



PRESENT
PERFECT

H O W T O W I N F R I E N D S

Sustainability Report 2019/2020

*Communication of Progress to the United Nations
Global Compact 2019/2020*

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Statement of continued support

Dear Ladies and Gentlemen,

In early 2018, the Present Perfect Group set out to develop a structured sustainability management system. As part of this, we signed up to the 10 Principles of the UN Global Compact and documented our commitment towards creating a sustainable business in our first sustainability report in 2019. Despite 2020 being a challenging year due to the Covid-19 pandemic, this year's report aims to showcase our progress towards our sustainability goals.

The Covid-19 pandemic has impacted our sector severely. As exhibitions and events could not take place in 2020, our industry was particularly affected. As our main focus was to provide a healthy and safe work environment to keep our business operations going, we have not been able to implement all sustainability measures planned for 2020. Nevertheless, it has been important for us to continue improving our sustainability practices and supporting the principles outlined by the UNGC.

Some of the new actions that were implemented include the introduction of due diligence procedures and a compliance-related risk analysis. This report also outlines our response to the pandemic and references an overview of our contribution to the Sustainable Development Goals.

We encourage all business partners, clients, suppliers and competitors to join forces during these challenging times in order to build a more resilient and sustainable industry post-Covid-19.

Hamburg, October 2020



Jörg Grube

Managing Director

About Present Perfect GmbH

The PRESENT PERFECT Group is one of Germany's leading companies for full-service promotional products and merchandise. The group encompasses five companies including PRESENT PERFECT Marketing GmbH, PRESENT PERFECT Incentive GmbH, fresh id Products Berlin GmbH, PRESENT PERFECT GmbH Agentur für Promotion & Werbung and PRESENT PERFECT Projektentwicklungsges. mbH.

The PRESENT PERFECT team consists of around 35 permanent members of staff distributed between the two company locations of Hamburg and Berlin.

For several decades, PRESENT PERFECT has been recruiting staff via the combined work and training programme for marketing communication, and thus boasts a team of experts that includes 'old hands' and young career-starters. The managing directors of the various PRESENT PERFECT companies are all actively involved in day-to-day business and are always available to both clients and colleagues. The in-house IT department, which currently comprises three permanent employees, ensures the smooth execution of our full-service projects and webshop solutions. Thus, we generate the majority of our added value ourselves in-house.

Human Rights

Principle 1: We support and respect the protection of internationally proclaimed human rights

Principle 2: We make sure that we are not complicit in human rights abuses

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor;

The Present Perfect Group is fully committed to the United Nations Universal Declaration of Human Rights. In order to demonstrate our commitment to upholding human rights, we implemented our Labour Policy and Code of Conduct in 2018. Both documents reflect human rights related aspects. Both policies are reviewed by the management team on an annual basis and are made available to all internal and external stakeholders via our website.

Our offices are based in both Hamburg or Berlin. According to the Verisk Maplecroft Human Rights Risk Index 2019, Germany has a low prevalence of human rights-related risks. Nevertheless, we have implemented several measures to ensure the prevention of any human rights related incidents including child and forced labour.

As part of the launch of our sustainability management system, a whistleblower mechanism was introduced in 2018. Overseen by our company lawyer, Arne Brauer, the email address whistleblower@hh.present.perfect.de was created through which anonymous complaints regarding any human rights issues can be reported. All staff were informed about this mechanism during the human rights training and through an official announcement letter on our information board.

From July 2019 to July 2020, no human rights related incidents were reported via the whistleblower mechanism.

Labour Principles

Working conditions

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 6: the elimination of discrimination in respect of employment and occupation

At Present Perfect, we strive to create a healthy, safe and inspiring work environment for our employees. To ensure that our high standards regarding fair working conditions and health and safety are met, we introduced our Labour Policy in 2018. This policy covers aspects such as non-discrimination, freedom of association and collective bargaining, career management, general working conditions according to the standards set out by the ILO and health and safety at work.

To promote anti-discrimination within our organisation, we ensure that recruitment of staff is based on skills, performance and experience rather than age or gender. Aside from outlining our general recruiting process, these non-discriminatory aspects are also communicated to the applicants.

During our reporting period, 35% of our new recruits were above 50 years old (up from 25% compared to the base year 2018) and the share of employed women in comparison to the whole organisation was 60% which means an increase of 4% compared to the base year 2018.

Gender distribution 2019/2020

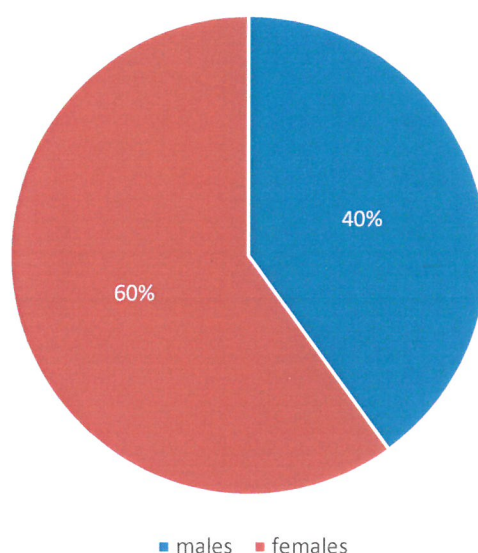


Figure 1: gender distribution

Due to the pandemic, the management team decided to cancel all anti-discrimination related training planned for 2020.

At Present Perfect, we grant all employees their right to freedom of association and collective bargaining. To strengthen this commitment, we established a works council consisting of two representatives from each of our companies. These representatives are elected for 24 months and meet every six months with the first meeting

having been in November 2018. The works council represents 100% of our employees. During our reporting period there were no reported incidents to or from the workers council.

As a service provider, we consider our employees as our biggest asset. Therefore, we encourage our staff to pursue continuous training and skill development programs. In annually conducted performance review meetings, potential courses and programs are identified. During the reporting period, 100% of our employees received a performance review and 80% took up the offer to complete a skill development program. In 2018, we also rolled out our own sustainability training program, in which we introduced our employees to our Labour Policy and Code of Conduct. In the past, this training was attended by 100% of our staff. In response to the Covid-19 pandemic, the management team decided to cancel this training for 2020 and to postpone it until next year. It is intended to keep our employees informed in relation to implemented sustainability measures, our progress and general updates.

Apart from furthering our employees development, we also strive to retain talent by being an attractive employer for them. This includes the provision of apprenticeships to attract young talent, the offer to pay for child-care services, subsidies for glasses, an employer's pension scheme and an outplacement service in case management decides that an employee has to be let go. From July 2019 to July 2020, 85% of our employees signed up for the pension scheme, 30% took advantage of the subsidies and eight apprentices were able to work for us. We also try to accommodate our staff with respect to their work balance and offer flexible working models. Especially during the lockdown period in 2020, we focused on supporting all employees with children and expanded our digital office. During the reporting period, 80% of our employees used the opportunity to work from home. Furthermore, 20% were on a part-time contract, which means an increase of 5% compared to the previous periods, whilst 100% of employees were offered a permanent contract. All our staff are paid above minimum wage. Within this period, two new employees started to work for the Present Perfect Group.

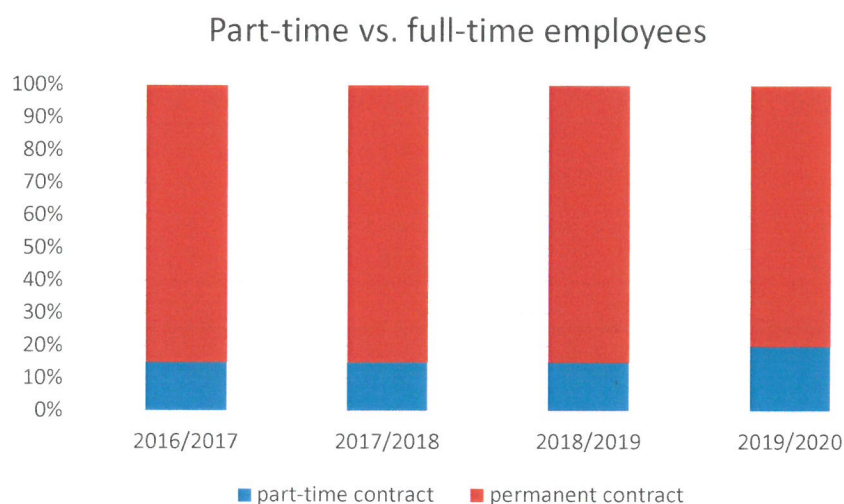


Figure 2: part-time vs. full-time employees

Health and safety

To ensure a healthy and safe work environment, we started out by conducting a risk analysis evaluating any health and safety risks potentially occurring in our offices. Some of the potential risks identified include stress due to office noise and repetitive strain injuries from sedentary work. To prevent these risks from occurring, we provide standing desks in our offices so staff can choose between sitting and standing. With respect to general office noise, we provide noise cancelling headphones, so employees are undisturbed while working. During the reporting period, four standing desks were available to staff and 10% of employees requested noise cancelling

headphones. We also encourage our employees to keep fit by participating in the annual B2Run corporate run. Due to the pandemic, the event was cancelled this year but previously, 85% of our staff took part in the race. In 2018, our team in Hamburg was awarded the first prize and deemed the fittest company. Health and safety aspects are also covered as part of our sustainability training which 100% of all staff attended in the previous period.

Our approach to maintain a healthy lifestyle is reflected by our health and safety KPIs: in the reporting period, we had 0 incidents and only 7 days of combined sick leave.

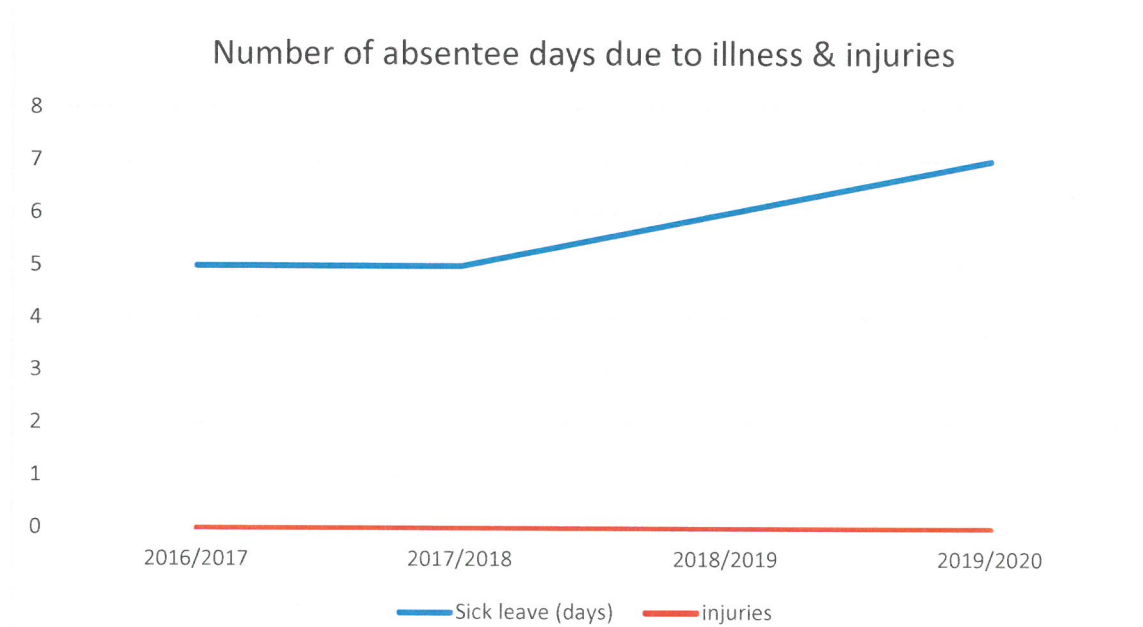


Figure 3: number of absentee days due to illness & injuries

Our response to Covid-19

In response to the Covid-10 pandemic, companies were obliged to implement appropriate health and safety measures and to assume even greater responsibility towards their employees.

Therefore, additional health and safety measures were implemented to avoid the spread of the virus amongst staff. We divided our staff into several teams which would go to the office on a rotation-based system, provided with masks and disinfectants, increased the office cleaning to three times per week and cancelled all business trips. As a result, fortunately none of our employees contracted the virus.

For the duration of the pandemic we will keep these measures in place and adapt them if necessary.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies

In 2018, the Present Perfect Group implemented its first Environmental and Sustainable Procurement Policy. This policy aims to provide guidance to all employees on how to reduce our company's energy consumption, greenhouse gas emissions, and amount of waste generated as well as on how to promote environmentally sustainable merchandise products.

Energy and greenhouse gas emissions

As our business activities are purely office-based, the sources of our energy consumption and greenhouse gases stem from the usage of IT equipment, office lighting and heating as well as travel to and from work and client meetings. To reduce the associated impacts, we have started to replace lightbulbs with energy-efficient LED lamps throughout our offices. The percentage of LED lights installed increased from 12% to 15% compared to the previous period which represents an overall increase of 5% compared to the base year 2018. Similarly, we only use energy-efficient printers which are certified with the 'Blauer Engel' label due to its energy-saving properties. Our data is stored in a cloud datacenter rather than on a local server which reduces the energy usage and associated greenhouse gas emissions in the office. During the reporting period, our electricity consumption has decreased from 174kWh to 165kWh per day. Compared to the year 2018, we reduced our average electricity consumption per day by almost 9% (180 kWh per day).

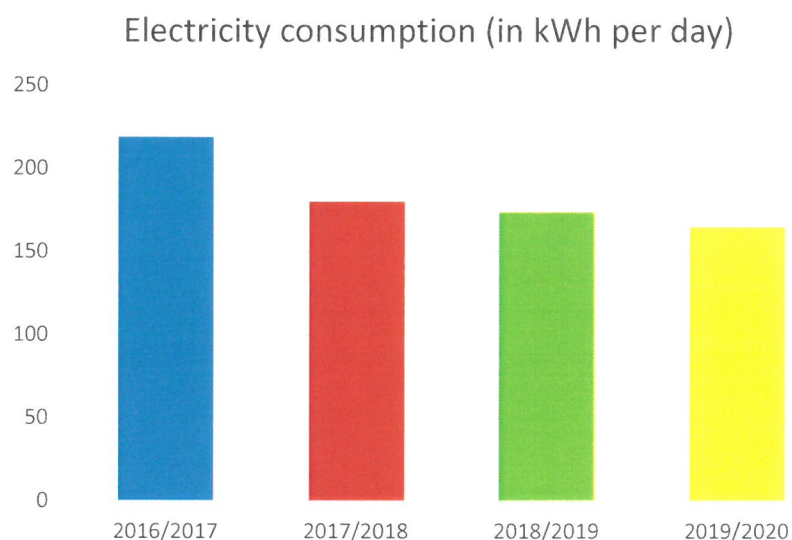


Figure 4: electricity consumption

In 2020, we switched to a green energy provider for our electricity and heating demand and have been using 100% green energy at both our offices in Hamburg and Berlin. As a next step, we plan to calculate our greenhouse gas emissions across the entire group.

In the meantime, we have been working on further reducing carbon emissions from travel by increasingly replacing onsite meetings with web-meetings using Skype as a video-conferencing tool. Triggered by the lockdown measures in 2020, we have increased the use of web-meetings. In 2019, we acquired an electric car (Smart Car) for local travel and provide our staff with a 'Bahncard' – a discount card on train journeys - to

encourage low-emission travel. The percentage of all trips undertaken by train rather than by car or plane during the reporting period accounts for 30% of all business travel (up from 20% in 2018).

Due to these measures, we have been able to further reduce our fuel consumption from our petrol and diesel cars from 8,200 liter to 8,000 liters compared to the previous reporting period. That means an overall decrease of approx. 8% compared to our base year 2018 (8,700 liters).

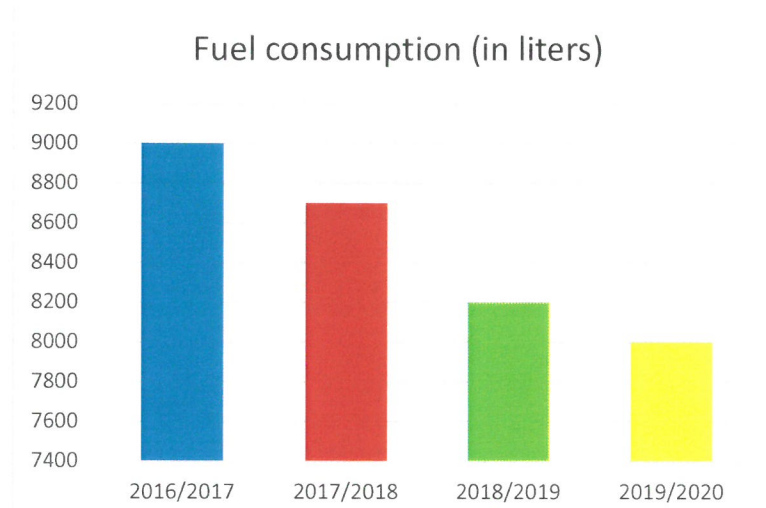


Figure 5: fuel consumption

Resource efficiency and waste

As part of our day to day business activities, our resource use is limited to office supplies such as paper and cardboard, plastic foils and cartridges. To ensure maximum resource efficiency and minimum waste generation, we act on the following maxim: refuse – reduce – reuse – recycle.

At Present Perfect, we refuse to use new resources wherever possible. By using a 3D printer to develop prototypes for our corporate customers for instance, we managed to save 7 kgs of material during the reporting period. Compared to 2018, we increased this value by 2 kgs in material savings. In order to reduce our material input such as copy paper we have set all our printers to automatically print double-sided. This way, we were able to reduce the amount of copy paper used from 279,3 in 2019 tonnes to 256,5 tonnes in 2020 (a reduction of approx. 13% compared to 2018 = 295 tonnes). At the same time, our cartridge use decreased in 2020 from 3,9 kg to 3,6 kg compared to 2019 and 4,5 kg in 2018.

Generally, we are trying to reuse intact cardboard boxes and plastic foils from our inward freight as packaging material where possible. Recycling is common practice across all our offices in Germany which means we separate our waste into cartridges, paper and cardboard, plastic foils and residual waste. The percentage of recycled cartridges accounted for 100%, of recycled plastic foils 48% and recycled residual waste 55% during the reporting period. The disposal of our cartridges is managed by our IT equipment supplier.

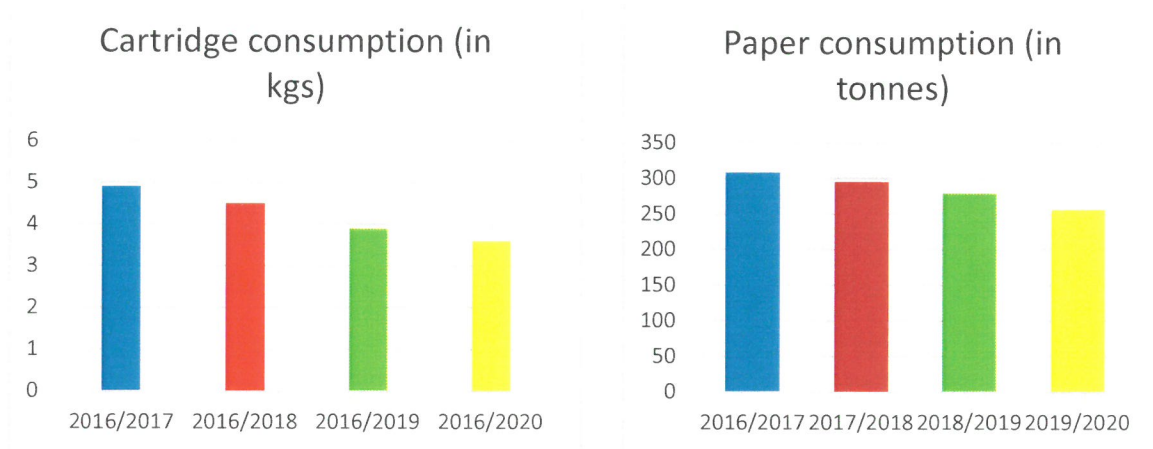


Figure 6: cartridge and paper consumption

Due to our resource efficiency and waste management measures, we have been able to reduce our annual amount of waste produced from 58 tonnes to 55 tonnes during the reporting period which means a saving of 5 tonnes in total compared to the base year 2018.

Advocacy

As promotional product and merchandise retailer we believe that it is our obligation to promote the use of sustainable alternatives. To exercise our responsibility as sustainability advocate, we have increasingly been educating our internal stakeholders such as employees as well as our external stakeholders such as our clients and suppliers on sustainability issues. Our employees have undergone extensive sustainability training as part of which 100% of staff in all offices were informed about all sustainability issues associated with our operations and our sustainability strategy. We have also started to engage with our suppliers and customers by launching a sustainability section on our website and promoting sustainable products in our newsletter.

When selling products, we also ensure that full details on all sustainability aspects are being communicated to the client, either as part of the product label or the product data sheet. This includes information on the composition of the product or its recyclability.

During the reporting period we kept our share of environment-friendly products of 90% which means an increase of 40% in total compared to the base year 2018.

Compliance

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

At Present Perfect, we condemn all types of corruption, including extortion and bribery. Instead we believe in transparency, honesty, integrity and fairness which are values we uphold in our day-to-day operations. These values are reflected in our internal Code of Conduct which was introduced in 2018 and covers aspects such as human rights, compliance with the law, child and youth protection, respectfulness and equal opportunities at work, anti-corruption, data protection, and responsible marketing. 100% of our employees signed our Code of Conduct and confirmed their acknowledgement to the validity of this policy.

Anti-corruption

According to Transparency International's Corruption Perceptions Index 2019¹, Germany has a 'low' risk of corruption. Nevertheless, we established some pre-emptive counter measures such as a whistleblower mechanism and a procedure for gifts and business travel. Any breaches relating to our Code of Conduct can be reported anonymously to our Ombudsman Mr. Arne Brauer via whistleblower@hh.present.perfect.de. Present Perfect guarantees full anonymity and immunity to the whistleblower.

In 2020, we implemented additional measures to minimise the threat of corruption incidents within our business operations: in order to evaluate the likelihood of such risks, we created a self-evaluation questionnaire to identify potential corruption risks in our sector, supply chain and our own organisation. The results of this questionnaire are used to conduct a risk analysis in order to define appropriate counter-measures. Moreover, we created a third-party due diligence checklist and implemented a questionnaire for our business partners to disclose information about their organisational structure, financial aspects and general business ethics practices. As an additional measure, we have formalised our internal audit of control procedure.

Our procedure for gifts and business travel defines that employees may freely accept gifts up to 35 Euros. Gifts above 35 Euros require approval by management and are to be rejected if they are to gain favorable treatment.

During the reporting period, 0 incidents in relation to corruption, anti-competitive practices or general business ethics issues were reported through the whistleblower mechanism. Equally, 0 fines had to be paid due to business ethics breaches.

Responsible information management

With the advent of the EU-DSGVO (Datenschutz-Grundverordnung), the European data protection law in May 2018, Present Perfect launched its own data protection strategy. This includes guidelines on data protection as part of the Code of Conduct, a data protection management system, an access control system, a data storage and back-up system, a record retention schedule and an incident response procedure. Employees also must sign a non-disclosure agreement and are to anonymise paper waste with sensitive information in order to protect client data. In the reporting period, 0.5% of all paper waste was anonymized. 100% of our staff received IT security training.

During the reporting period, all IT related risks were being evaluated as part of our general compliance risk analysis. Moreover, we sourced out the communication server to a certified third-party provider who takes care of data backups.

¹ CPI's result for Germany in 2019: <https://www.transparency.org/en/cpi/2019/results/deu>

Due to the small size of our organisation, our data protection concept was implemented by an external advisor rather than an internal data protection officer. Therefore, any data security breaches are to be reported directly to our Managing Director Jörg Grube. Incidents will be investigated and addressed immediately.

During the reporting period, 0 incidents in relation to data security breaches were reported.

Apart from data protection aspects, we also consider it our duty to conduct responsible marketing. In our internal as well as external communication we always ensure correct and clear messages when promoting our merchandise products. For instance, we avoid stereotypical statements about gender roles, religion or other ethnic features and provide evidence for our marketing statements. Before accepting orders of unethical products such as addictive substances, we ensure that the product complies with our core values defined in our Code of Conduct.

When creating a product, we make sure to minimise any potential risks during the concept phase and strictly adhere to health, safety and environmental laws and regulations. We inform clients about any potential residual risks and commit to initiate product recalls if necessary.

It is our goal to label all our products in relation to their ethical, environmental and health and safety aspects.

Sustainable Procurement

As an organisation which sells merchandise products, ensuring the sustainability of our procurement practices is paramount. In our environmental and sustainable procurement policy, guidelines on how to foster sustainable practices within our supplier base as well as to promote the sustainability of purchased goods are set out.

With respect to sustainability within our supplier base, a sustainable procurement process was implemented. As a first step, potential suppliers are being screened according to sustainability criteria with the help of our supplier assessment form. Once a supplier passes our assessment, a contract which includes sustainability clauses is sent out along with a supplier code of conduct. This document is to be returned signed and strictly adhered to. To check on the truthfulness of their statement, random supplier audits such as SEDEX audits are conducted if deemed necessary. In 2020, we were able to expand our sustainable procurement activities: during the reporting period, 9% of our contracts included sustainability clauses, 8% signed our supplier code of conduct and 9% completed our supplier assessment form which means an increase of 2% for each mentioned measure compared to the previous period. Moreover, 3% of our suppliers were audited (1% increase compared to the previous period and 2% increase compared to the base year 2018).

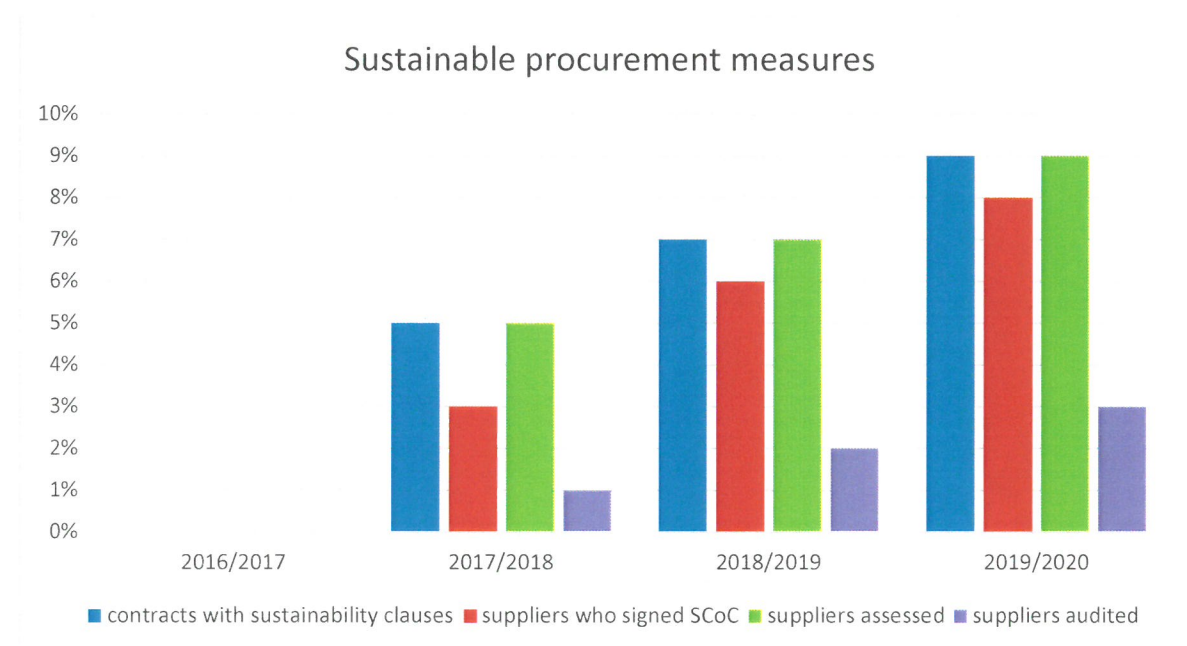


Figure 7: sustainable procurement measures

In terms of promoting the sale of sustainable products, several measures were introduced in 2018 and 2019. A new product evaluation tool was created which allows us to assess the sustainability of a product based on its life cycle. To verify the validity of their claims, evidence such as certificates, product test reports or product plans are requested. Over time, we would like to rate all our products using this tool to create transparency for our clients and promote sustainability aspects as important factor in their decision-making process.

As a long-term goal, we would like to increase the share of sustainable products in our portfolio. During the reporting period, the percentage of sustainable products available to our customers was still 90% (increase of 40% compared to the base year 2018).

Apart from increasing the share of sustainable products to sell, we have also focused on procuring sustainable alternatives for our daily office work. This includes certified and/or recycled office paper and cartridges, energy-efficient IT equipment such as computers and printers as well as fair trade coffee and tea and organic milk. During the reporting period we were able to increase the share of purchased products which are more

sustainable or certified: 100% of all office paper was either chlorine-free, recycled or certified, 90% of all computers and of all printers were energy-efficient, 100% of all cartridges recyclable, 80% of all coffee and of all tea as well as 100% of all milk was fair trade certified or organic.

Sustainable procurement for merchandise as well as office products was covered in our sustainability training attended by 100% of all employees.

Contribution to the Sustainable Development Goals (SDG's)

As a result of our sustainability activities and all implemented measures, the Present Perfect Group contributes to a range of the Sustainable Development Goals defined by the United Nations. The following table outlines an overview of our achievements during the reporting period and references our contribution to the SDG's (see table 1). For the future, our goal is to analyse how our business influences the SDG's as well as to measure our social and environmental impact according to the SDG's in a quantitative way.

Sustainability aspect	UNGC	Achievements 2020	SDG contribution
Human rights	Principles 1, 2, 4, 5	➤ 0 human rights related incidents	Contribution to: ➤ SDG 5 "Gender equality" ➤ SDG 10 "Reduced Inequalities" ➤ SDG 16 "Peace, Justice and Strong Institutions"
Labour	Principles 3, 6	➤ 35% of new recruits above 50 years ➤ 60% women employed in comparison to whole organization ➤ 8 apprentices ➤ More flexible working conditions ➤ 80% of our employees worked from home ➤ 0 accidents ➤ Strong measures to response to Covid-19 pandemic	Contribution to: ➤ SDG 3 "Good Health and Well-being" ➤ SDG 4 "Quality Education" ➤ SDG 5 "Gender Equality" ➤ SDG 8 "Decent Work and Economic Growth" ➤ SDG 10 "Reduced Inequalities"
Environment	Principles 7, 8, 9	➤ Decrease of energy consumption by 5% ➤ Decrease of fuel consumption by 2.5% ➤ Reduction of waste amount by 3 tonnes	Contribution to: ➤ SDG 7 "Affordable and Clean Energy" ➤ SDG 12 "Responsible Consumption and Production" ➤ SDG 13 "Climate Action"
Anti-Corruption	Principle 10	➤ 0 business ethics related incidents ➤ 0 data breaches ➤ New implemented measures: due diligence procedures and compliance-related risk analysis	Contribution to: ➤ SDG 16 "Peace, Justice and Strong Institutions"

Table 1: Overview of UNGC principles in relation to our achievements 2020 and our contribution to the SDG's

Outlook

Undoubtedly, 2020 has been a very challenging year for all of us which is why we were not able to implement as many measures as desired in the beginning of this reporting period. Nevertheless, we have made progress over the last year. Our intention is to continue our commitment to sustainable practices as outlined in this Communication on Progress report.

Our main goals for the upcoming reporting period will be to introduce a webshop featuring sustainable products rated according to their sustainability features, to calculate our carbon footprint, to keep extending our sustainable procurement activities and to expand our 'digital office'. With respect to our procurement activities, we aim to have 100% of our suppliers assessed taking social and environmental criteria into account and to have 50% of our products sold rated using our product evaluation tool.

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Katharinenstr. 11

20457 Hamburg

+49 (0) 40 - 431 871 - 0

+49 (0) 40 - 431 871 - 18

info@present-perfect.de

<https://ppm.present-perfect.de/en/>