

United Nations Global Compact - Communication on Progress Period 2020 - 2021

Introduction to the COP 2020 – 2021 of Supremia AG

COVID-19 is having a major impact on our economic situation around the world. The Supremia Group, which was represented in over 14 countries worldwide, has been hit very hard in 2020, as the numerous cancellations and postponements of events have led to a sharp drop of the demand of promotional items and giveaways. The stagnation of the business forced the Belgian Branch of the Supremia Group, including the Holding that was also based in Belgium, to file for bankruptcy on April 14th, 2020.

In June 2020, the managers of the Swiss Branch of the Supremia Group, Supremia AG, have successfully completed a management buyout of Supremia AG, after being a part of the group for 9 years. Since then, the company is again in independent Swiss ownership.

In September 2020, Supremia AG has re-joined the United Nations Global Compact as an independent company. Since then, Supremia AG is highly committed to establish and further improve its processes and business conditions to achieve full compliance with the 10 principles of The Global Compact. We are continuously working on further improving our Corporate Social Responsibility setup and strive for a clear and documented process, that is communicated to our employees as well as to our partners and stakeholders.

The constantly and fast changing Supply Chain requirements demand a consistent review of processes and procedures to ensure a safe, reliable, and sustainable value chain. With our first Communication on Progress, we express our intent to work hard to support and promote the UNGC principles within our range of influence throughout our supply chain.

We are committed to make the Global Compact and its principles part of our strategy, corporate culture and day-to-day operations of our company and undertake the required steps to make a clear statement of its commitment, both to our employees, partners, clients, and to the public.

This report details the systems and activities at Supremia AG that support the 10 guiding principles and outline the outcome of each.

A Word from Our CEO

"The COVID-19 pandemic and the measures necessary to stop its expansion have had significant impact on individuals, society, organizations and markets. For all these actors, the epidemic is an unpredictable exogenous event whose specific characteristics are unique and lead to a rethinking of new forms of life.

In the business field, COVID-19 is more important than any other global crisis that we have known. This requires new strategies in which the fundamentals of corporate social responsibility (CSR) must be rethought and strengthened as patterns of long-term business success and social welfare. In this current economic scenario, it has become even more important to us to develop a responsible business model, that goes beyond the instrumental or relational reasons, with a strong focus on ethical and moral aspects.

Despite the existence negative external circumstances, we are highly committed to guarantee not only the survival of the company and further employment, but also to further identify and establish best practices to ensure compliance along our entire supply chain to deliver the best possible products and solutions for our customers."

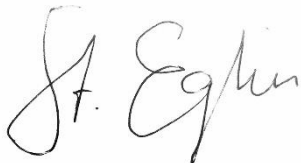
Stephan Eglin
Managing Director of Supremia AG

Statement of Continued Support of the 10 Principles of the UN Global Compact

I am pleased to confirm that Supremia AG reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, 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,

Basel, August 2021



Stephan Eglin
Managing Director Supremia AG

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SUPREMIA

Supremia AG

Supremia AG is a diversified provider of promotional products, giveaways, and fulfilments programs. With over 25 years of experience, we are specialized in sourcing and procurement of individual promotional gifts and giveaways for our customers. Thanks to our long lasting and close relationships with our suppliers and partners all over Europe and in the Far East, we are one of the leading suppliers of promotional items in Switzerland.

Another core competency is the full management of our customers' promotional product assortments, which are managed by modern webshop solutions.

Supremia AG is based in Basel, Switzerland, and counts 15 employees as well as 2 trainees.

Our Mission

Supremia AG strives to strengthen the customers brand image and market share through the development and supply of customized promotional products, that will delight (future) customers. With our broad experience, in creative and logistical terms, we aim to impress with unique and tailor-made concepts. Supremia AG offers a one-stop solution to their customers, including the design, production and distribution of an item that is perfectly aligned with the customers brand, budget, and goals. By taking care of the entire process, our committed team of professionals will propel the brand of the customer to new heights

Our Vision

Every promotional product is an opportunity to build brand awareness and express the customers brand values to their existing and future customers. An original promotional strategy will help our customers to identify new market niches and make a lasting impression on their target audience. By choosing a promotional item that stands out from the crowd - due to its originality, high quality and unique features – our customers company will be undoubtedly one step ahead of the competition. The highly dedicated team of experts at Supremia AG has the depth of know-how to talk about your brand in detail.

Our Values

Our customers are always well informed about the latest trends and activities in the global promotional products market. In addition to the supply of tailormade promotional products for our customers, we strive to create solutions that simplify their lives. We are known for our high flexibility as well as for our focused and outcome-oriented approach.

We design and source creative and eye-catching products for our customers, considering all legal requirements and guidelines. We provide an efficient distribution, using the latest technologies and in close cooperation with long-term partners. We ensure that we achieve this with fair working conditions and at the highest possible quality level. Thereby, the needs and requirements of our customers are always in the centre of attention.

COP on Specific UN Global Compact principles

The following section contains information on progress for specific UN Global Compact principles:

Human Rights

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

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

Statement

We have internal organizational 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:

- Core Values: Respect, Integrity, Teamwork, Reliability and Innovation. These values are the foundation of our business and defines the manner how the employees of Supremia AG should think and act
- Code of Conduct: The Supremia Code of Conduct states our position on international human rights and sustainability standards & principles. The CoC is based on the International Labour Standards (ILO) and the 10 Principles of the UN Global Compact
 - o Freedom of association
 - o Forced Labour
 - o Child Labour
 - o Discrimination
 - o Harassment and Abuse
 - o Working hours
 - o Wages and Benefits
 - o Health & Safety
 - o Environment
 - o Ethics and Corruption Prevention

- Membership at amfori Business Social Compliance Initiative (BSCI)
- Supply Chain Management: The Supremia Code of Conduct is being implemented in daily business of Supply Chain Management by using it as first qualification tool for all new vendors (i.e., suppliers and / or factories), to make sure that the same values apply along all parties along the entire Supply Chain.

Implementation

- Training on Supremia CoC for all employees as part of Supremia Employee On-Boarding Program.
- Suppliers and factories are briefed on the Supremia CoC during opening meetings
- In September 2020 we re-joined amfori BSCI, what allows to monitor our main producers by third party audits and visits.
- Promote gender equality, diversity and inclusion within the company.
- Fostering the collaboration with people with disabilities by assigning Swiss Workshops that work exclusively with employees (called "clients") with disabilities for several special jobs (i.e., special mailings, assorting goods...)

Measurement of Outcome

Our results and achievements of our focused activities are:

- All new employees must read and sign the CoC to make sure that they follow the standards and principles
- Suppliers and factories must sign the Supremia CoC, stating that they will respect the rules and values of the CoC along the Supply Chain
- Therefore, the Supremia CoC has been translated into 2 languages – German and English
- With over 50% of our employees having a foreign nationality and almost 40% of female employees – whereof 25% in a leading position, we still strive to further establish diversity, inclusion and gender equality within the company
- Disability inclusion in the workplace: we not only have hired an employee with disabilities, we also strongly foster the collaboration with people with disabilities by working with them on a regular basis since many years

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; and

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

Statement

We have internal organizational policies and procedures that define standards for daily business in relation to the right of collective bargaining, elimination of forced and compulsory labour, child labour and discrimination.

Our company is committed to bear the social responsibility of our producers in risk countries. We have therefore joined amfori BSCI, which enables Supremia AG to trade with purpose by improving social performance within our supply chain.

- Supremia Code of Conduct: see section "HUMAN RIGHTS – Code of Conduct"
- Supremia AG Personnel Regulations Handbook:
The Supremia AG Personnel Regulations Handbook (Personalreglement) covers employee rights, responsibilities and compensations.
- Human Resources (HR) Management Guidelines and Procedures
The HR Management guidelines and procedures are checked and updated frequently to make sure, that they align with all local regulations and standards
- Membership at amfori Business Social Compliance Initiative (BSCI)

Implementation

- Training on Supremia CoC for all employees as part of Supremia Employee On-Boarding Program.
- Suppliers and factories are briefed on the Supremia CoC during opening meetings
- All future employees of Supremia AG receive the Personnel Regulations Handbook together with their contract. The Handbook must be read and signed as a fast part of the working contract with Supremia AG.
- All employees are updated before implementing eventual changes in the Personnel Regulations Handbook.
- Supremia holds regular meetings where employees are being encouraged to express their opinions and address problems
- In September 2020 we re-joined amfori BSCI, what allows to monitor our main producers by third party audits and visits.

Measurement of Outcome

Our results and achievements of our focused activities are:

- The Supremia CoC has been translated into 2 languages – German and English
- All new employees must read and sign the CoC to make sure that they follow the standards and principles
- Suppliers and factories have signed the Supremia CoC, stating that they will respect the rules and values of the CoC along the Supply Chain
- All our employees are aware of their rights, responsibilities and compensations and can look it up whenever needed in their personal Personnel Regulations Handbook
- Meetings and trainings are arranged in the case of new standards or regulations that are applied in the Personnel Regulations Handbook for a better understanding and acceptance
- All employees are expressing freely their opinion and help improve teamwork and daily business with valuable inputs
- Disability inclusion in the workplace: we not only have hired an employee with disabilities, we also strongly foster the collaboration with people with disabilities

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.

Statement

We recognize our responsibility to help protect the planet. We are committed to minimizing the impact our company has on the environment and supporting those, who are working to improve global environmental sustainability.

We are aware, that greenhouse-gas (GHG) emissions represent a significant part our company's environmental footprint, from the electricity we use in our office to each single product sold to our customers.

Among the most direct ways we can limit ecological impacts is with goods that are either made of sustainable raw materials or last for long time or can be recycled so the materials in them remain in use.

Our approach to carbon neutrality includes reducing our emissions and investing in verified carbon-reduction projects to offset the emissions we have not yet been able to eliminate. Within this approach, we seek to address also waste across our entire supply chain as we strive to continually strengthen our environmental practices.

Implementation

- As part of our sustainable-procurement strategy, we have adopted a Code of Conduct that sets forth our expectations of our suppliers, including reducing environmental impact.
- In addition, we engage with suppliers to improve the environmental impact of the products we purchase, especially in high-risk countries
- Our office space has been reduced by 50%, as not so much space was needed – especially when home office has been implemented after start of Covid19
- We aim to reduce waste generation and seek to minimize the waste we send to landfills.

- We invest in carbon-reduction projects to offset the emissions we have not yet been able to eliminate. These projects are independently verified to international standards. This is done through our partner, ClimatePartner.
- Also, thanks to Climate Partner, climate neutral products can be offered to all interested customers. Hereby, ClimatePartner, guarantees, that all carbon emissions of the products have been calculated, reduced and offset via recognised carbon offset projects
- All products and suppliers are carefully chosen, with the aim to achieve the most environmentally friendly production as possible. Within this, we do not only check the used raw materials of the product, but transport ways and distances.

Measurement of Outcome

Our results and achievements of our focused activities are:

- Due to the reduction of the office space, energy has been saved by almost 50%
- The use of paper has dropped, as printouts are avoided as much as possible and if not possible to avoid, they are re-used as notepads
- Instead of overhead light installations, each desk is equipped with their own floor lamp, so that light is only used, where a desk is occupied
- Besides the recycling of paper, another recycling station has been installed in the kitchen, where plastics, glass and metal are gathered and disposed properly
- Supremia AG has invested in carbon offset projects to compensate inevitable greenhouse-gas emissions. Those projects are:
 - o Solar Energy, Nanyang Danijang, China
 - o Forest Protection, Kasigau Wildlife Corridor, KeniaMore details can be found here: [Supremia AG Carbon Offset Projects](#)
- Launch of a customer-specific pilot-project with the aim to reduce and compensate greenhouse-gas (GHG) emissions on each product in our customer's webshop. Within this project, the GHG emissions of all products are calculated and improved. The result of the improvements is shared with the customer, to evaluate possible steps to reduce emissions. This pilot-project will be enrolled to all customers who are interested to reduce and compensate their GHG emissions.

Anti-Corruption

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

Statement

We have instructions and guidelines with an absolute zero tolerance for corruption, extortion and bribery. The following policies are related to anti-corruption and anti-bribery:

- Supremia Code of Conduct: see section "HUMAN RIGHTS – Code of Conduct"
- Supremia AG Personnel Regulations Handbook:
The Supremia AG Personnel Regulations Handbook (Personalreglement) covers employee rights, responsibilities and compensations.
- Human Resources (HR) Management Guidelines and Procedures
The HR Management guidelines and procedures are checked and updated frequently to make sure, that they align with all local regulations and standards

Implementation

- Training on Supremia CoC for all employees as part of Supremia Employee On-Boarding Program.
- All future employees of Supremia AG receive the Personnel Regulations Handbook together with their contract. The Handbook must be read and signed as a fast part of the working contract with Supremia AG.

Measurement of Outcome

Our results and achievements of our focused activities are:

- All new employees must read and sign the CoC to make sure that they follow the standards and principles
- All employees are aware about our zero tolerance for corruption and bribery

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