



**PRODUCT**

dare to  responsible and sustainable

UN Global Compact – Communication of Progress 2021 – 2022YTD

**WE SUPPORT**



As a company we are committed and dedicated to people and planet, towards not only our own people, our clients, their consumers, and our supply chain partners as well as the overall environment.

Taking responsibility and sustainability to the next level for both our company but also for our clients and their brands through effective materials, products, and packaging concepts, backed by optimised supply chain and procurement solutions, remains one of our key priorities and objectives.

An ongoing journey, during which we have been lifting the bar for ourselves year on year in order to make an ever bigger positive impact.

It has been extremely gratifying to have this journey been appreciated also by independent rating companies such as EcoVadis resulting in evolving from a silver rating in 2019 to platinum today.

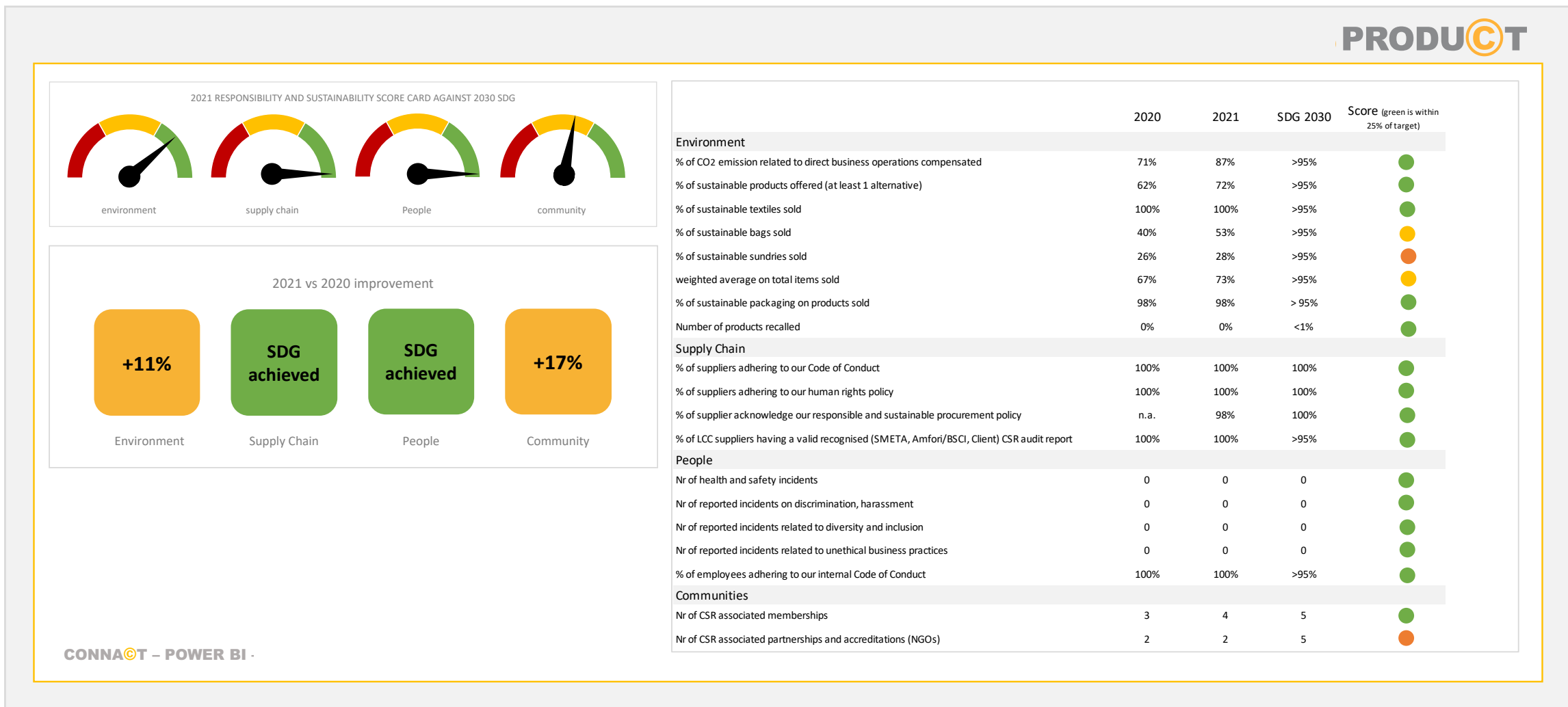
For 2022, the objective is clear – we continue our roadmap and dare to become even more responsible and sustainable.

In this Progress Communication, we are pleased to update our teams and stakeholders, on our actions to continually improve the integration of the Global Compact's 10 principles into our culture, business strategy, and daily operations.  
Sincerely yours,

Barcelona, April 2022,  
Ignacio Gibert  
CEO



# Key Results and Highlights 2021 against our 2030 sustainable development goals (SDGs)



**PRODU©T** is extremely proud that its journey and commitment for people and planet has rewarded by EcoVadis a platinum rating!

**PLATINUM**

**Top 1%**

2022

**ecovadis**

Sustainability  
Rating





**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 abuse

PRODU©T respects and supports fundamental human rights and is continuously working to minimize the risk of human rights abuses internally and throughout our supply chain. Our global employee handbook and Code of Conduct (COC) for employees and business partners, as well as the additionally initiated Human Rights Policy (HRP) and our Responsible and Sustainable Procurement Policy (RSP) set out our values and principles and the minimum standards in respect of human rights PRODU©T expects its partners and team members to adhere to.

Our Policy Set and global human resources policies are designed to safeguard the human rights of our staff, including the assurance of equal opportunities, inclusion, diversity, strong prohibitions of harassment and discrimination, but also related disciplinary procedures. In addition, they foresee assurances for fair competition, time-off benefits, compassionate leave, religious holidays, ceremonies, and festivals, Working from home and time off for dependents. In 2021 PRODU©T updated various policies to ensure these are up to date and embedded policies in its business through periodical internal communication and training.

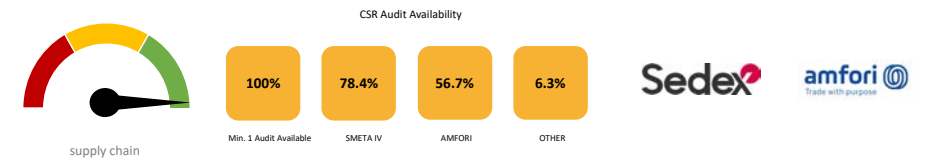
In 2021 PRODU©T continued sourcing responsibly and only worked with suppliers who signed and endorsed our Code of Conduct for business partners as well our Human Rights Policy, which sets out our expectations with regards to Ethical Business Behavior (Anti-Bribery, Anti Corruption), strict prohibition of Child and Forced Labor, and Human Trafficking, Working Conditions, Transparency, and Sustainability. PRODU©T continues to strive to have a 100% socially compliant supply chain and requires all non-EU suppliers to be CSR audited against international standards.

PRODU©T accepts and encourages both SMETA (Sedex Members Ethical Trade Association) and AMFORI (BSCI) audit methodology but also accepts other accredited social audits provided it covers the 4 pillars of Labor Standards, Health & Safety, Environment, and Business Ethics.

**Measurable Results:**

Through various training initiatives of its global policies and procedures, PRODU©T ensures that its team members respect our business principles and human rights in their day-to-day business activities.

In 2021 again 100% of our LCC based business partners had a valid CSR audited in place.





PRODU©T encourages its employees to make use of their rights to associate and bargain collectively (as laid down in our global Employee Handbook and Human Rights Policy) in line with all applicable laws and regulations.

PRODU©T requires its suppliers to adhere to our Code of Conduct for business partners and as well our Human Rights Policy. All our LCC suppliers are required to undergo or have in place a valid CSR audit, where one of the check points is ensuring workers have the freedom of association and the right to bargain collectively. This point is reviewed by PRODU©T's CSR and Procurement Team and may be threatened as a critical non-compliance, where workers do not have such right, depending on the legal requirements of the country of the operating manufacturing facility.

**Measurable Results:**

PRODU©T did not suffer any breaches in 2021 and no breaches in the CSR (SMETA, Amfori) audits of the suppliers either.

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





Principle 4: Elimination of all forms of forced and compulsory labor

Principle 5: The effective abolition of child labor

Principle 6: Elimination of discrimination in respect of employment and occupation.

PRODU©T does not tolerate any form of forced, involuntary, or child labor throughout its business and supply chain. To support this PRODU©T requires all its suppliers to adhere to and to comply with its Code of Conduct for business partners, which was updated in 2021 to ensure compliance with the latest stands and global requirements.

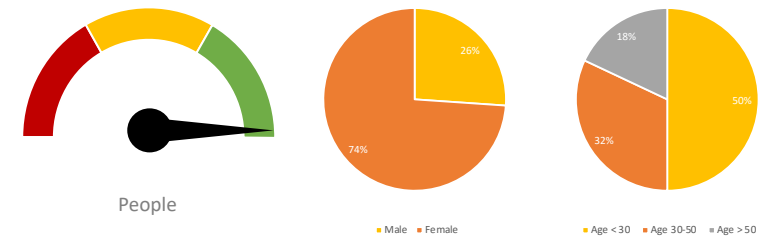
Any LCC supplier is to go through social audits where the use of child labor, forced labor, and bonded labor, non-compliance has a zero tolerance and results in blacklisting of the supplier and or manufacturing facility in which such a non-compliance is found.

a contract detailing their terms and conditions of employment, along with the Code of Conduct for employees, our Human Rights Policy, and our global employee handbook, which set out further details of PRODU©T's Human Resource Policies, and Procedures and their principal rights and obligations.

PRODU©T's policies detail our principal commitment towards equal opportunities, strict prohibition of any form of discrimination and harassment, basing our strategy and decisions on merit and business needs rather than any other potentially discriminatory factor, and provides the appropriate procedures to secure our employees.

**Measurable Results:**

PRODU©T did not suffer any breaches in 2021 and no breaches in the CSR (SMETA, Amfori) audits of the suppliers either nor any breaches on principle 6..





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

**Principle 8:**  
Businesses should undertake initiatives to promote greater environmental responsibility

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


PRODU©T has policies, operational processes, and procedures which ensure that products and material are produced in compliance with applicable environmental regulations. For example, In 2021 PRODU©T has issued and shared with its business partners and team members, our Responsible and Sustainable Procurement Policy (RSPP) which summarized our values and principles as well as supplier management and rating processes.

PRODU©T also conducts factory surveys as part of the supplier onboarding and management process, through which it assesses a supplier’s compliance with the environmental management standard ISO 14001 to assess immediate and long-term environmental impact on our products, packaging, and processes. This process is further endorsed by applying CSR audits on any LCC supplier and or manufacturing site including the environmental pillar (SMETA IV, Amfori). During any production, PRODU©T’s management processes ensure compliance of the products, materials, and packaging produced, in alignment with the applicable legal and regulatory requirements as well as our own standards as set out in our policies.

But also in our design process, environmental optimization forms an integrated part of the design process, to ensure an optimized environmental and sustainable outcome.

**Measurable Results:**

PRODU©T has been able to further Increase the share of its sustainable products produced for its clients across categories.



	2020	2021	SDG 2030	Score (green is within 25% of target)
<b>Environment</b>				
% of CO2 emission related to direct business operations compensated	71%	87%	>95%	●
% of sustainable products offered (at least 1 alternative)	62%	72%	>95%	●
% of sustainable textiles sold	100%	100%	>95%	●
% of sustainable bags sold	40%	53%	>95%	●
% of sustainable sundries sold	26%	28%	>95%	●
weighted average on total items sold	67%	73%	>95%	●
% of sustainable packaging on products sold	98%	98%	> 95%	●







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

PRODU©T condemns corruption in all its forms and will not tolerate it in its business or in those we do business with. PRODU©T's Code of Conduct's for business partners and employees set out a clear prohibition of bribery and corruption as integrated part of our Anti-Bribery and Anti-Corruption policies and outlines the company's zero tolerance attitude towards any form of non-compliance. In the spirit of reinforcing these principles PRODU©T requires all business partners and team members to sign and endorse our policies including a declaration of compliance conformity. PRODU©T also requires all employees to complete an annual training including modules on business ethics and anti-bribery.

**Measurable Results:**

PRODU©T has not faced any issue nor cases related to extortion, bribery, or corruption, in 2021, both internally as well as in relation to our business partners. This shows that our current procedures in place are solid, it does not relieve us to continue monitoring and managing this extremely close.



# PRODU©T

for further information, please do visit our websites at

