

The logo for 'fresh id.' is located in the top left corner. It consists of the words 'fresh id.' in a white, lowercase, sans-serif font, with a small blue square dotting the end of 'id.'. Below this, the words 'design & production' are written in a smaller, white, lowercase, sans-serif font. The entire logo is set against a dark grey rectangular background.

**fresh id.**  
design & production

# Sustainability Report 2021

Communication of Progress to the United Nations  
Global Compact 2020/2021

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### *Statement of continued support*

Dear Ladies and Gentlemen,

We are proud to announce our first sustainability report! Since our separation from our parent company PRESENT PERFECT Group in 2019, the freshID Group has been working on setting up their own structured sustainability management system. To align our efforts with an internationally recognized sustainability framework, we decided to sign up to the 10 Principles of the UN Global Compact in 2021.

Despite the economic challenges the company has faced due to the Covid-19 pandemic, this report aims to showcase our progress towards achieving the 10 UNGC Principles and the Sustainable Development Goals. As we are in the beginning of establishing a solid database, this report only refers to key performance indicators (KPIs) from FreshID Products Berlin GmbH for now. However, we are aiming to expand our database to include our other locations in the near future.

We encourage all business partners, clients, suppliers and competitors to provide us with feedback, comments and suggestions on how we could further promote sustainability within our value chain.

Berlin, February 2022

Nader Rayan

Managing Director



### About Fresh iD

The FRESH ID PRODUCTS GROUP is a full-service provider of promotional products and merchandise. Our services range from designing, developing and producing products to consulting and supporting our business partners in their endeavors. The only limitation to our product range is our staff's imagination and we produce and retail virtually anything. With our offices located in Nuremberg, Berlin, Istanbul and Hong Kong, we provide an efficient set of communication, production and delivery for our clients.

Nevertheless, we are aware of the global challenges, that lie ahead of us. FRESH ID PRODUCTS GROUP is fully committed to take part in the transformation of our planet towards a sustainable and just future.

### Human Rights

**Principle 1: We support and respect the protection of internationally proclaimed human rights**

**Principle 2: We make sure that we are not complicit in human rights abuses**

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

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

The FRESH ID GROUP is fully committed to the United Nations Universal Declaration of Human Rights. We have implemented a labour policy and Code of Conduct in 2021, both reflecting human rights related aspects to underline this commitment. In addition, we have published a statement against modern slavery and human trafficking on our website to stress our position.

Our company's offices are located in Germany, Turkey and Hong Kong. Germany has a very low prevalence of human rights-related risks, whereas both Turkey and Hong Kong are classified as regions with medium risk, according to the Global Risk Profile Human Rights Index. Nonetheless, we ensure the prevention of any human rights related incidents including child and forced labour with numerous measures. This includes a whistleblower mechanism to provide our stakeholders with a channel to flag possible transgressions. Anonymous complaints regarding any human rights issues can be reported to an email address we have established for this purpose ([whistleblower.bln@freshidproducts.de](mailto:whistleblower.bln@freshidproducts.de)). To date there have been no reports of human rights related transgressions.

To make sure that our staff is sensibilized for human rights issues, we have implemented mandatory training lessons on this topic. During the reporting period, 100% of our staff have undergone this training.

## Labour Principles

### Working conditions

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

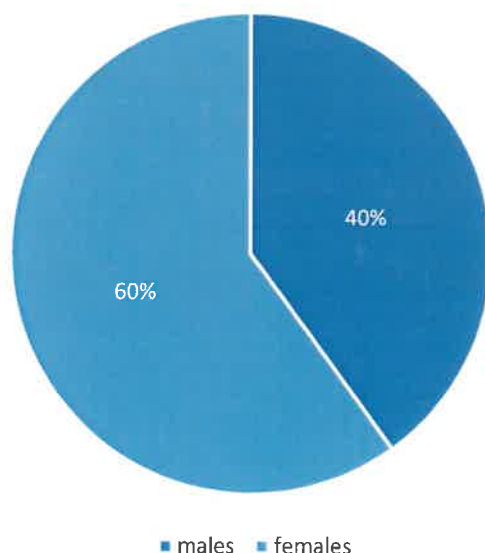
**Principle 6: the elimination of discrimination in respect of employment and occupation**

We rely on our employees as well as they rely on management, so naturally we provide our staff with a safe work environment, free of physical and psychological health hazards. By implementing our Labour Policy and respective sections in our Code of Conduct, we have institutionalized our approach to sustainable working conditions and health and safety standards. We ensure, that freedom of association, collective bargaining, humane working conditions and career management are granted, and that discrimination is prevented. These measures are supported by our works council, representing 100% of our staff.

Discrimination within our organization will not be tolerated, hence the recruitment of our staff is solely based on professional selection criteria, rather than age or gender. Our approach to recruiting and the aforementioned parameters are transparently depicted and communicated to all applicants.

The quota of employed women remains steady at 60%, while 10% of our staff were above 50 years old, down from 35% compared to the base year 2020.

Gender distribution 2020/2021



*Figure 1: Gender distribution*

To promote the buildup of fruitful and permanent relationships with our employees, we encourage our staff to pursue continuous training and skill development programs. Via annual performance reviews we offer our employees a clear career path for the future. No less than 100% of our employees received a performance review, 87.5% of which completed their respective development programs. With our own CSR training program, which 100% have attended, our employees were introduced to our Labour Policy and Code of Conduct, as well as being kept informed on implemented sustainability measures, our respective progress on these measures and general updates.

We also seek to strengthen the bond between FRESH ID and our employees by offering subsidies for glasses, consulting on pension schemes and flexible working hours. During the reporting period 40% of employees took advantage of subsidies for glasses, 100% and received consulting on pension schemes. We also try to adhere to our employees' individual needs by offering flexible working models. 85% of our employees used the opportunity to work from home. Furthermore, 100% of employees have a permanent contract and work full-time. Although we constantly seek to attract and retain new talents with attractive apprenticeships. Whilst there has been no addition to our staff during the reporting period, we currently have two trainees under contract.

## Health and safety

We performed a risk analysis, evaluating any potential risks to health and safety in our offices, where we have most prominently identified stress, due to office noise, and repetitive strain injuries (RSI) from sedentary work as potential health risks. To tackle these health concerns, we provide standing desks in our offices so staff can choose between sitting and standing. Noise cancelling headphones protect our employees from office and traffic noise while working, so they can work without disturbance. Overall, two standing desks were made available to staff and around 50% of employees have been handed out noise cancelling headphones. We encourage our employees to participate in the annual corporate run to

promote physical health. Unfortunately, the event has been cancelled once again this year due to the pandemic.

Health and safety issues, including fire hazard protocol, are summarized in our Labour Policy and communicated as part of our sustainability training, which 100% of our staff attended in the previous period.

The success of our approach becomes evident with 0 incidents due to injury and only 2 days of annual sick leave on average during the reporting period.

### **Our response to Covid-19**

In response to the Covid-10 pandemic, our group's companies were obliged to implement appropriate health and safety measures to ensure the physical integrity of their employees.

By training 100% of employees on the COVID-19 related issues, we provided our staff with necessary behavioral advice and knowledge to minimize infections. In addition, our flexible working models allowed us to maneuver through these trying times and maintain productivity, while sustaining our employees' safety.

We will keep these measures in place for the duration of the pandemic and adapt them if necessary.

## **Environment**

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

**Principle 8: Undertake initiatives to promote greater environmental responsibility; and**

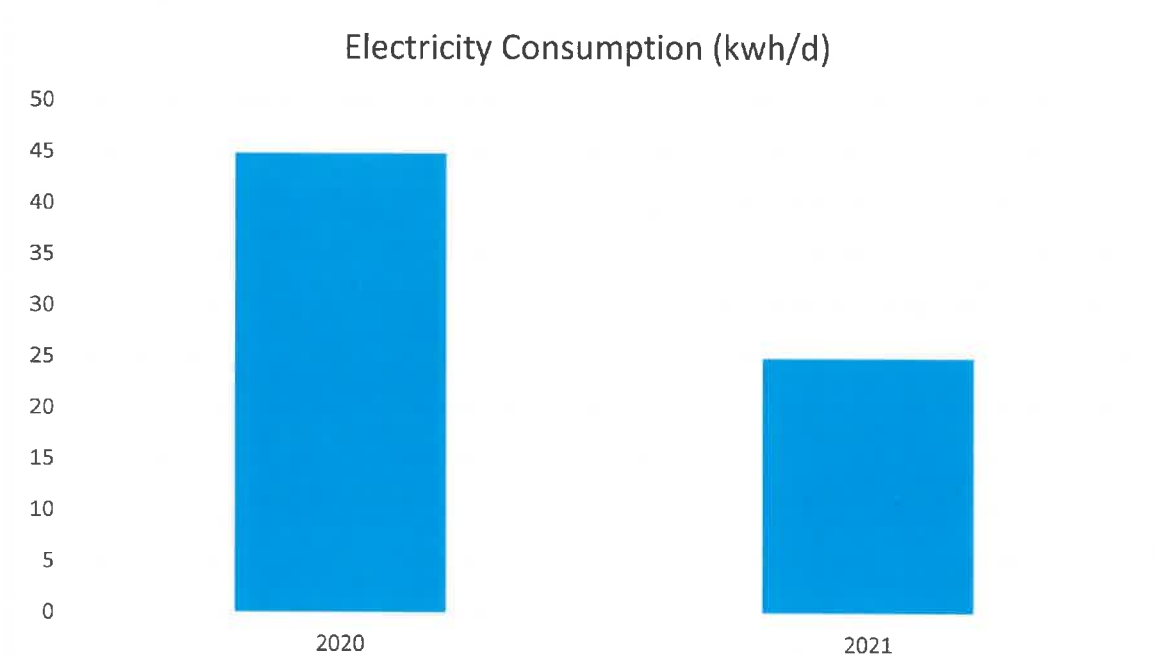
**Principle 9: Encourage the development and diffusion of environmentally friendly technologies**

The FRESH ID GROUP introduced an Environmental and Sustainable Procurement Policy in 2021. The policy is supposed to provide guidance to all employees on how to reduce our company's energy consumption, greenhouse gas emissions (GHG), and amount of waste generated as well as on how to promote environmentally sustainable merchandise products.

### **Energy and greenhouse gas emissions**

Our main energy consumption and greenhouse gas emissions are related to the usage of IT equipment, office lighting and heating as well as transportation. To minimize our negative impact, we are gradually

exchanging all light bulbs with LEDs, increasing the quota of LED lights installed from 15% to 85%. Consequentially, we decreased our daily electricity consumption to 25kWh per day.



*Figure 2: Electricity consumption*

We procure our electricity and heating supply from a green energy provider, resulting in a 100% share of green energy and 0 litres of consumed liquid gas.

While the quota of business trips by train remains steady at 30%, we introduced our new 'no domestic flight policy' in 2021. We also changed our company fleet to either hybrid or electric cars and were therefore able to reduce our annual gas consumption from 2000l to only 500l.

Due to these measures, we have been able to further reduce our carbon footprint.

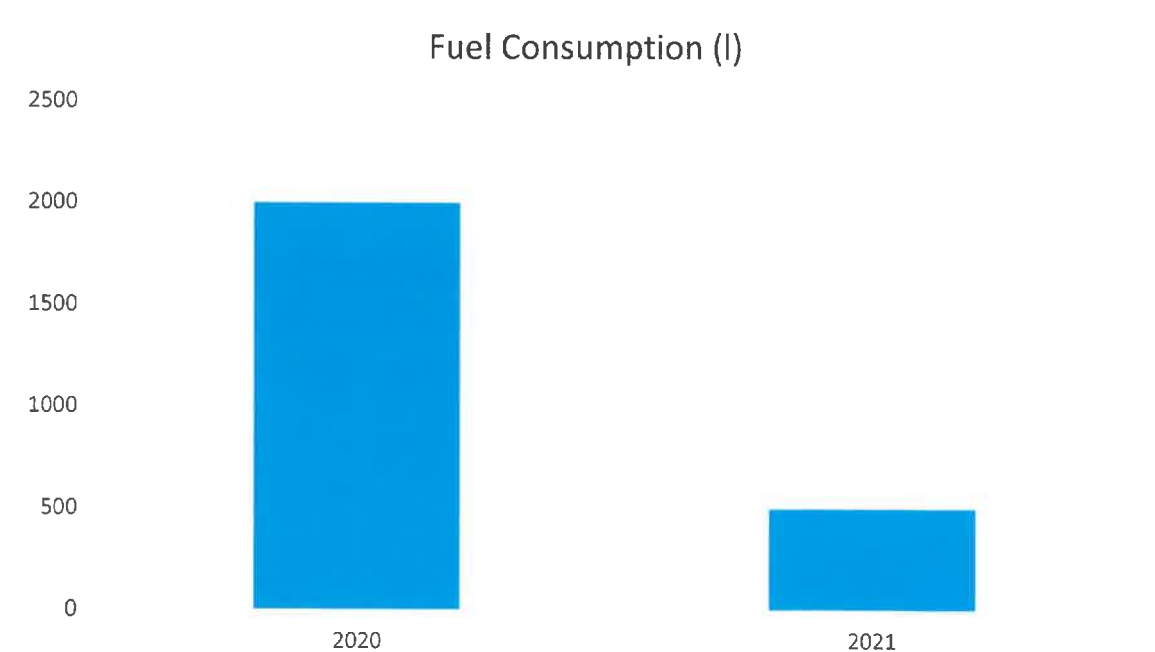


Figure 3: Fuel consumption

### Resource efficiency and waste

Our regular resource use is limited to office supplies, mainly paper, plastic foil and cartridges. To maximize our usage efficiency, we seek to reduce and optimize consumption, wherever possible.

We are using a 3D printer to develop prototype samples, ultimately saving 25kgs of material. By having set all our printers to automatically print double-sided, we managed to further reduce our paper consumption down to 70 tons per year. Concomitant, our cartridge use decreased to 0,9kg.

By reusing cardboard boxes and plastic foils from our logistics section as packaging material und cushioning, we adhere to the ideas of a circular economy and decreasing our total waste production, with 50% of plastic foil recycled. Naturally, paper, cardboard, plastic foils and residual waste are recycled separately. Printer cartridges are being recycled by our IT supplier at 100%.

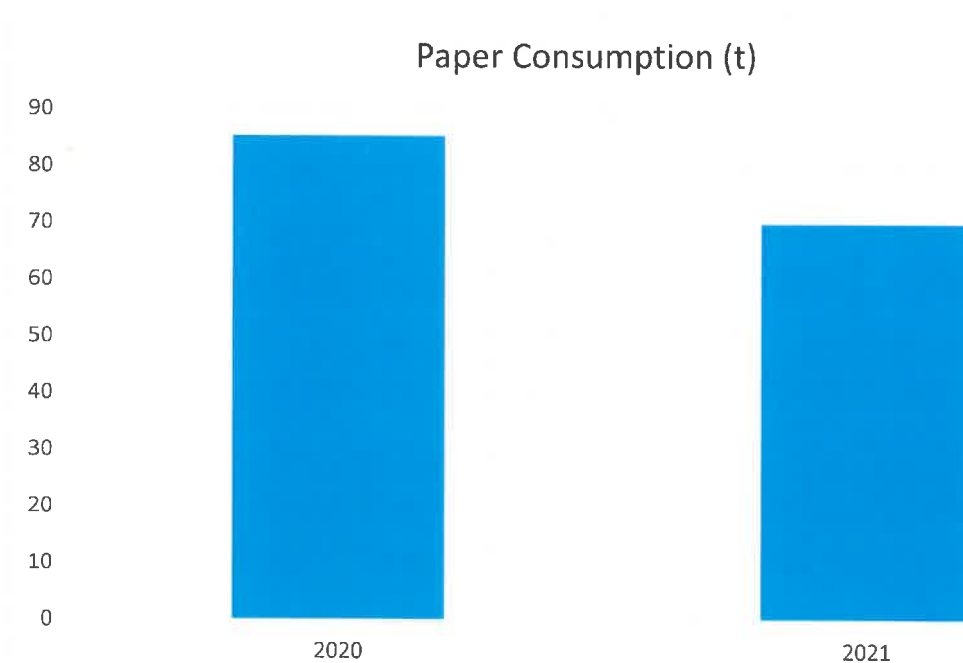


Figure 4: Paper consumption

Our annual amount of waste produced has dropped to 13 tons during the reporting period, due to the successful implementation of countermeasures. By training 100% of our employees on environmental issues, we established a sense for sustainability in our company, leaving us with 0 cases of reported transgressions regarding environmental issues.

### Advocacy

We strongly believe that it is our obligation to promote a sustainable choice of products. Following suit, we introduced a training program on sustainability issues for our employees. So far 100% of staff has been



trained on sustainability issues associated with our operations and our sustainability strategy. In addition, we are promoting sustainable product choices to all our customers and engage with our suppliers on sustainability issues. Our website now also features a sustainability section.

During the reporting period we maintained our quota of environment-friendly products at 90%.

## Compliance

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

FRESH ID and all its representatives stand strongly against all types of corruption, extortion, and bribery. We respect the rules of fair competition and hold up the virtues of transparency and honesty. We declare to strictly comply with all applicable international laws and to abide by common decency and demand the same from our suppliers and service providers. We also obligate all of our employees to sign and strictly comply to our code of conduct.

## Anti-corruption

As FRESH ID, we are proud that despite our whistleblower procedure for reporting non-compliant behaviour and the strict guidelines in our Code of Conduct, we have had no reports of corruption, nor are there any legal proceedings against us based on anti-competitive behavior and violations of antitrust and monopoly law. The Code of Conduct has also been signed by 100 percent of our employees. Nevertheless, we have taken some proactive measures to keep our company free of such incidents: Of course, the risk of corruption and extortion is included in our regular risk analysis, both internally and within our industry or supply chain. We address both exogenous corruption risk as well as our contribution to potential incidents, for example through incomplete or inadequate countermeasures. Risks relating to anti-competitive practices are listed separately. In our risk analysis we assess all types of corruption-related risks as very low. We classify internal risks relating to anti-competitive practices as very low. We classify the risk of anti-competitive practices within the supply chain or industry as low.

Any allegations or reports can be made anonymously to [XX@XX.de](mailto:XX@XX.de) and will be processed by us without delay. fresh id guarantees whistleblowers absolute immunity against reprisals.

## Responsible information management

We are subject to both the German implementation of the EU Directive on the General Data Protection Regulation and the data protection plan of our parent company Present Perfect GmbH, which was adopted in May 2018. This includes data protection guidelines as part of the Code of Conduct, a management data protection directive, guidelines on access restriction and confidentiality of data, a data protection and backup program, a time data retention plan, and an incident response procedure detailing the next steps to be taken in the event of a breach or incident report. We are furthermore pleased to report that there have been no reported data privacy incidents in our company to date. Ceteris paribus, therefore, no fines have had to be imposed for corporate ethics incidents.

However, as we do not want to rest on our positive interim balance sheet, we are constantly working to develop or improve effective measures in terms of business ethics. To this end, this area of the business is also taken into account in our risk analysis. During the reporting period, we shredded 0.5 percent of our

paper waste, making it completely anonymous. In addition, 100 percent of our employees were trained in IT security.

In our risk analysis, the issue of data protection is dealt with separately and examined for its impact on access to customer data. Through the best possible observance of the laws with regular checks of changes in cooperation with our IT service provider (certified according to ISO/IEC 27001:2017), we estimate the residual risk to be low. Furthermore, a record retention schedule is in place for the correct handling of older data.

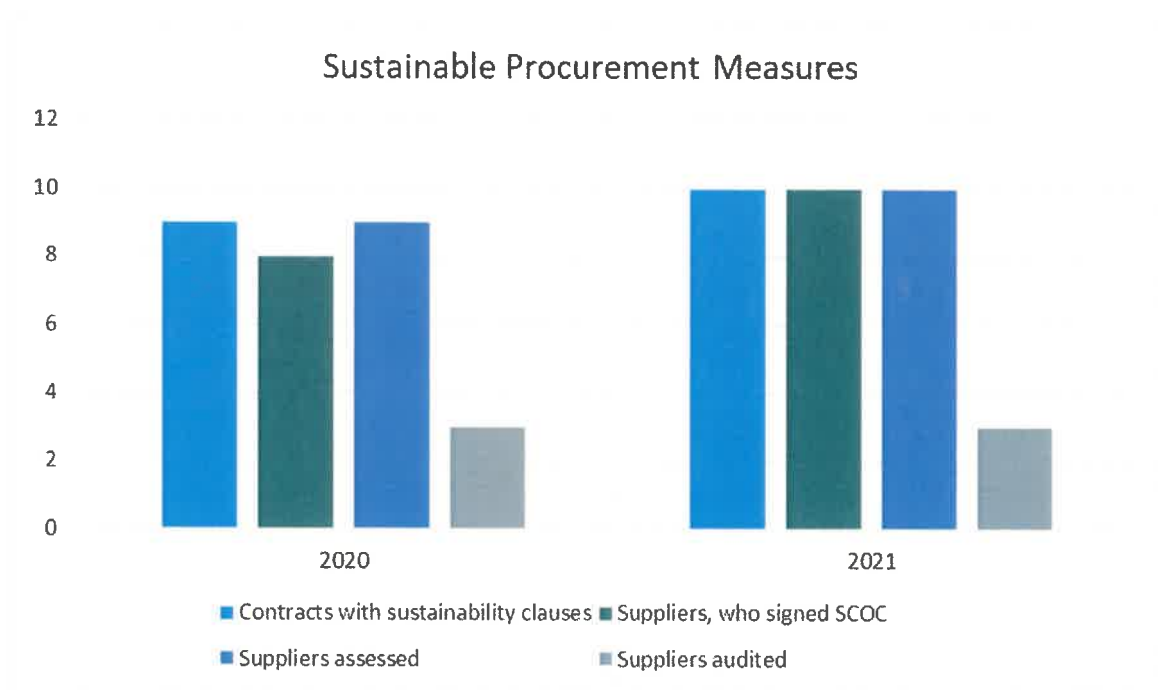
We do not work with any products that need special certification.

### Sustainable Procurement

We are aware that the conducting of our business does not only generate ecological and social frictions through our processes directly. We are aware that we have a responsibility towards nature and society to also choose carefully the people we work with, as well as the products we process and purchases we make. Climate change mitigation, reduction of energy consumption, sustainable use of materials, waste prevention, and promotion of sustainable consumption were identified as particularly relevant topics. This extends to the materials used in our offices (sustainable procurement).

To date, we are happy to declare 90 percent of our products as sustainable. Furthermore, ten of our suppliers who have signed contracts containing sustainability clauses and our code of conduct. Additionally, ten of our suppliers have completed a supplier evaluation form. Three of our suppliers have undergone an audit for social and ecological criteria. And 100 percent of our buyers were trained in sustainability related topics.

We choose 70 percent of our products and material on the basis of social and ecological criteria. This includes 100% of paper chlorine free and FSC certified, 100% energy efficient copiers and printers, 100% Fair Trade coffee, 100% Fair Trade tea, 100% organic milk and 100% recyclable toner cartridges.



*Figure 5: Sustainable procurement measures*

### Contribution to the Sustainable Development Goals (SDGs)

We demonstrated that our company is taking action and contributing to the realization of numerous Sustainable Development Goals defined by the United Nations. In the following table we outline an overview of our achievements of the reporting period and references our contribution to the SDGs (see table 1). Going forward, we will quantitatively analyze our performance and derive further measures to our contribution to a sustainable future.

Sustainability aspect	UNGC	Achievements 2020/2021	SDG contribution
Human rights	Principles 1, 2, 4, 5	<ul style="list-style-type: none"> <li>➤ 0 human rights related incidents</li> </ul>	Contribution to: <ul style="list-style-type: none"> <li>➤ SDG 5 "Gender equality"</li> <li>➤ SDG 10 "Reduced Inequalities"</li> <li>➤ SDG 16 "Peace, Justice and Strong Institutions"</li> </ul>
Labour	Principles 3, 6	<ul style="list-style-type: none"> <li>➤ 10% of employees over 50 years</li> <li>➤ 60% women employed in comparison to whole organisation</li> <li>➤ 2 apprentices</li> <li>➤ Flexible working conditions</li> <li>➤ 85% of our employees worked from home</li> <li>➤ 0 accidents</li> <li>➤ Strong measures to response to Covid-19 pandemic</li> </ul>	Contribution to: <ul style="list-style-type: none"> <li>➤ SDG 3 "Good Health and Well-being"</li> <li>➤ SDG 4 "Quality Education"</li> <li>➤ SDG 5 "Gender Equality"</li> <li>➤ SDG 8 "Decent Work and Economic Growth"</li> <li>➤ SDG 10 "Reduced Inequalities"</li> </ul>

Environment	Principles 7, 8, 9	<ul style="list-style-type: none"> <li>➤ Decrease of energy consumption by 44,4% Percent</li> <li>➤ Decrease of fuel consumption by 75% Percent</li> <li>➤ Reduction of waste amount by 1 tonne</li> </ul>	Contribution to: <ul style="list-style-type: none"> <li>➤ SDG 7 "Affordable and Clean Energy"</li> <li>➤ SDG 12 "Responsible Consumption and Production"</li> <li>➤ SDG 13 "Climate Action"</li> </ul>
Anti-Corruption	Principle 10	<ul style="list-style-type: none"> <li>➤ 0 business ethics related incidents</li> <li>➤ 0 data breaches</li> <li>➤ New implemented measures: due diligence procedures and compliance-related risk analysis</li> </ul>	Contribution to: <ul style="list-style-type: none"> <li>➤ SDG 16 "Peace, Justice and Strong Institutions"</li> </ul>

Table 1: Overview of UNGC principles in relation to our achievements 2020/2021 and our contribution to the SDGs

## Outlook

We do realise that this is just the beginning of our sustainability journey and that a long road lies ahead of us. Over the next few years, our main focus will be on establishing a solid database across all our locations. Also, we plan to account for our group-wide carbon emissions in the near future and strive to expand our sustainable procurement strategy, engaging with our suppliers on a deeper level.

## Imprint

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