

# UN GLOBAL COMPACT COMMUNICATION ON PROGRESS

Date: 22/06/2021

## 1. Background

A.D. began their association with the UN Global Compact (UNGC) in November 2018.

We pledge to continually upgrade workplace standards in the areas of:

- Human rights
- Labour
- Environment
- Anti-corruption

A.D. re-affirms its support for the UNGC and its 10 guiding principles.

A handwritten signature in black ink that reads 'Amo Singh'.

Amo Singh  
Managing Director

## 2. Progress reporting

This Communication on Progress (COP) reporting period is from November 2019 to June 2021.

This report details the systems and activities at AD Merchandise T/a A.D. that;

- Support the 10 guiding principles; and
- Outline the outcome of each of them.

### 2.1. Human Rights

*Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;*

*Principle 2: make sure that they are not complicit in human rights abuses.*

#### 2.1.1. System

We have international organisational policies and procedures that guide and control the implementation of internationally proclaimed human rights and the exclusion of abuses. The main policies and procedures are:

- **Code of Conduct** - We state our position on international human rights, sustainability standards and principles. It comprises:
  1. *Do not engage in or support the use of child labour.*
  2. *Do not engage in or support the use of forced labour.*
  3. *Do not engage in or support the use of any form of corporal punishment.*
  4. *Do not engage in or support any form of discrimination.*
  5. *Apply with applicable laws and industry standards on working hours.*
  6. *Freedom of association and the right to collective bargaining are respected.*
  7. *Provide a safe and healthy working environment and minimise accidents through removing hazard and reducing risk.*
  8. *Ensure that wages paid always meet legal or industry standards and shall be sufficient to meet basic needs and provide some discretionary income.*
- **Our values** - these are the foundation of our business and define the way our employees act.

#### Who we are

Unlike other branded merchandise companies who concentrate on products, we focus on creative solutions, balancing our environmental impact and building genuine relationships with our customers.

#### Promise

At A.D., we want our customers to have a great experience. We nurture our relationships with our clients and suppliers and invest in our team and our planet. That way, we know we can create the most innovative branded solutions, responsibly, creatively and ethically. It's a fresh take on branded merchandise.

#### Core Values

**Take care.**

We value and celebrate each other. We don't take things for granted; we're grateful for each other, how far we've come and who we are. We care about our customers; being patient, helpful and careful with their budgets. We give back to the community, and we take real responsibility for our environmental footprint.

**Inspire & connect.**

We're a tribe; better and stronger together, no matter what. We support and inspire each other and our customers in everything they do. Sharing ideas, working together and staying positive. Something everybody wants to be part of.

**Do the right thing.**

We'll always do right by our customers, each other and our planet. Our integrity and authenticity is the reason we're trusted, and why our customers are loyal. Every decision we make has our customers' best interests at heart.

**Creative at heart.**

We're creating experiences as well as solutions and making sure our customer's brands really make an impact. We're finding new ways to inspire our clients and thrive off each other. We're taking the creative space within our industry, and we're doing it with gusto. Dedication, passion and the confidence to think differently.

**Never stop evolving.**

We're growing our business, our team and our client relationships. We're ambitious, focused and strong in the face of adversity. We'll continually improve our skill set and embrace new opportunities and ideas. Always adjusting to become a better team and encouraging each other to strive for greatness every day.

**No quick fixes.**

Innovative solutions with a personal touch means taking time to understand our customers and their brands. We collaborate with each other to do our best for our clients. Quality counts, and our products are built to last. No short cuts and an excellent service.

**We greenify®**

We're committed to behaving ethically and responsibly. We recognise that however hard we strive to be sustainable, our business creates an ongoing environmental impact through unavoidable carbon emissions, our global deforestation footprint, and plastic pollution. We're doing something about it.

- **Supply chain management** – The Code of Conduct is implemented through the day-to-day supply chain operations for all vendors globally to qualify vendors (suppliers and factories) that share our values. We define the important nature of the key values with our supply chain to ensure full compliance to legal, environmental, societal and ethical standards.

In October 2020, we introduced a Sustainable Procurement Policy.

We have an annual requalification process for all key suppliers.

- **Policies** – we have a number of policies that form of the company handbook that are reviewed annually including:
  - Anti-slavery and human trafficking policy
  - Bullying and Harassment policy
  - Code of conduct
  - Disciplinary policy
  - Grievance policy
  - Disability policy
  - Equal opportunities and diversity policy
  - Family friendly policy
  - Health and safety policy
  - Sustainable procurement policy
  - Whistleblowing policy

### **2.1.2. Activities**

- Training on the A.D. Code of Conduct for all staff as part of the induction process, training matrix and company handbook.
- Inclusion of the A.D. Code of Conduct to all suppliers and factories annually. We only work with factories, manufacturers and suppliers who share these values.
- We have undertaken a rebranding programme working with an external agency. This includes new brand values and clearer internal team messaging. These went live in June 2021.

### **2.1.3. Outcomes**

Our achievements as a result of the activities are:

- All key suppliers have renewed their commitment to the Code of Conduct as part of our annual trading agreement.
- All new suppliers including Chinese factories have signed up to the Code of Conduct prior to any purchase orders being issued.
- All Chinese factories that we have worked with over the last 12 months have shared acceptable BSCI audits, with principles aligned closely with those of the UNGC.

## 2.2. Labour

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

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

*Principle 5: the effective abolition of child labour;*

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

### 2.2.1. System

We have internal organisational policies and procedures that define day-to-day operational standards in relation to the right of collective bargaining, elimination of forced labour and compulsory labour, child labour and discrimination.

- Code of Conduct
- Policies and Procedures on Human Resource Management
- Policies and Procedures on Environment and Health & Safety (EHS) Management.

### 2.2.2. Activities

- Training on our Code of Conduct for all employees.
- Revision and communication of HR and EHS policies & procedures that incorporate up-to-date local regulations and operating standards.
- Implementation of HR and EHS policies and procedures – on Diversity & Inclusion and Health & Safety.
- Certification of factories in accordance with our Responsible sourcing guidelines via 3<sup>rd</sup> Party audit service providers.

### 2.2.2. Outcomes

Our achievements as a result of the activities are:

- All staff were trained on the updated HR policies and procedures through training and meetings.
- All new employees were given general health and safety training including an annual Display Screen Equipment (DSE) assessment.
- Due to COVID-19, we adapted working practices so the team could work remotely during lockdown periods.
- Following lockdown, we made the office secure and introduced a “Working safely during COVID-19 policy” following a risk assessment in the office.
- In December 2020, we moved offices to provide better facilities to staff. These include on-site gym, bicycle store, communal meeting areas alongside a modern and custom fit-out of the office space.
- We continue to operate a family friendly policy; we have five team members who have adapted working hours.

## 2.3. Environment

*Principle 7: Businesses should support a precautionary approach to environmental challenges;*

*Principle 8: undertake initiatives to promote greater environmental responsibility;*

*Principle 9: encourage the development and diffusion of environmentally friendly technologies.*

### 2.3.1. System

Our guiding principles and measures are state in the following policies:

- Policies and procedures on Environmental Management that are generated in accordance with ISO14001 guidelines.

### 2.3.2. Activities

- We have achieved re-certification on ISO standards - ISO9001 and ISO14001 dated October 2020.
- Awareness training to our team on the Environmental Management System.
- Going paperless in the office.
- Revised our company values to include Greenify®.
- With our contract with Greenify® we have:
  - Planet Positive People - That means that a portfolio of natural climate solutions underwrites each person on our team to rebalance their ecological footprint. Each month, for each employee, we fund:
    - 1.1 tonnes of nature-based carbon credits.
    - 3kg of nature-bound plastic waste recovered and repurposed.
    - 1 tree planted.
  - We Greenify®
    - We make monthly contributions to a range of natural climate solutions and environmental projects, and since we began to greenify our business in June 2021, we have contributed towards some great programmes, and as our business grows, our contribution to these initiatives will grow too – because rebalancing the impact of our activities is the only truly sustainable business model.
- Continued to promote and marketing sustainable products and solutions. Aiming to lower our carbon footprint and educate our customers.
- All courier parcels continue to use the UPS Carbon Neutral service as standard.

### 2.3.3. Outcomes

Our achievements as a result of the activities are:

- Reduction of carbon emissions through:
  - All company cars are now hybrid vehicles with mileage regularly monitored.
  - Offset carbon emissions from courier deliveries using the UPS Carbon Neutral service for all deliveries.
  - Zonal lighting sensors installed in the office.
- 50% increase in the number of environmentally conscious products that we now sell, over 300 sustainable or eco-friendly products now available for our customers to choose from.
- 70% reduction in paper usage.

## 2.4. Anti-Corruption

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

### 2.4.1. System

Policies related to anti-corruption and anti-bribery are:

- AD Merchandise Code of Conduct.
- AD Merchandise Anti-Bribery Policy.
- AD Merchandise Anti-Slavery and Human Trafficking Policy.
- AD Merchandise Corporate Hospitality and Gifts Policy.

### 2.4.2. Activities

- Training on our Code of Conduct and Anti-Bribery policies as stated in section 2.4.1.

### 2.4.3. Outcomes

- Over 50 suppliers and factories representatives have been briefed on the A.D. Code of Conduct.