



Sustainability Progress 2020

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THE ROAD AHEAD

ABOUT THE REPORT



A word from our founder & CEO: Rethink sustainability

Since 2007 we have been on a journey to empower anyone to share their creativity in a way that is better for the planet - and for people. We have searched for a way to enable all people to create products based upon personal taste while minimizing waste and let a new wave of global ecommerce entrepreneurs produce and distribute personalized products such as wall art, clothing, books, greeting cards, home decor and much more when and where they need it. By supporting local production and delivery we are part of transforming how people produce and distribute personalized products.

2020 has been a very special year. During the pandemic, when borders closed down, we experienced the strength and resilience of our global network of local production hubs. At the same time the [cost of shipping a container](#) of goods from China to Europe has increased by six times, and the trends we saw before the pandemic have accelerated: a clear shift from hyper global to local production, a clear movement from mass production to mass customization and a significant ecommerce growth powered by tech, digital production and the creativity of entrepreneurs worldwide.

We believe that Gelato can play a role in moving away from overproduction and mass production to mass customization, and from centralized to local production. A condition for minimizing environmental impact is to produce on demand as close as possible to the end consumer.

If the shipping industry was a country, it would rank between Germany and Japan as the [sixth largest](#) contributor to global carbon emissions. Imagine a world where rather than shipping the products we buy across the globe, we can have them produced in local digital production hubs and delivered to our doorstep in a couple of hours. A supply chain that is shorter, more resilient, much faster and greener, and that at the same time supports local businesses and fosters stronger communities.

Our approach to sustainability goes beyond Gelato and our care for the planet. It extends to having a positive impact on people and communities, and acting with responsibility in everything we do. Our software is connected to more than 100 high-quality production hubs. On demand production allows our customers to produce in the quantities needed, where and when they need them. This expands international reach while reducing delivery times, costs, waste and carbon emissions. As our customers' businesses scale, so do the local production partners and the local communities that fuel their growth.

Among many things, we are proud and honored that [Māori entrepreneurs](#) have chosen Gelato as their partner, and that creators like [Jort](#), [Wessel](#) and [Guus](#) have been able to redefine their source of income through ecommerce. Last year, we finalized our sustainability strategy "**Gelato Rethink**" and we continue our commitment as a participant of the UN Global Compact supporting the SDGs and the 10 principles. This year we are moving into 3D-printing, which has the power to move the production of [half of the goods](#) that are currently imported across the world to be made locally.

It is still early days for Gelato. We are fully committed to work tirelessly to ensure that our customers can grow their businesses in a way that is faster, smarter and greener. We hope you will join us on this journey!

A handwritten signature in blue ink, appearing to read "Henrik Müller-Hansen".

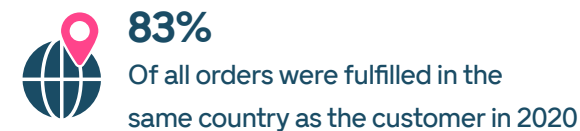
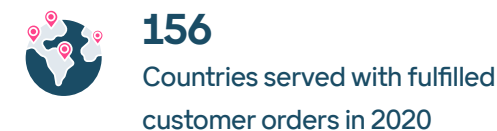
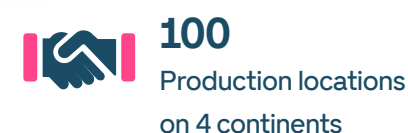
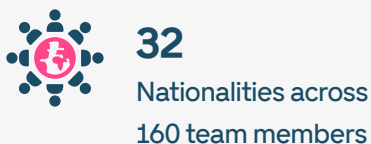
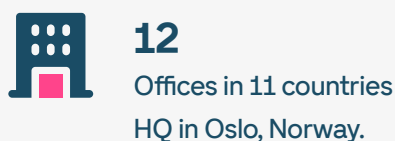
Henrik Müller-Hansen, founder & CEO



About Gelato

Key numbers from across our global business operations in 2020

Gelato group brands



Sustainability at Gelato

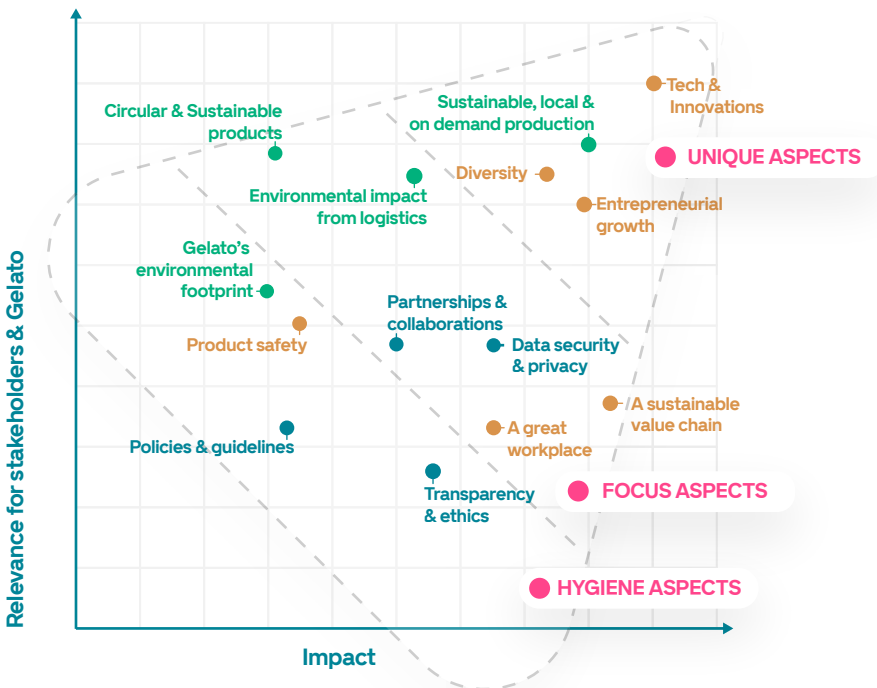
Our approach

Gelato’s approach to sustainability is to have a positive impact and take an environmental, social and economical responsibility, including governance and anti-corruption. In 2020 we defined our sustainability strategy based on a structured approach including the following actions:

- Defined sustainability aspects through internal and external industry and competitor analysis.
- Conducted stakeholder dialogues with stakeholder groups including our founder and CEO, board members, investors, internal stakeholders, team members, strategic partners, Optimalprint customers and B2B customers. All stakeholders were interviewed except Optimalprint customers and Gelato team members that responded through a survey.
- Held stakeholder dialogues with organizations such as WWF, Canopy, FSC, HP Indigo, Antalis and UN Global Compact.
- Performed an impact analysis based on nine different parameters.
- Prioritized the materiality aspects further into the below materiality matrix.

Materiality matrix

The materiality matrix shows the aspects that matter the most for our stakeholders, Gelato and where we can have the greatest impact including our unique, focus and hygiene aspects.



Our focus

Gelato’s sustainability strategy and prioritized materiality aspects are divided into three overall strategic areas: **Environment; Reduce environmental impact, Social; Positive impact on people and Governance; Act with responsibility.** Our strategic focus supports eight Sustainable Development Goals.

Sustainability governance: Our sustainability work is led by the VP Sustainability. The strategy and prioritization is decided by the sustainability advisory board with members from the leadership team. A Supplier Compliance Committee governs the Gelato Supplier Compliance Program.

Environment

Reduce environmental impact

- Sustainable, local & on demand production
- Environmental impact from logistics
- Circular & sustainable products
- Gelato's environmental footprint

SUSTAINABLE DEVELOPMENT GOALS

13 CLIMATE ACTION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

15 LIFE ON LAND

Social

Positive impact on people

- Tech & Innovation
- Entrepreneurial growth
- A sustainable value chain
- A great & diverse workplace
- Product safety

SUSTAINABLE DEVELOPMENT GOALS

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

10 REDUCED INEQUALITIES

Governance

Act with responsibility

- Data security & privacy
- Partnerships & collaborations
- Transparency & ethics
- Policies & guidelines

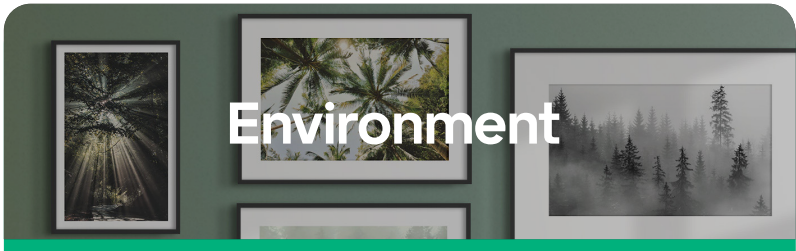
SUSTAINABLE DEVELOPMENT GOALS

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

8 DECENT WORK AND ECONOMIC GROWTH

Sustainability highlights



Environment

Reduce environmental impact

83% of all orders were fulfilled in the same market as the customer

Customer example: Swedish poster company

67% potentially saved carbon emissions by moving from central to local fulfillment

3445 km transportation distances saved on every order
Equivalent to a trip from London to Cairo

Launched recycled paper and removed plastics with our customer Canva

13 CLIMATE ACTION



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



15 LIFE ON LAND



Social

Positive impact on people

Māori community entrepreneurs finding new income through a collaboration with Gelato

100s of local businesses and communities are currently supported through our production network

1000s of entrepreneurs grow their business and access a global market within minutes through the Gelato network

32 nationalities across 160 team members

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



10 REDUCED INEQUALITIES



Governance

Act with responsibility

0 major data security incidents

100% of suppliers risk assessed in the Gelato Supplier Compliance Program

100% of our production and development partners have signed the Supplier Code of Conduct

UN Global Compact participant since January 2020

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS



8 DECENT WORK AND ECONOMIC GROWTH



ENVIRONMENT.

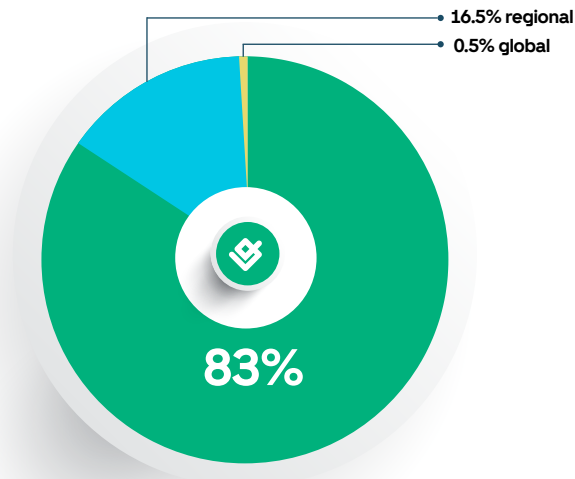
REDUCE ENVIRONMENTAL IMPACT

Our care for the environment is a part of our business idea. We help customers reduce their carbon footprint and use of resources by offering local on demand production. We always seek to improve and ensure environmentally responsible practices.

Sustainable, local & on demand production

By offering local production as close as possible to the end-customer we help our customers reduce transportation distances and carbon emissions on a global scale.

We reduce the use of resources by fulfilling all orders on demand, avoiding excess production and waste ending up in landfills. We always strive to produce as close as possible to the end customer and have local fulfillment in 30 markets across 4 continents.



83% of all orders in 2020 were fulfilled in the same country as the customer.

We work with partners and suppliers to continuously improve production efficiency using the latest production technology with a minimized negative impact on people and the planet.



The environmental impact calculation

Last year we launched the Gelato environmental impact calculation, measuring the potentially saved carbon emissions by moving from central to local production globally with Gelato to our API customers.

[Click here for calculation methodology](#)

Customer example: Swedish poster company

67% potentially saved carbon emissions by moving from central to local fulfillment.

3445 km transportation distances saved on every order. Equivalent to a trip from London to Cairo.

[Click here to read more](#)

Environmental impact from logistics

The largest positive impact we have through logistics is by reducing transportation distances with local production. Thus expanding local production is our top priority. We will continue to optimize to reduce the negative environmental impact from logistics.

Environment

Circular & sustainable products

Our ambition is to offer responsibly sourced, sustainable and circular products that have a minimized negative impact on the environment and people throughout the entire value chain. We are constantly learning and improving step by step on this sustainability journey.

The last few years we have significantly expanded our product offering and today we offer everything from paper products to wall art, clothing and mugs. This requires us to constantly learn and consider new sustainability aspects for new product categories. When sourcing new products we balance sustainability aspects with customer demand, availability from suppliers and production partners, and price to ensure a competitive product offering to our customers.

The majority of all orders are made of paper, a renewable material. Other materials we offer are conventional and organic cotton, acrylic, metallic and ceramic.

We have a requirement towards our production partners that all printed paper products should be made of FSC certified paper and our canvases made of FSC certified materials from sustainably managed forests. Our envelopes are made of PEFC or FSC certified paper.

Gelato's environmental footprint

Our care for the environment is a part of our DNA and is included in our Ethics policy. We take precautions to minimise our environmental impact and to ensure environmentally responsible practices.

Key actions in 2020:

- Developed the Gelato environmental impact calculation to estimate our customers' potentially reduced carbon emissions when moving from central to local production.
- Made a sustainability review of all products to identify improvement areas leading to an increased traceability of our packaging and creating a new sustainable packaging ambition.
- Defined requirements for recycled paper and introduced recycled paper and removed plastics with our customer Canva.
- Launched process to include sustainability aspects in the sourcing process of new product categories.

CASE: Canva



"We're excited to offer recycled paper and remove plastics with Gelato, which empowers our customers to make sustainable choices. Gelato and Canva share the same approach when it comes to protecting our environment and we are on a joint mission to produce superior quality products with environmental and social responsibility in mind."

Jim Towle, Head of Global Print Operations at Canva

In collaboration with our customer Canva we:

- Have or will launch recycled paper in the **US, Germany, Italy, France and Sweden.**
- Are minimizing the use of plastics in the entire product range.

The environmental impact of replacing 1 tonne virgin paper with 100% recycled paper:*

26 trees, 58% GHG (CO₂e), 40% energy, 9% water usage, 7% solid waste

*Source: Environmental impact estimates were made using the *Environmental Paper Network Paper Calculator* Version 4.0. For more information visit www.papercalculator.org. The calculation is based on 1 metric tonne free sheet uncoated paper.



Our platform is powered by tech and innovation and enables us to support local businesses, entrepreneurs and communities, having a positive impact beyond Gelato.

Tech & innovation

Our digital platform connects “best-in-class” production partners worldwide. Powered by technology, innovation and the sharing of production capacity, production becomes more local, sustainable and has a positive impact on local businesses and communities.

100s of local businesses and communities are currently supported through our production network

CASE: LOS Digital

“Since we joined as Gelato’s production partner we have considerably increased our print volume, but the greatest impact has been in areas of efficiency and sustainability.”

Eirik Andersen, CEO of LOS Digital

[Click here to read more](#)

Entrepreneurial growth

Our vision is to let every person on our planet share their creativity in an eco-friendly and sustainable way. To drive this vision we have opened up our global production network, empowering entrepreneurs to go global in minutes at a minimized risk - since you only pay for what your customers order.

1000s of entrepreneurs grow their business and access a global market within minutes through the Gelato network

Last year we were honored to support **Māori community entrepreneurs** in New Zealand in finding new income through ecommerce and Gelato. Six local artists and creators participated in a seven-week program hosted by Gelato to learn how to use on demand production to grow their ecommerce business.

[Click here to read more](#)

A sustainable value chain

We always strive to have responsibly sourced products from a sustainable value chain meeting our high sustainability standards.

Our sustainability requirements towards our suppliers were established in a Supplier Code of Conduct in 2017 and includes environment, human rights, labor and anti-corruption.

As we continue to grow in number of suppliers and expand to new markets, we experience more complex and less transparent value chains. We saw a need to implement a structured approach to assess and mitigate risks among our suppliers in a compliance program.

Key actions in 2020:

- Implementation of the Gelato Supplier Compliance Program.
- Creation of a Risk Assessment Tool which evaluates all suppliers and helps mitigate risks in the value chain.
- Self Assessment Questionnaire and evaluation process to handle and assess high and medium risk suppliers.

Product safety

Expansion of product range to merchandise and apparel requires us to increase product traceability. Our Product Safety Specifications are safeguarding that products are in accordance with international and national product safety regulations.

Social

A great & diverse workplace

We exist to give everyone the opportunity to share their creativity in a smarter, faster, and greener way. Our ambition cannot be achieved unless we attract, develop, and retain the very best people from all over the world and stay true to our culture.

Gelato as a workplace

Gelato has a strong corporate culture that encourages a “growth mindset” in everything we do to challenge our own experiences and beliefs. We change until we win.

With offices around the world, we have a Code of Conduct and an Employee Handbook to guide us. We make sure everyone is aware that we have benefits such as flexible working hours, holidays, and parental leave, across all our locations. We operate as one team and we believe in treating everyone equally.

Everyone is a shareholder

Ownership amplifies the feeling of purpose and belonging. Where we lack structure, we cover the gap with self-motivated and empowered team members. We problem-solve, innovate, and operate as a team.

Diversity & inclusion

We hire the best, regardless of where they may be in the world.

We ensure an objective recruitment process by using assessments at the very beginning, and by utilizing a team of interviewers with different roles and backgrounds.

We are a sponsor and partner of the [SHE Community](#) and we are proud to see that we have improved our score on the SHE Index since last year.

81 score on SHE Index 2021.
7% improved score from 2020.
Ranked 21 out of 92 companies.

We hire for attitude and train for skill

We hire brilliant people who are also great team members. The value of a diverse team is leveraging each other’s strengths and differences, while always striving to develop and improve, both individually and together.

This mindset, along with continuous feedback, Performance & Development dialogues, quarterly pulse surveys, a buddy program, and internal mobility generates continuous and rapidly implemented improvements.

100% conducted Performance & Development dialogues in 2020.

Our team members have a lot of autonomy in the work they do, but also in their personal development.

High performers are recognized, enabled, and rewarded with more responsibilities and greater autonomy. There are conventional forms of recognition as well, but experience tells us that our team members get the most excited when given more responsibility and the opportunity to work on interesting high-impact projects.

32 nationalities across 160 team members



GOVERNANCE.

ACT WITH
RESPONSIBILITY

Data security and protecting our customer data and privacy is more than a compliance requirement. It's part of our core values. We believe in partnerships, transparency and to keep the highest ethical business practices guided by our company culture and policies.

Data security

We work hard to keep the highest level of data security. We have a security team and an Information Security Program aligned with ISO 27000 series and NIST standards. Well-known industry standards consisting of policies and procedures to govern information security. The objective of the program is to prevent data breaches and protect the integrity, confidentiality and availability of information processed, stored or transmitted by Gelato.

We continuously conduct vulnerability scans and penetration tests on our systems. In 2020 one of our focus areas has been to increase automation to scale our security processes and extend the coverage of security controls.

0 major data security incidents.

Privacy

We aim for having the highest level of protection of our customer data in compliance with national and international laws and regulations. We have a GDPR committee led by our Data Protection Officer and have aligned our policies and practices with the General Data Protection Regulation (GDPR). Our privacy policies for each business unit describe the information collected and processed, and how this information is used.

Partnerships & collaborations

We work closely with partners and suppliers to make production more sustainable and always use the latest technology with minimized negative impact on people and planet.

Gelato is a participant of UN Global Compact

We are committed to take actions to support the UN Sustainable Development Goals and align our operations and strategies with UN Global compact's ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

WE SUPPORT



Transparency & ethics

We believe in being transparent and maintaining ethical business relationships with our partners and customers. We have established internal and external policies that take into account human rights, labor rights, environment and anti-corruption internally and in our supply chain.

Policies & guidelines

We continue to grow rapidly and constantly need good governance in order to guide us.

Examples of policies in place:

- Code of Conduct
- Ethics Policy
- HMS Policy
- Whistleblowing policy
- Supplier Code of Conduct

100% of suppliers risk assessed in the Gelato Supplier Compliance Program.

100% of our production and development partners have signed the Supplier Code of Conduct.

21% of all active suppliers have signed the Supplier Code of Conduct.

We are on a sustainability journey and still have a lot of work to do. We are excited and humble about the opportunities and challenges that lay ahead as we continue to grow with new products and markets. We remain committed to having a positive impact and will work tirelessly to ensure that our customers and partners can grow their business in a faster, smarter, and greener way, to support our vision of letting every person on our planet share their creativity in a way that is eco-friendly and sustainable.



Environment

We will continue to help our customers make sustainable choices and reduce environmental impact by offering responsibly sourced, sustainable and more circular products that are produced locally on demand.

Focus in 2021:

- Expand local production.
- Optimize logistics and product bundling.
- Increase the share of recycled content in paper and packaging.
- Expand the use of FSC certified materials.
- Allow customers to see the environmental impact from using Gelato.
- Start to measure Gelato’s carbon emissions.



Social

We shall have a positive impact on people throughout the entire value chain and use our technology and innovation to make our industry more sustainable. We will continue to support local businesses and entrepreneurs to grow their business.

Focus in 2021:

- Successfully attract the best talent by having a great and diverse workplace.
- Uphold a sustainable and compliant value chain supported by tech and an efficient compliance program.
- Uphold product safety as we expand into new product categories and markets.



Governance

We will continue to attract customers, partners, and the best talent by being transparent, acting with responsibility, and maintaining the highest level of data security and privacy.

Focus in 2021:

- Work with partners and suppliers to make our operations more sustainable.
- Continue to use the latest production technology.
- Maintain the highest level of data security and privacy.
- Increased sustainability communication & transparency.
- Uphold good governance when our business continues to grow.

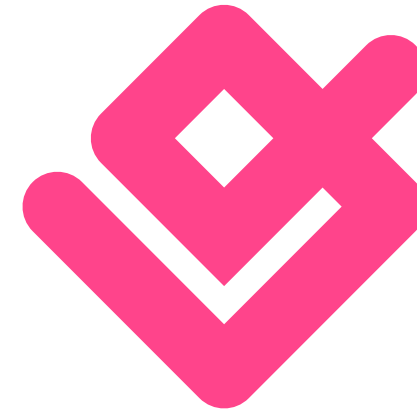
TROLLSTIGEN, NORWAY

THE ROAD AHEAD

About the report

This is Gelatos's first sustainability report and covers the period from January to December 2020. Our ambition with this report is to be transparent and share our approach, progress and focus ahead in the area of sustainability. This report constitutes Gelato's first Communication on Progress (COP) submission to the UN Global Compact. The report is not quality assured by an external body.

Gelato makes all reasonable efforts to use reliable and comprehensive information, but we make no guarantee that it is accurate or complete. We have no obligation to communicate if and when information in this report changes. This report may contain forward-looking statements and it is possible that the actual results may differ. Gelato is not responsible for the information contained in any referred third-party website nor do we guarantee their accuracy and completeness. Trademarks contained herein are the property of their respective owners.



www.gelato.com/sustainability