

Brands On

Communication on Progress

A Progress Report on the Goals
and Targets We Committed to for 2022



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STATEMENT OF CONTINUED SUPPORT

INTRODUCTION

CSR

5 DIRECTIONS

- Sustainable Growth
- Nice place to work
- Climate Neutral
- Partnership
- Social commitment

Statement of continued support

I am pleased to confirm that Brands On supports the ten principles and 17 SDG's of the UN Global Compact with respect to human rights, labour, environment and anti-corruption.

With this communication, we express our intent to continuously incorporate these principles into our own activities. We implemented the principles as from 2017 but supported them even long before being part of our strategy and culture. As from 2015 we are externally audited by Ecovadis with increasing success. Being awarded in 2021 with the Platinum medal, we now belong to the top 1%. Facing challenges in terms of Covid19, climate change, human rights, etc...the 17 sdg's are the common thread in our projects, goals and cooperations. Brands On will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the SDG's. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy. This includes:

- An introduction of our company and a CSR summary
- A description of our actions contributing to the Global Compact principles in 5 directions, guided by the 17 SDG's.
- Our main targets, their progress and yearly actions.

Guido Vandenabeele





Brands On is more than just a supplier developing products that increase brand visibility.

Every decision is taken with a view to establishing a long-term relationship with you. Our products are tailored to your unique and specific needs, in order to highlight your brand values in a powerful and targeted manner.

Brands On is best known for parasols, sign solutions and different types of LED displays. Our clients are international retail brands, restaurants and cafes, and of course, hotels. Brands On includes a factory in South-Africa (Tradewinds), a sales office in South-Africa (Brands On Africa) and an engineering office in China (Wider Concept).

Operating in different parts of the world, we face different cultures, different opportunities and different standards. The 17 SDG's are the perfect guide to pursue common goals. It is impossible to implement the same initiatives and goals in all factories and offices, but we do want to work towards the same goals, each contributing at its best.

For example:

- The need to support students in South-Africa is bigger than in Belgium.
- The importance of monitoring working hours in China.
- The follow up of the 'new' mental issues in Belgium like isolation, burn out, stress.

Corporate Social Responsibility

Brands On aspires sustainable growth, based on the triple bottom line of People, Planet and Profit. The Sustainable Development Goals of the UN Global Compact guide us on our challenging growth journey in a fast changing environment.

Brands On stands for Protection and Connection. Our parasols protect people from the sun. But our products also create a setting where people come together, have fun, re-charge and celebrate life, in short connect.

The metaphor of Protection of Connection can be extended to our Corporate Social Responsibility.

First of all, the most important asset to our business is people. The key to make our organization work is talent, know-how, as well as positive and solution driven teams. Brands On ensures a healthy and safe work environment for all employees, not only in our own workplaces but also in the factories of our suppliers all over the world. The ETI base code is our standard. But we want to go further. Creating a nice place to work is the goal. Brands On not only wants to protect people, we also want to protect the planet. Climate Neutral business practice is the ambition. Finally, sustainable growth can be considered protection as well, securing people their jobs and investing in improved and more eco-friendly processes.

This last topic ties in with long term perspective which brings us to connection. Connection in terms of CSR translates for Brands On in Partnerships. These long term relationships are what sustainability is all about, as they provide security. And this security will lead to investments and continuous improvements. Furthermore, connection means for Brands On Social Commitment. We want to be socially engaged in the communities where Brands On has business entities.

We pledge our commitment to the Sustainable Development Goals.

To our stakeholders: it's a promise.

To our employees: together we make it happen!



UNDERSTANDING

**SUSTAINABLE
DEVELOPMENT GOALS**

The 17 Sustainable Development Goals



5 pillars embraced by protection and connection



Sustainable growth

Growth with respect to the 5 P's

Nice place to work

Positive and creative workplace

Climate Neutral

Carbon neutrality
Green energy sources
Wooden parasol

Partnerships

Working together

Social commitment

Social initiatives



PRIORITY GOAL AND TARGETS #1

"Economic growth goes far beyond money, offering a decent job opportunity is at least as important"

Let's make it happen! 

8 DECENT WORK AND
ECONOMIC GROWTH



Brands on wants to give locals a chance to get a permanent and decent job, with a lot of attention paid to training throughout the job. This will allow the company to grow with more opportunities for employees.

SUSTAINABLE GROWTH

Sustainable growth is a goal. We have the ambition to grow the company significantly by 2025.

Brands On is in the first place a business and as such needs to be profitable to survive. From the beginning on, the group has grown every year due to sales increase and acquisitions. However the growth has to be sustainable. A business that grows too quickly may find it difficult to fund the growth. A business that grows too slowly or not at all may stagnate. Finding the optimum growth rate is a challenge.

Sustainable growth is not only finding the right pace to grow, we also want to grow in tune with People and Planet.

That brings us to the 5 P's: People, Prosperity, Peace, Partnership and Planet.

Brands On believes in adding value with as less negative impact on the world as possible.

Brands On believes in LONG TERM.

Long Term is a basic principal throughout our trade:

- We create a positive work environment for our people and our partners' staff.
- We develop quality products with a long lifecycle.
- Thanks to our care for products, their lifetime will be extended considerably.
- We engage in long-term partnerships.



Last decade Brands On has worked on it's growth path. Brands On became an independent entity in Belgium with an office in China and a production in South-Africa. Futhermore, we survived 2020-2021, operating in market with huge challenges such as COVID-19, BREXIT and excessive transport costs. This economic climate has flattened our growth curve. Nevertheless it didn't flatten our ambition.

PRIORITY GOAL AND TARGETS #2:

"Physical and mental health go hand in hand and need equal attention"



3 GOOD HEALTH
AND WELL-BEING



Having factories in South-Africa and China, Brands On is well aware of the importance of offering the right tools and platforms for good health.

NICE PLACE TO WORK

A positive and creative workplace is our goal. Starting from the **ETI base code**, we want to pursue the basic rights. This internationally recognised code of good labour practice is incorporated in our code of conduct as well.

This is the basis for our own factories and offices, but also the basis in the cooperation with our partners. We see this as our own responsibility. Our goal is to implement the 'nice place to work'-mentality at our partner's offices and factories as well.

Several committees and initiatives have been launched to ensure and improve our nice place to work. We talked about the **health and safety committee** before, but we also have a **fit & healthy committee**. This committee takes initiatives to create a positive workplace. Every employee fills in a form at the end of the working week. This form encourages people to monitor it's physical and mental health as well as to launch common sports moments at Brands ON.

Creating a positive work environment for people is quite challenging nowadays as not all employees are allowed to work fulltime in the offices. As this will be the norm for the future, **hybrid workspaces** were vastly implemented together with all their challenges. Most colleagues enjoy the flexibility that comes with working from home. However we have to Prevent & Overcome Remote Work and Work From Home Loneliness or isolation.

- 40% - 60% rule to keep a good balance
- soup during lunchtime to create a social moment with colleagues when at work
- virtual coffee breaks when working from home - chit chat
- schedule external teambuildings twice a year (see picture priority goals)

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



CLIMATE NEUTRAL



1

CARBON NEUTRALITY

2

GREEN ENERGY SOURCES

3

WOODEN PARASOL



PRIORITY GOAL AND TARGETS #3:

"Small acts, when multiplied by millions of people, can transform the world."

We believe in producing high quality products and maintaining them to give them a long lifecycle.

13 CLIMATE ACTION



CLIMATE NEUTRAL

Brands On aspires to have no negative impact on the planet with its business activities. Our goal is to become climate neutral by 2050.

We struggle in finding the right approach to go about this. Hence this is one of our goals for the coming year, to find a good programme helping us to achieve climate neutrality by 2050, setting the right milestones in this process and quantifying our progress.

What we have done so far is a simplified calculation and a GO-LOW-TO-NO approach. Achieving low or net-zero emissions through 100% renewable energy and other strategies.

We focussed on three things:

- Carbon Footprint for Brands On Europe
- Green Energy at Tradewinds
- Wooden parasol with a long life cycle



CARBON FOOTPRINT

Brands On Europe calculates its carbon footprint on 4 levels:

- Energy consumption of the workplace
- Company cars
- Business travels by air
- Seafreight

The numbers for last 12 months were significantly better than before, mainly due to Corona restrictions

- Due to travel restrictions, air miles have shrunk.
- Commute to work is much less, people work more from home
- Impact on sales by COVID led to decrease of goods transported

The challenge will be to combine economic growth again maintaining this level of carbon footprint.

- Promote commuting by bike: in the head office in Belgium
- Evolving in a hybrid workforce combining working in the office and working at home
- Make rules concerning business travels
- Combining transports through efficient planning and combining services in a one-stop shop.
- Container shipment instead of air freight



GREEN ENERGY SOURCES

It goes without saying that most energy consumption of company facilities is situated in the factory in South-Africa.

Hence we focus on **Tradewinds** for this item.

In 2021 an investment has been made to install solar panels on the roof of the factory. We are proud to say that this installation supplies 70% of the total energy of the factory. **70% renewable energy** is an average. We still rely on the net provider for the balance. Our challenge for the coming years is to become independent from the grid.

General fact in South-Africa is energy shortage which often leads to black outs. These black outs have a huge impact on the production. Next to our goal to become climate neutral, this is a strong reason to invest in a stand alone energy system for the factory.

To become independent from the net provider, we are looking at a **waste-to-energy system**. This is a generator transforming wood waste into green energy. Not only would this be a green option to generate electricity, moreover this is a good way to reduce our waste. We give value and purpose to our wood waste.

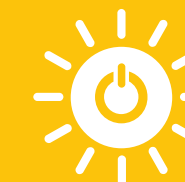


Water conservation is important because fresh clean water is a limited resource, especially in South-Africa. As we saw **rainwater** being 'wasted', we wanted to make a simple set up to save as much water as possible that could be used for production. Rainwater is now collected in gutters on the roof before going to a big pond where the water is 'stored' until needed. As soon as production needs water, we can draw on our water resources.

6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



WOODEN SUSTAINABLE PARASOL

Brands On believes that **wood** is better for the environment than steel or concrete in terms of embodied energy, air and water pollution, and greenhouse gas emissions. Wooden products typically have less embodied energy, are responsible for lower air and water pollution, and have a lighter carbon footprint than other commonly used building materials.

That is why we promote our wooden parasols to be sustainable products: **long life cycle**, cleaner production process in comparison with metal parasols and high quality standards.

Some arguments that vouch for this thesis:

- We focus on a long life cycle of this wooden product. Brands On has a maintenance and service department especially for parasols with a view to prolonging the life span of their products. Broken or damaged parts can be replaced. When a customer changes his logo, a new canvas can be provided on the existing frame.
- We use eucalyptus karri hardwood for the classic parasol. This timber originates from well-managed plantations in South-Africa that are checked by Brands On on a regular basis. **Well-managed plantations** in the right places help conserve biodiversity, protect natural forests and meet human needs while contributing to sustainable economic growth and local livelihoods. Plantations should not replace natural forests or other important natural ecosystems but rather be focused on degraded land, while safeguarding the rights of indigenous peoples and local communities. Plantations should also maintain ecosystem integrity, protect and enhance high conservation values, be developed through effective stakeholder involvement processes and contribute to economic growth and employment.
- In the production process for the wooden parasol, there is waste of timber. We focus, together with our supplier, to find alternative solutions for this waste.
 - The wood pulp from production is used to heat the kiln where the timber is dried.
 - **Finger jointing** is used to recover some of the planks which otherwise couldn't be used
 - Cut-offs can be used in other products such as pavement signs
 -
- Timber has to dry before it can be processed. This drying process is energy consuming. Our supplier has an **eco-friendly kiln**. This kiln was specifically designed to reduce the usual 28-day process to a 9-11 days cycle.

11 SUSTAINABLE CITIES AND COMMUNITIES



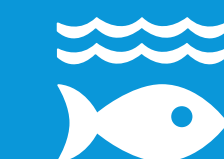
12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



PRIORITY GOAL AND TARGETS #4

"Never let a short-term desire get in the way of a long-term goal."

Partnerships are what sustainability is all about, as they provide security. And this security will lead to investments and continuous improvements



17 PARTNERSHIPS
FOR THE GOALS



PARTNERSHIPS

Brands On aims to be more than just a supplier. Instead, we build partnerships with our customers. We are committed to co-creating and thinking along with our clients to implement their marketing strategies in the best possible way. Not only is this approach of Total Cost of Ownership budget friendly, it is also sustainable.

It is sustainable because it guarantees job security. This intensifies our **relationship** with our staff and suppliers and allows us to implement the most efficient flow. This will eliminate waste in the process. In short, better for People and Planet.

In a global perspective, we have several international partners. Our suppliers are active in countries such as China and South-Africa. All productions of our partners are **socially compliant**. They have been audited by third parties for SMETA 4 pillar OR SGP. Furthermore, we visit our partners on a regular basis. We will never conduct business with production units we haven't checked ourselves.

Brands On is also an **ECOVADIS** member with a **PLATINUM** rating. A score of 78/100 includes Brands On among the top 1% performers evaluated by EcoVadis.



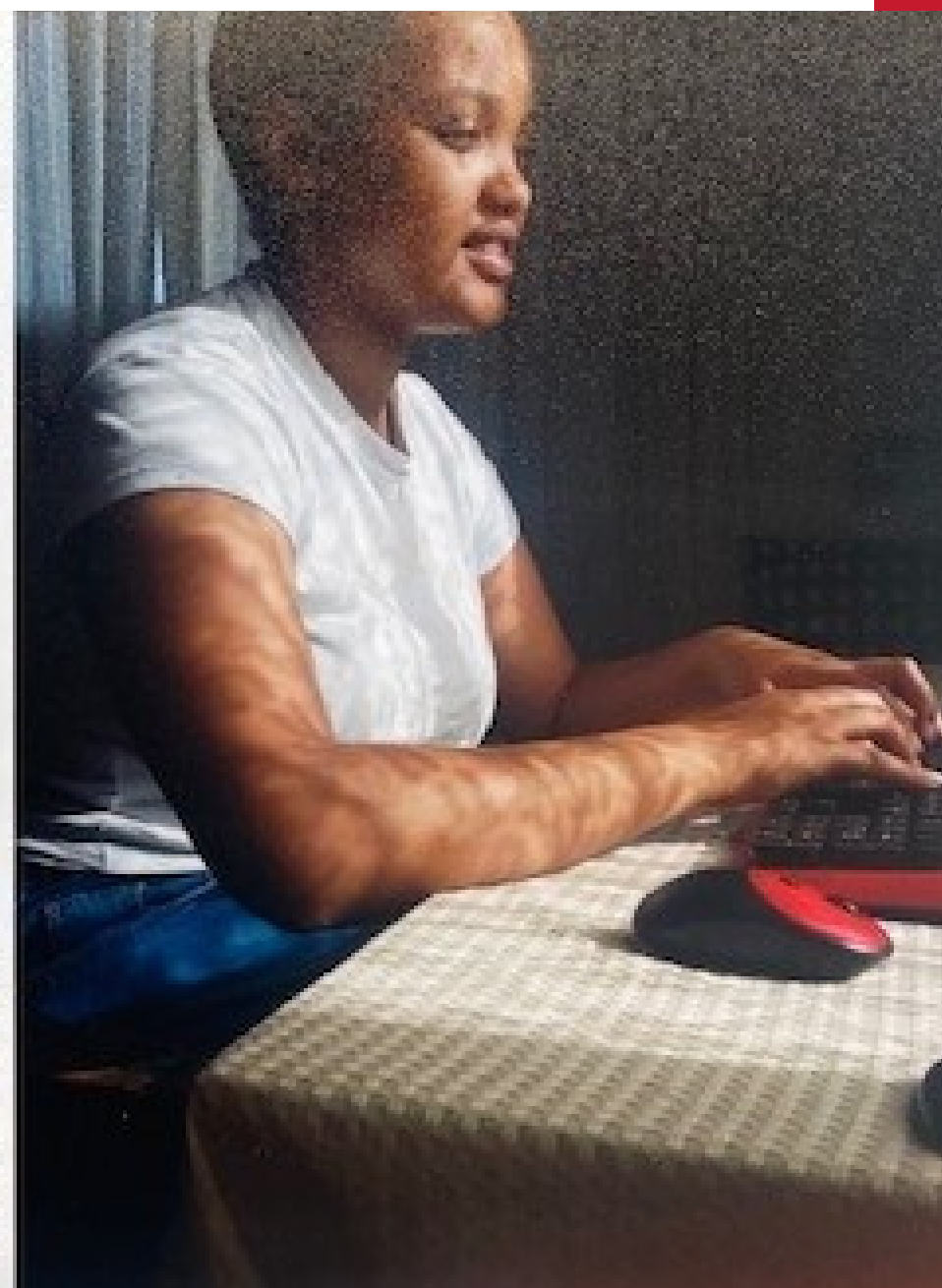
More than 50% of our purchase amount is with suppliers who have been working with us for more than 10 years.

Ethics is key to conducting fair business practices and to make the partnerships work. Legislation is the starting point, but laws are supplemented with **values and standards to determine what is "right" or "wrong"**. Brands On complies with the applicable local laws and regulations. We will never use unethical or illegal business practices. We will operate transparently. Brands On and their supply chain will not engage in illegal cooperation with competitors including bid rigging, price fixing, market allocations or any other prohibited conduct that limits free and fair competition.

Our employees put the business goals above their personal gain or personal business.

Our ethics report show no conflicts on anti-corruption and anti-bribery dealing in our markets.





PRIORITY GOAL AND TARGETS #5:

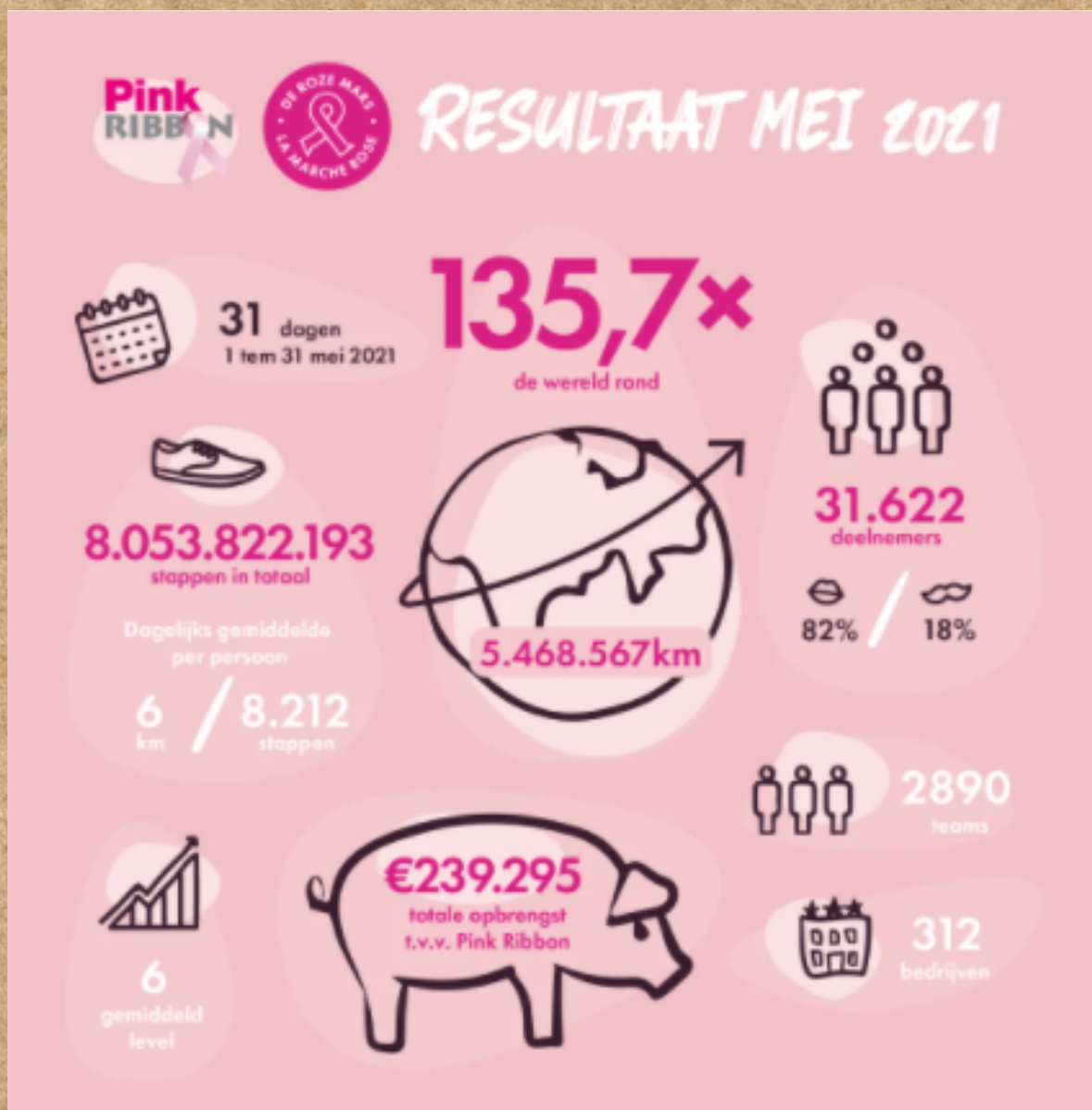
"The commitments we make will only have meaning if they are acted on."

Education is not as obvious for everyone as it seems. Brands On, as a company, wants to give children opportunities they don't get but want to seize.



SOCIAL COMMITMENT

As mentioned on our priority slide, we consider social commitment to be of paramount importance and act on it. for each of our 'operating regions', we try to support local initiatives or set up our own projects.



As we lost two colleagues to cancer in a short time and a colleague is still fighting this disease, we participated in the Pink March in Belgium last May. the aim is to work on your general health by reaching 10.000 steps a day. our participation was in memory and in support of our colleagues, but also to sponsor cancer research.

SOCIAL COMMITMENT

In South-Africa we have two major projects running after 'finishing' our trampolines installations near schools and hospitals.

We focus on life-long learning by supporting students, young jobseekers and trainings and courses on the job. These two projects are born in africa and the yes program.

Education is one of the fundamental rights of all children. Therefore, Born in Africa is committed to the long-term educational development of underprivileged children in South Africa. A solid education provides solutions for these children, equipping them to get out of hopeless situations-often dominated by poverty, abuse, and unemployment. Only when these children are given the opportunity to obtain a decent education, will they have any hope of entering the labour market. Education is a basic right for every child and Born in Africa believes that training will determine the future. By giving children access to proper education and providing guidance, BIA increases each child's chances of finding employment. This way, Born in Africa wants to build towards a better social-economic future. as these are exactly the values and philosophy brands on wanted to support, we became a godparent in 2018. Our godchild receives a school uniform, is monitored by a mentor on a weekly basis and gets the opportunity to take part in outings, camps and the other educational activities the Born in Africa programme has to offer. To monitor activities, school results and personal progress of our godchild Delon Van Wyk, we receive twice a year an update with a term report and results per course, pictures and personal information about hobby's and family.



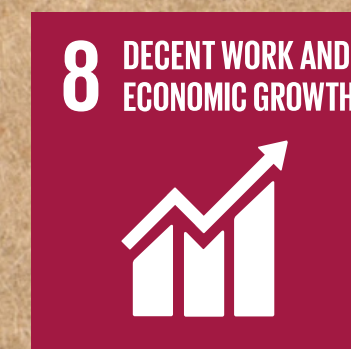
SOCIAL COMMITMENT

The other project, the yes programme, focusses more on the age groups after secondary school. The YES 12-month quality work experience equips unemployed youth with a toolkit to be a beacon of hope for their families, households and communities. The CV & reference letter they get at the end of their 12-months gives them a 3 x greater chance of an interview call-back. Tradewinds and Brands On Africa employed 12 youngsters of the YES program in 2020-2021. This is an ongoing project, so we will give opportunities to other young people again next year. They gain experience in different processes such as administration, production or the sewing atelier. We often employ young people from the yes programme permanently after a year, two of them got offered a job and are now on the payroll.

YES = YOUTH EMPLOYMENT SERVICE



In china, we are still looking for a good project to support. The challenge there is that the government often takes over the support of such projects and does not see this as a task of companies.



Our SDG's in numbers



Ecovadis
Platinum

93% long
term
partner-
ships

Turnover
€ 8,2 mio

70% green
energy
Tradewinds

20 tonnes
CO2 cars

3 team-
buildings

7,6 tonnes
CO2 flights

12 people in
YES-
programme

THANK YOU!

Contact us if there are any questions.

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