men. A clear reference to article 119 of the treaty of Rome is included in the Cartamundi Turnhout NV Labor Regulation.</p> <p><u>Religious Accommodation Policy</u> At Cartamundi we believe that all employees have a right to work in an environment that supports and accommodates religious practices. The religious accommodation policy includes clear instructions on how employees can request an accommodation to comply with their religious beliefs while at work or during the job application process. Examples of an Accommodation Request may be:</p> <ul style="list-style-type: none"> • Scheduling Changes • Substituting or Shift swapping • Change of Job Task or Lateral Transfer • Dress and Grooming Standards • Use of Facility • Tests or Selection Procedures 	<p>In 2019 Cartamundi Turnhout NV has started the implementation of the religious accommodation policy. The religious accommodation policy includes clear instructions on how employees can request an accommodation to comply with their religious beliefs while at work or during the job application process. All employees have been informed and trained on this new procedure. Employees can send in their request for religious accommodation policy by using the appropriate document. The document needs to be sent in to the HR department and will be handled by the HR department in collaboration with the team leaders.</p> <p>In 2019, Cartamundi Turnhout NV received 0 religious accommodations requests.</p>
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Environment

Principles	Commitment	Systems, Procedures & Values	Performance Highlights & Key Measurements 2019
<p>Principle 8 undertake initiatives to promote greater environmental responsibility</p> <p>Principle 9 encourage the development and diffusion of environmentally friendly technologies.</p>	<p>At Cartamundi, every necessary step is taken to ensure that operations, processes and services guarantee a minimal impact on the environment while striving for the optimal use of natural resources.</p>	<p>ISO 14001: 2015 Cartamundi Turnhout NV holds the environmental ISO14001 certificate with licensing number 12 IOO/IO4 43274 TMS. The certificate is valid till 26-02-2021.</p> <p>SO 14000 is a family of standards related to environmental management that exists to help organizations (a) minimize how their operations (processes, etc.) negatively affect the environment (i.e. cause adverse changes to air, water, or land); (b) comply with applicable laws, regulations, and other environmentally oriented requirements; and (c) continually improve in the above.[1]</p> <p>Cartamundi Turnhout NV also holds a ISO 9000 certificate on quality management.</p> <p>FSC®-Forest Stewardship Council Cartamundi Turnhout NV prints 100% of their products on sustainable cardboard, FSC. Almost all production units from the Cartamundi group hold a FSC certificate and are FSC approved. Cartamundi Turnhout NV holds the FSC Certificate with license number FSC-C008440, valid until 20-01-2023.</p> <p>Plastic Reduction Program Cartamundi group is running a global project to eliminate all single use plastic in their products. Cartamundi has identified the following single use plastic items in their products: cello around card games, flow wrap packaging in collectable-& trading cards, shrink-wrap around board games and plastic bagging for game components. Cartamundi's ambition is to eliminate all single use plastic items in all products by the end of 2021, this in all production plants of the Cartamundi group. The single use plastic material will be replaced by more sustainable materials with less impact for the environment. A diverse team consisting of member of supply chain, engineer and communication are working together in this project.</p>	<p>Begin 2020 the FSC certificate for Cartamundi Turnhout NV has been successfully renewed. (valid till 20-01-2023). The scope of this renewed certificate has also been extended with the sales offices Cartamundi UK & Cartamundi Asia Pacific. This change allows all European sales offices to sell FSC products to their customers.</p> <p>2019 was an important year for environmental awareness. Everywhere around the world, young climate activists were standing up and asking the world to act now. As a result Cartamundi Group has accelerated in their sustainability project and has kicked off with a global project to reduce and eliminate all single use plastic in the product portfolio. A global team of engineers and supply chain people is working hard to eliminate all single use plastic in our products by the end of 2021. During 2020 different sustainable solutions will be tested and as of second half of 2020 implementation of these sustainable alternatives will be set up. The plastic reduction program also challenges Cartamundi to</p>

		<p>Next to the project on plastic reduction, all products/orders are continuously evaluated to reduce negative environmental impact (examples less waste, use more sustainable materials...)</p> <p><u>Environment & Company Culture</u></p> <p>Cartamundi puts a lot of efforts to make its employees aware of the sustainability steps each of us can take. In order to increase this awareness, Cartamundi is supporting the following initiatives:</p> <ul style="list-style-type: none"> • Awareness campaigns to eliminate single use plastic on the work floor: encouraging of use of reusable cups, cutlery, ... • Lease program bikes & e-bikes: Cartamundi Turnhout NV gives the possibility to lease a bike or e-bike to encourage employees to travel by bike to the work place. • Recycling Cartridges & Toners: Cartamundi Turnhout NV encourages the collection & recycling of cartridges & toners. People are invited to bring their empty cartridges to the office and put them in the collector's box. Recyca, a specialized company in recycling is taking care of the recycling of the cartridges & ink toners. In return, they pay funds to some good causes Cartamundi has selected. 	<p>set further steps in making the products more sustainable and to start setting some in circular economy.</p> <p>Beginning of 2019, Cartamundi has decided to set corporate social responsibility as a global topic. It is our ambition to integrate CSR in our global strategy and ibring sustainability & CSR close to business. It is our ambition to go for sustainable growth, where social-, ecologic- and economic profit go hand in hand.</p> <p>Since the start in 2018, 113 employees of the Belgian Cartamundi entities (Cartamundi Turnhout, Cartamundi Services & Cartamundi digital) have stepped into the lease program for bikes & e-bikes. This is a reach of 34% of the total number of employees.</p>
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Anti-Corruption

Principles	Commitment	Systems, Procedures & Values	Performance Highlights & Key Measurements 2019
<p>Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery</p>	<p>Cartamundi meets the needs of its customers, suppliers and trading partners and treats these needs honestly, fairly and with a sense of responsibility. Cartamundi does not tolerate corruption or other unfair business practices with its employees or third parties acting on our behalf. Financial incentives, privileges or benefits that could affect objective and fair business decisions are neither offered nor accepted by us or by third parties acting on our behalf. The full policy is described in our bribery policy and has been included as amendment in our labor regulations.</p>	<p><u>Policy on bribery prevention, unfair trade practices & corruption</u> Financial incentives, privileges or benefits that could affect objective and fair business decisions are neither offered nor accepted by Cartamundi or by third parties acting on our behalf. The policy is applicable to any employee or job applicant in Cartamundi Turnhout NV.</p> <p>Procedure:</p> <ul style="list-style-type: none"> o Tangible and intangible donations of any kind or value originating from suppliers, customers and business partners must always be reported transparently to the direct supervisor. o Gifts of any kind or value to employees or representatives of government institutions or relatives of these persons are prohibited, as are gifts to political parties and their representatives, or to agents and candidates for political positions. o If an infringement or a suspected infringement is established, this must be reported as soon as possible by email (compliance@cartamundi.com) to the compliance officer (the CFO of Cartamundi Group). The compliance officer will evaluate whether there is a violation and, where applicable, take the necessary corrective measures. <p><u>Conflict of interest Policy</u></p> <p>This policy exists to ensure that Cartamundi Turnhout NV employees do not exploit their positions or relationships with Cartamundi for personal gain. The policy also ensures all business transactions must be conducted with the best interest of Cartamundi in mind.</p> <p>All employees are expected to avoid actual or apparent conflicts of interest. A “conflict of interest” occurs when a personal, professional or financial interest interferes, or even appears to interfere, with Cartamundi’s best interests.</p> <p>Examples of conflict of interest may be:</p> <ul style="list-style-type: none"> • Outside employment • Family members and close personal relationships • Investments 	<p>The 3 procedures and policies covering the topic anti-corruption (Bribery, Conflict of interest and Whistleblowing) has been integrated in the internal quality management system. This way of working allows us to continuously improve the management of this topic. Data collection on number of reported cases have been integrated in the general KPI Dashboard of Cartamundi Turnhout NV.</p> <p>During 2019 all employees of Cartamundi Turnhout have followed an internal training to refresh the global ethics policy & the ethical procedures and policies, including the procedures on bribery policy, whistleblowing & conflict of interest. All employees are also invited to sign an amendment to the labor contract specific on the ethical procedures and policies, in which they declare to accept the current procedures and accept the disciplinary measures in case of non-compliance. In case of violations against the bribery, conflict of interest & whistleblowing procedures employees can turn to the trust persons or sent an email to the dedicated email-adress compliance@cartamundi.com. This email-adress is being handled by the CFO of the Cartamundi Group. The complaint will be evaluated by the CFO whether there is a violation and. Where applicable, he/she will take the necessary corrective measures.</p>

		<ul style="list-style-type: none"> • Board memberships • Significant ownership interests <p><u>Whistleblowing Policy</u> The whistleblowing policy encourages an employee to feel confident and safe in raising concerns and disclosing information. It provides avenues for an employee to raise concerns in confidence and receive feedback on any action taken. It also ensures that an employee receives a response where possible to his/her concerns and information disclosed and reassures an employee that he / she will be protected from penalisation or any threat of penalisation. Cartamundi Turnhout NV is committed to maintaining an open culture with the highest standards of honesty and accountability where our employees can report any concerns in confidence.</p>	
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