

Statement of continued support by the Chief Executive Officer

The United Nations have defined 17 Sustainable Development Goals to tackle poverty, inequality, and climate change by 2030. Described as the world's to-do list, these Global Goals will only be achieved if business leaders get behind them.

HH Global are committed to supporting these goals, as well as the ten principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In June 2021 we further strengthened our commitment by publishing our additional Environmental, Social and Governance (ESG) targets. Developed in line with the Global Goals, these targets were created by our regional Sustainability Steering Groups who represent the wider business. Targets created for the business by the business.

This annual Communication on Progress outlines our strategy and efforts to support the Global Goals and to build the principles of the UN Global Compact into our business strategy, culture and daily operations. We will share this information with our stakeholders on social media, our website, and in face-to-face meetings.

Sincerely yours,

Robert MacMillan

Group Chief Executive Officer

Human Rights

Assessment, policy and goals

We are committed to governing our business with the highest ethical standards. We have a range of policies and staff training mechanisms in place to raise awareness of and tackle human rights issues, particularly in relation to diversity, inclusion, disabilities, and modern slavery.

In common with many organisations, the greatest risk to human rights exists in our supply chain. All suppliers have to adhere to our Supplier Code of Conduct and Sustainable Sourcing policies, which clearly outline the necessity of adhering to the Universal Declaration of Human Rights and supporting the Sustainable Development Goals.

As a global business, we consider the inherent risks in the countries in which we operate. Our Sustainable Sourcing policy and vendor assessment processes use well-recognised human rights indices for these countries to inform our approach.

In August 2021, we released our full suite of ESG targets that align with our priority goals. These targets have helped us to define the actions we must take to fulfil our commitments, and relate to labour practices, human rights, diversity and inclusion that support the UN Sustainable Development Goals.

Implementation

Our stance on human rights is included in our policies, which are introduced to employees through our Employee Handbook and through training.

Supplier adherence to these principles is monitored through assessments and on-site audits, conducted by our sourcing team and overseen by our sustainability team.

Measurement of outcomes

Our performance on human rights is regularly assessed by Sedex and Ecovadis, including SMETA audits. We are rated in the top 3% of businesses within our sector by EcoVadis.

We are in the process of developing dashboards to track and publish any issues relating to human rights, which will be monitored at board level.

Labour

Assessment, policy and goals

We support freedom of association and recognise the right to collective bargaining within our own workforce, and mandate that our suppliers do the same. Forced, compulsory or child labour is not tolerated and our views are communicated in our policies.

Our policy on Modern Slavery is available at <https://www.hhglobal.com/media/2182/hh-global-slavery-and-human-trafficking-statement-2022.pdf>

We have policies, training programs, and practices in place to eliminate both conscious and unconscious discrimination. We have also made updates to our Health & Safety management system, to adhere to, and is now certified by the ISO45001 standard.

In common with many organisations, the greatest labour-related risks exist in our supply chain. All suppliers have to adhere to our Supplier Code of Conduct and Sustainable Sourcing policies, which clearly outline the necessity of adhering to ILO Core Conventions and supporting the Sustainable Development Goals.

Following the release of our detailed commitments and targets in 2021, employees of our business will be paid a Living Wage and we will require confirmation of a Living Wage policy from 100% of our Tier 1 (direct) suppliers* by 2025. We have also committed to 100% of our Tier 1 (direct) suppliers* to align with our clearly defined environmental and social standards or have appropriate corrective action plans in place by 2025.

*Suppliers that make up 95% of HH Global spend

For this year, we have committed to providing training for employees that captures the key principles of Diversity, Equity, and Inclusion (DE&I) which will be completed by all employees in 2022.

Implementation

Our stance on labour rights is included in our policies, which are introduced to employees through our Employee Handbook and through training.

Supplier adherence to these principles is monitored through assessments and on-site audits, conducted by our sourcing team and overseen by our sustainability team.

Our Health & Safety management system has been rolled out and is certified to ISO45001.

Measurement of outcomes

Our performance on labour rights is regularly assessed by Sedex and Ecovadis, including SMETA audits. Our Ecovadis rating is in the top 3% of businesses within our sector.

We have obtained ISO45001 certification for our Health and Safety systems, and are in the process of developing dashboards to report on our labour performance which will be monitored at board-level.

Environment

Assessment, policy and goals

Following an assessment of our environmental risks and opportunities, we have determined that the greatest environmental risk lies within our supply chain. Conversely, tremendous opportunities for positive environmental impact exist by influencing the purchasing decisions of the major brands we work with.

We have developed a comprehensive focus on sustainability which permeates our culture, our sourcing model and, most importantly, our interaction with clients. Policies exist to support this, and our environmental management system is certified to ISO14001.

In our 2021 financial year, and as mentioned in our previous communication of progress, we overachieved on our savings from our environmental impact. In total we saved 16,000 tonnes of carbon in FY20, which includes removing the use of 27,000 trees, and 200 million litres less water. This is the equivalent of enough trees to cover 13.5 football pitches and 80 Olympic sized swimming pools respectively. The energy saving included in this carbon amount was the equivalent of taking 3,397 average cars off the road for one year.

Further details of our environmental sustainability ambitions and progress for FY20, including support for the UN Sustainable Development Goals, are available in our annual sustainability report at <https://www.hhglobal.com/media/2033/fy20-sustainability-report-ebook.pdf>

In 2021, we published our environmental targets, which included a commitment to Net-zero through the Science-based Target initiative (A link to our full list of targets can be found here: <https://www.hhglobal.com/uk/about/news/hh-global-s-esg-targets-and-commitments>). This year, we will be working towards setting a Net-zero target, in line with 1.5 C and the Paris agreement.

Implementation

Our sustainability ambitions are implemented through our 'Innovation with Purpose' strategy - our plan to carry out sustainable business by harnessing innovation. This is owned by our Chief Sustainability and Innovation Officer, who reports to the Group Chief Executive Officer.

We have introduced a range of mechanisms to raise awareness of the environmental impact of the products we sell, including providing engaging dashboards to our clients showing the carbon, energy, trees, water, and fossil fuels involved in the paper and plastic components of their purchases.

We also work with our internal teams to raise awareness of the impact of product manufacturer, logistics, and packaging, and track initiatives that help to reduce these.

Our processes and reporting have been certified to ISO14001.

Measurement of outcomes

We measure the environmental impact of our clients purchases and present this to clients using powerful dashboards. We then identify and quantify savings opportunities.

In our 2020 financial year, we measured the results of our efforts to reduce the impact of paper and card consumption. In total, we managed to save 27,000 trees, 200,000,000 litres of water, and 16,000 tonnes of carbon. Dashboards to measure target performance have been developed and are regularly reviewed at board-level.

Our figures for FY21 are being finalised and will be published shortly in our FY21 sustainability report.

Our environmental performance is regularly assessed by Sedex and Ecovadis, including SMETA audits. Our Ecovadis rating is in the top 3% of businesses within our sector.

Anti-Corruption

Assessment, policy and goals

Corruption and bribery risk in our operations is low, however we have implemented an anti-bribery and corruption policy to outline our zero-tolerance stance on this issue.

Bribery and corruption risk is greater in our supply chain, and we clearly communicate our position in our Supplier Code of Conduct.

Implementation

Training is provided to employees on how to identify and tackle bribery and corruption, and policies are communicated in our employee handbook.

Supplier adherence to these principles is monitored through assessments and on-site audits, conducted by our sourcing team and overseen by our sustainability team.

Measurement of outcomes

Our performance on business ethics is regularly assessed by Sedex and Ecovadis, including SMETA audits. Our Ecovadis Gold rating is in the top 3% of businesses within our sector.

We are in the process of developing dashboards to track and publish any issues relating to business ethics, which will be monitored at board level.