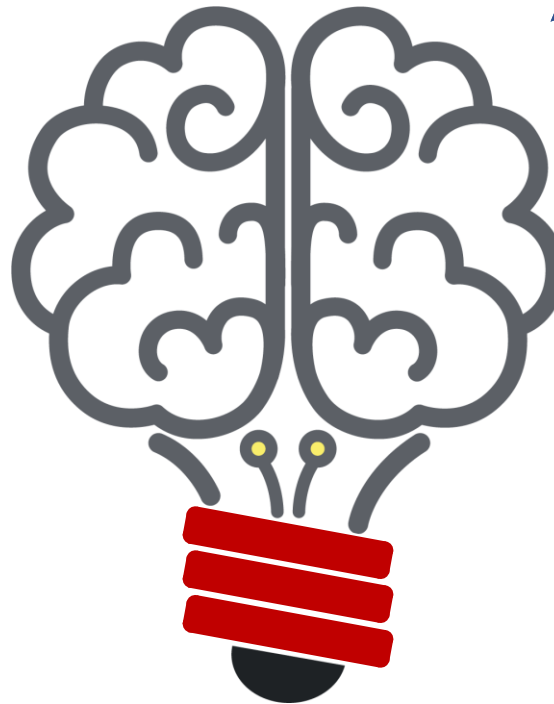




Communication on Progress Report to
the UN Global Compact



2021/2022



Statement of continued support

Dear Ladies and Gentlemen,

Since 2018, the Present Perfect Group has continuously worked on creating a structured sustainability management system. To demonstrate our dedication, we signed up to the 10 Principles of the UN Global Compact and have documented our commitment towards creating a sustainable business over the last four years.

After having recovered from the ramifications of the Covid-19 pandemic, we are now back on track with our sustainability transformation program. In 2022, we have implemented various energy and carbon reduction measures to make progress towards our goal to become carbon neutral by 2030. Equally, we have advanced our digitalised ordering process which enables customers to save costs and reduce their carbon footprint.

We are committed to keep improving our sustainability practices and supporting the principles outlined by the UNGC. This report covers the period from July 2021 to June 2022 and outlines our progress towards the 10 Principles of the UN Global Compact and the Sustainable Development Goals (SDGs).

We encourage all business partners, clients, suppliers, and competitors to join forces to build a more resilient and sustainable industry.

Hamburg, December 2022

Jörg Grube

Managing Director

Über PRESENT PERFECT

PRESENT PERFECT Group is one of the leading companies for full-service promotional products and merchandise in Germany. The group encompasses four companies including PRESENT PERFECT Marketing GmbH, PRESENT PERFECT Incentive GmbH, PRESENT PERFECT GmbH Agentur für Promotion & Werbung and PRESENT PERFECT Projektentwicklungsges. mbH.

The PRESENT PERFECT team consists of 27 permanent staff members working in our offices in Hamburg and Berlin.

For several decades, PRESENT PERFECT has been recruiting staff via the combined work and training program for marketing communication, and thus boasts a team of experts that includes experienced 'veterans' as well as young career-starters. All managing directors of the various PRESENT PERFECT companies are actively involved in day-to-day business and are always available to both clients and colleagues. The in-house IT department, which currently consists of three full-time employees, ensures the smooth execution of our full-service projects and web shop solutions. Hence, most of our added value is generated by ourselves.



Human Rights



**Flüssig-
treibstoff.**

86 Milliarden Neuronen
können nur noch müde
gähnen? Schon 2 %
Flüssigkeitsmangel
machen sich im Gehirn
bemerkbar – Zeit, etwas
zu trinken!



Child and Forced Labour

The Present Perfect Group is fully committed to the United Nations Universal Declaration of Human Rights. To demonstrate our commitment to upholding human rights, we implemented our Labour Policy and Code of Conduct in 2018, both of which reflect human rights related aspects. These policies are reviewed by the management team on an annual basis and are made available to all internal and external stakeholders via our website.

Our offices are located both in Hamburg and Berlin. According to the Verisk Maplecroft Human Rights Risk Index 2019, Germany has a low prevalence of human rights-related risks. We have implemented several measures to ensure the prevention of any human rights related incidents including child and forced labour.

As part of the launch of our sustainability management system, a whistleblower mechanism was introduced in 2018, overseen by our company lawyer, Arne Brauer. Anonymous complaints regarding any human rights issues can be reported to an email address, we have installed for this purpose (whistleblower@hh.present.perfect.de). Through human rights training and via an official announcement letter on our information board, all employees have been informed about this measure.

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Human rights violations

Principle 1

Principle 2

Principle 4

Principle 5

Labour Principles



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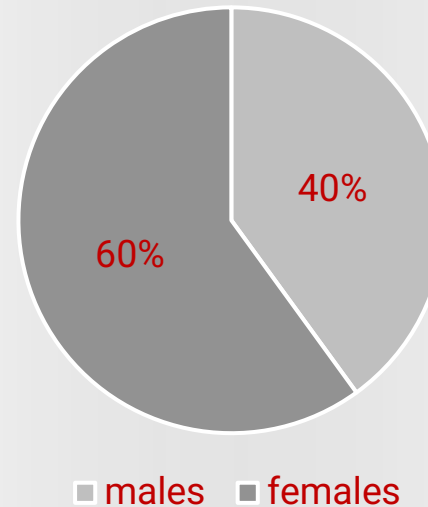
Anti-Discrimination

At Present Perfect, we strive to create a safe and inspiring work environment for our employees, free of health hazards, both physical and psychological. To ensure that our high standards regarding fair working conditions and health and safety are met, we introduced our Labour Policy in 2018. This policy institutionalises numerous aspects such as non-discrimination, freedom of association and collective bargaining, career management, general working conditions according to the standards set out by the ILO and health and safety at work.

Present Perfect do not discriminate in employment based on race, religion, sexual orientation, national origin, political affiliation, disability, age, marital status, medical history, parental status or genetic information. This applies to hiring, training, remuneration, promotion, layoffs and contract termination. Our general recruiting process and the aforementioned parameters are outlined and communicated to all applicants.

The next anti-discrimination refresher training is scheduled for April 2023.

Gender distribution 2021/2022



Principle 6



Employer-Employee Relationship

At Present Perfect, we grant all employees their right to freedom of association and collective bargaining. To strengthen this commitment, we established a works council consisting of two representatives from each of our companies, representing 100% of our employees.

These representatives are elected for 24 months and meet every six months with the first meeting having been in November 2018.

0

Incidents reported to the
works council

Principle 3

Skill Development

As a service provider, we consider our employees as our biggest asset. Hence, we encourage our staff to pursue continuous training and skill development programs. In annual performance review meetings, we evaluate potential courses and programs.

In 2018, we launched our own sustainability training program, in which we introduced our employees to our Labour Policy and Code of Conduct. This training course was attended by 100% of our staff.

100%

Of employees received
performance review

80%

Of employees completed a
skill development training

14

skill development training
hours per employee





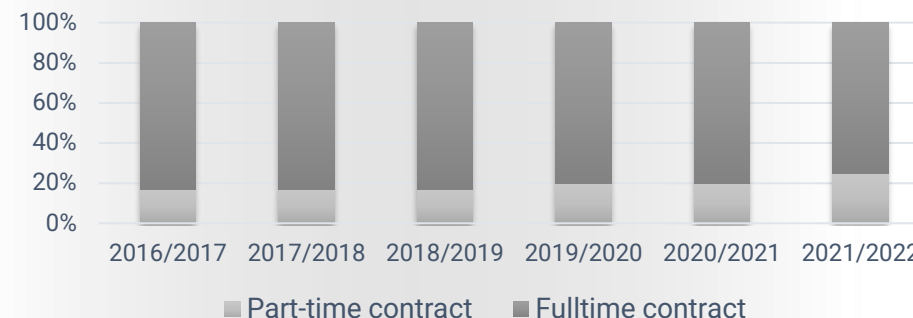
Working Conditions

At Present Perfect, we strive to retain talent by being an attractive employer for them. This includes the provision of apprenticeships to attract young talents, offering payment for child-care services, subsidies for glasses, an employer's pension scheme and an outplacement service in case management decides that release an employee.

We also try to accommodate our employees' individual needs by offering flexible working models. During the lockdown periods, we focused on supporting all employees with children and expanded our digital office.

Three employees have been newly recruited, and all our staff are paid above minimum wage.

Part-time vs. full-time employees



90%

Of employees working
from home

90%

Of employees signed up to
pension scheme

Health & Safety

To ensure a healthy and safe work environment, we performed a risk analysis evaluating any potential risks to health and safety in our offices. Among others, we have identified stress due to office noise and repetitive strain injuries (RSI) from sedentary work as potential health risks.

To prevent these risks from occurring, we provide standing desks in our offices so staff can choose between sitting and standing. We commenced providing noise cancelling headphones, so employees are undisturbed by office and traffic noise while working.

To promote physical health, we encourage our employees to participate in the annual B2Run corporate run. Due to the pandemic, the event was cancelled once again this year but previously, 85% of our staff took part in the race. Our team in Hamburg was awarded the first prize and deemed the fittest company in 2018. We look forward to the next run in 2023.

Health and safety issues are communicated as part of our sustainability training, which 100% of all staff attended in the previous period.



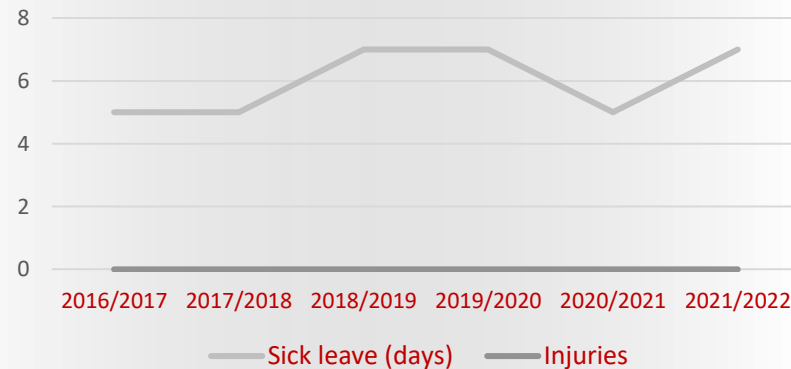
2

Standing desks available

30%

Of employees with noise cancelling headphones

Number of absentee days due to illness & injury



Environment



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Our Commitment to Nature

Present Perfect Group introduced its first Environmental and Sustainable Procurement Policy in 2018. 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 & GHG Emissions

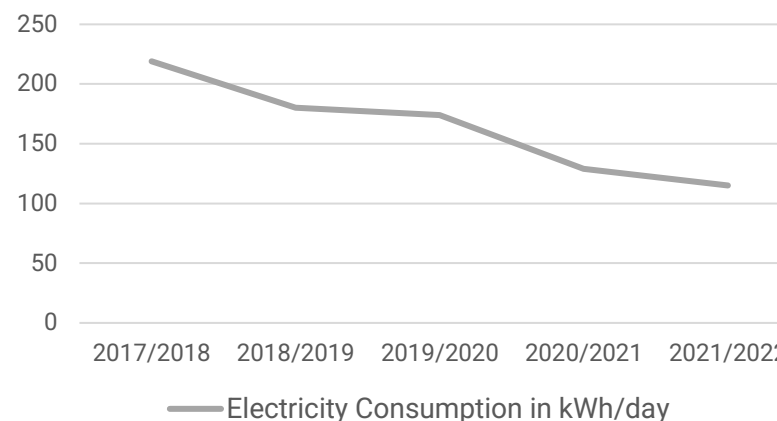
As our business activities are solely office-based, the main sources of our energy consumption and greenhouse gas emissions are related to the usage of IT equipment, office lighting and heating as well as travel to and from work and client meetings. To reduce the impacts, we:

- Replaced lightbulbs with energy-efficient LED lamps throughout our offices
- Lowered the room temperature in the office by 2° and offered employees company hoodies instead
- Only send one person to trade-shows
- Purchased energy-efficient printers and replaced all desktop computers with laptops
- Store our data in a cloud datacenter, rather than on a local server, which further reduces the energy usage and associated greenhouse gas emissions in the office

30%

Share of LED lights in the offices

Electricity consumption



Principle 7

Principle 8

Principle 9



Energy & GHG Emissions

In 2020, we shifted our electricity and heating supply to a green energy provider, resulting in a 100% usage of green energy both in Hamburg and Berlin.

Meanwhile, we have been reducing carbon emissions from travel by increasingly replacing onsite meetings with web-meetings via Teams. This development was intensified by the lockdown measures, introduced in 2020, and we have increased the use of web-meetings further since then. In 2022, we acquired a second electric car for local travel and client visits and provide our staff with a 'Bahncard' – a discount card on train journeys - to encourage low-emission travel. The percentage of all trips undertaken by train rather than by car or plane during the reporting period amounts for 35% of all business travel (up from 20% in 2018).

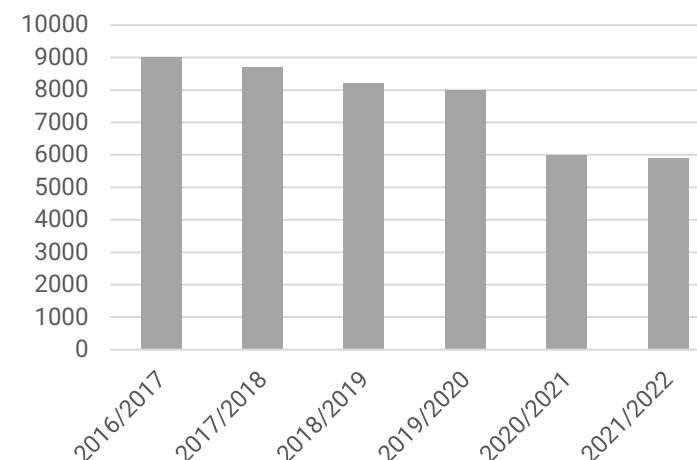
We also reduced our office days to 3 days per week to save GHG emissions from commuting to and from work.

Due to these measures, we have been able to further reduce our fuel consumption from our petrol and diesel cars to 5,900 liters.

100%

Green electricity

Fuel consumption in liters





Resource Efficiency and Waste

As part of our daily business routine, our resource use is limited to office supplies, such as paper and cardboard, plastic foil and cartridges. To make sure, that maximum resource efficiency and minimum waste generation is granted, we adhere to the creed: refuse – reduce – reuse – recycle.

At Present Perfect, we refuse to use new resources wherever possible. We:

- Use a 3D printer to develop prototypes for our corporate customers
- Set all our printers to automatically print double-sided
- Instruct our employees to reuse intact cardboard boxes and plastic foils from our inward freight as packaging material where possible
- We separate our waste into cartridges, paper and cardboard, plastic foils and residual waste. Used cartridges are disposed of by our IT equipment supplier.

2,5kg

Material saved

1,6kg

Cartridges used

100%

Recycled cartridges

48%

Recycled foils

55%

Recycled residual waste

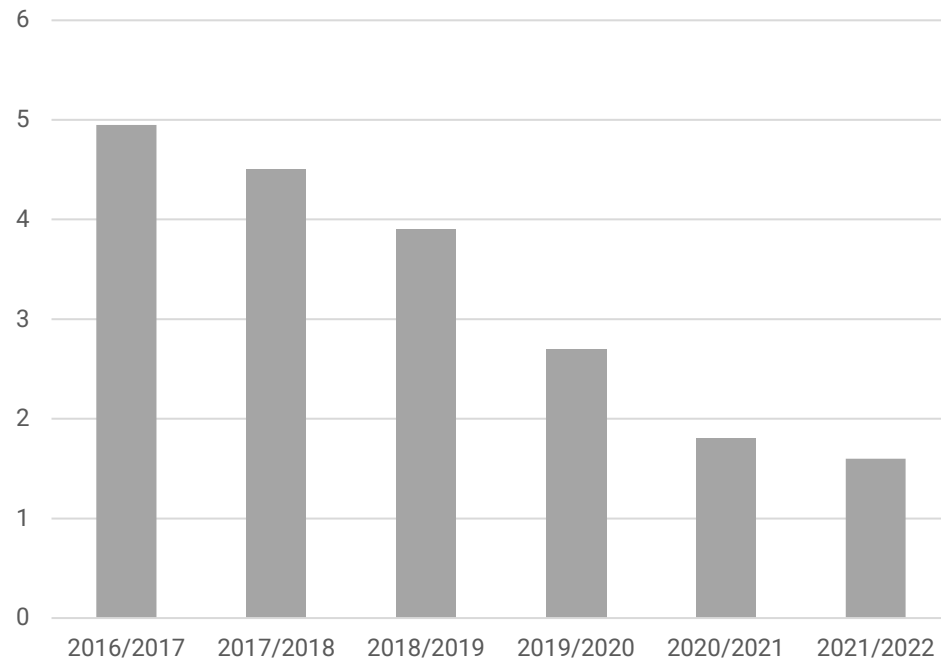
39t

Total amount of waste

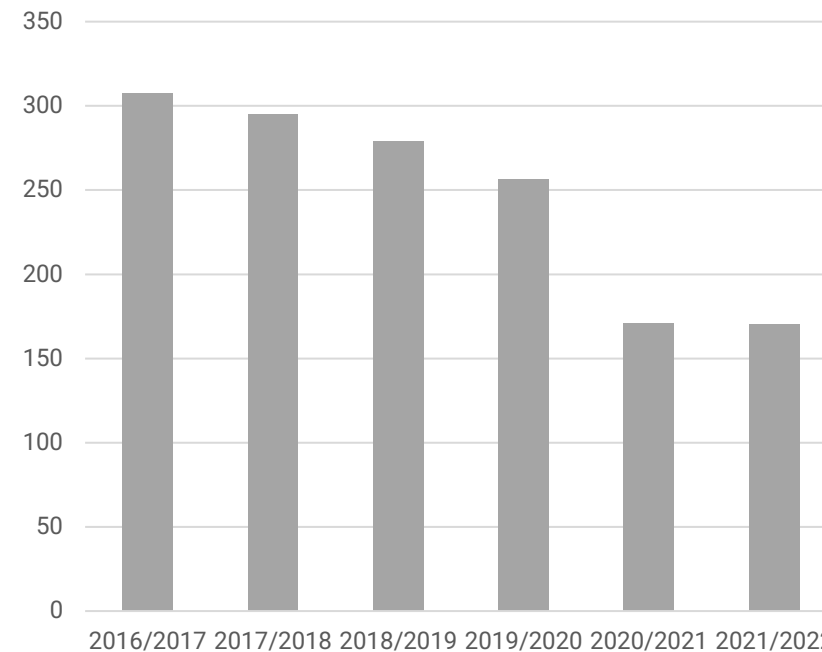


Resource Efficiency and Waste

Cartridge Consumption (in kg)



Paper Consumption (in t)



Green Products

As a promotional product and merchandise retailer, we believe, that it is our obligation to promote a sustainable choice of products. To exercise our responsibility as an advocate of sustainability, we have increasingly been educating our internal stakeholders, such as employees as well as our external stakeholders, most prominently our clients and suppliers, on sustainability issues. Our employees have undergone extensive sustainability training as part of which 100% of staff in all offices were informed about all sustainability issues associated with our operations and our sustainability strategy. We have also started to engage with our suppliers and customers by launching a sustainability section on our website and promoting sustainable products in our newsletter. Additionally, we have launched a project under the name “Jetzt Buchen buchen” (“Book a Beech”) to promote an eco-friendly choice of products and counter climate-change induced deforestation in Germany.

When selling products, we also ensure that full details on all sustainability aspects are being communicated to the client, either as part of the product label or the product data sheet. This includes information on the composition of the product or its recyclability. By now we have obtained BIO-certificate EU-ÖKO-009 for a range of products, which we have included in our sustainable product line.



Green Products

To promote the sale of sustainable products, we introduced a product evaluation tool to assess the sustainability of a product based on its life cycle. Evidence, such as certificates, product test reports or product plans are requested, to prove the validity of supplier's claims. Our goal is to rate all our products using this tool to create transparency for our clients and promote sustainability aspects as important factor in their decision-making process.

As a long-term goal, we would like to expand the share of sustainable products in our portfolio. During the reporting period, the percentage of sustainable products available to our customers was unaltered at 90%, constituting an increase of 40%, compared to the base year 2018.



PRESENT PERFECT Green



Compliance



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Flüssig- treibstoff.



Our Business Ethics

We, the Present Perfect Group, condemn all types of corruption, extortion, and bribery. Consequentially, we promote the virtues of transparency, honesty, integrity and fairness in each and every business activity.

These values are reflected in our company's Code of Conduct, which was introduced in 2018 and covers numerous aspects, such as human rights, compliance with the law, child and youth protection, respectfulness and equal opportunities at work, anti-corruption, data protection, and responsible marketing.

100%

Of employees signed Code
of Conduct



Anti-Corruption

According to Transparency International's Corruption Perceptions Index 2019, Germany has a 'low' risk of corruption. Nevertheless, we established some pre-emptive counter measures, such as a whistleblower mechanism and a procedure for gifts and business travel. Any breaches relating to our Code of Conduct can be reported anonymously to our Ombudsman Mr. Arne Brauer via whistleblower@hh.present.perfect.de. Present Perfect guarantees full anonymity and immunity to the whistleblower.

In 2020, we implemented additional measures to minimize the threat of corruption related incidents within our business operations. To evaluate the likelihood of such risks, we created a self-evaluation questionnaire to identify potential corruption risks in our sector, supply chain as well as in our own organization. The data, obtained via this questionnaire, is used to conduct a risk analysis in order to define appropriate countermeasures. In addition, we developed a third-party due diligence checklist and implemented a questionnaire for our business partners to disclose information on their organizational structure, financial issues, and general business ethics practices. Lastly, we have formalized our internal audit of control procedure.

According to our procedure for gifts and business travel, employees may freely accept gifts up to 35 Euros, whereas gifts above 35 Euros require approval by management and are to be rejected if they are intended to gain favorable treatment.

CPI's result for Germany in 2019: <https://www.transparency.org/en/cpi/2019/results/deu>

0

Incidents in relation to corruption, anti-competitive practices or general business ethics

0

Fines paid due to business ethics breaches

Principle 10



Responsible Information

Simultaneously with the implementation of the EU-DSGVO (Datenschutz-Grundverordnung), the European data protection law, Present Perfect launched its own data protection strategy in May 2018. It includes guidelines on data protection as part of the Code of Conduct, a data protection management system, an access control system, a data storage and back-up system, a record retention schedule as well as an incident response procedure. Our employees are obliged to sign a non-disclosure agreement and are to anonymize paper waste with sensitive information to protect client data.

All IT related risks have been evaluated as part of our general compliance risk analysis within the current reporting period. Moreover, we outsourced the communications server to a certified third-party provider, who is commissioned to take care of data backups.

Due to the small size of our organization, our data protection concept was implemented by an external advisor rather than an internal data protection officer. Hence, any data security breaches are to be reported directly to our Managing Director Jörg Grube. Incidents will be investigated and addressed immediately.

100%

Of employees trained on IT security issues

0,5%

Of paper waste was anonymised

0

Data security breaches



Responsible Marketing

Aside from data protection issues, we consider it our duty to conduct responsible marketing. Both in our internal and external communication we constantly ensure correct and clear messages when promoting our merchandise products. Stereotypical statements about gender roles, religion or other ethnic features are off limits and provide evidence for our marketing statements. Orders for unethical products or products, that contradict our core principles and Code of Conduct are to be disregarded.

When creating a product, we make sure to minimise any potential risks during the concept phase and strictly adhere to health, safety and environmental laws and regulations. Our clients are being kept updated about any potential residual risks and we are committed to initiate product recalls if necessary.

It is our goal to label all our products in terms of their ethical, environmental and health and safety implications.

24%

Of products labelled

Sustainable Procurement



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Sustainable Supply Chain

As a retailer for merchandise products, ensuring the sustainability of our procurement practices is paramount. We have outlined our guidelines on how to implement and maintain sustainable practices within our supplier base as well as to promote the sustainability of purchased goods in our environmental and sustainable procurement policy.

Bound to sustainability within our supply chain, we have implemented the following sustainable procurement process:

1. Screen potential suppliers according to sustainability criteria and diversity status with the help of our supplier assessment form.
2. Hand out contract which includes clauses on sustainability along with a supplier code of conduct. The documents are to be returned signed and strictly adhered to.
3. To check on the truthfulness of their statements, random supplier audits such as SEDEX audits are conducted, if deemed necessary.

10%

Of supplier contracts with sustainability clauses

9%

Of suppliers completed assessment form

9%

Of suppliers signed Supplier Code of Conduct

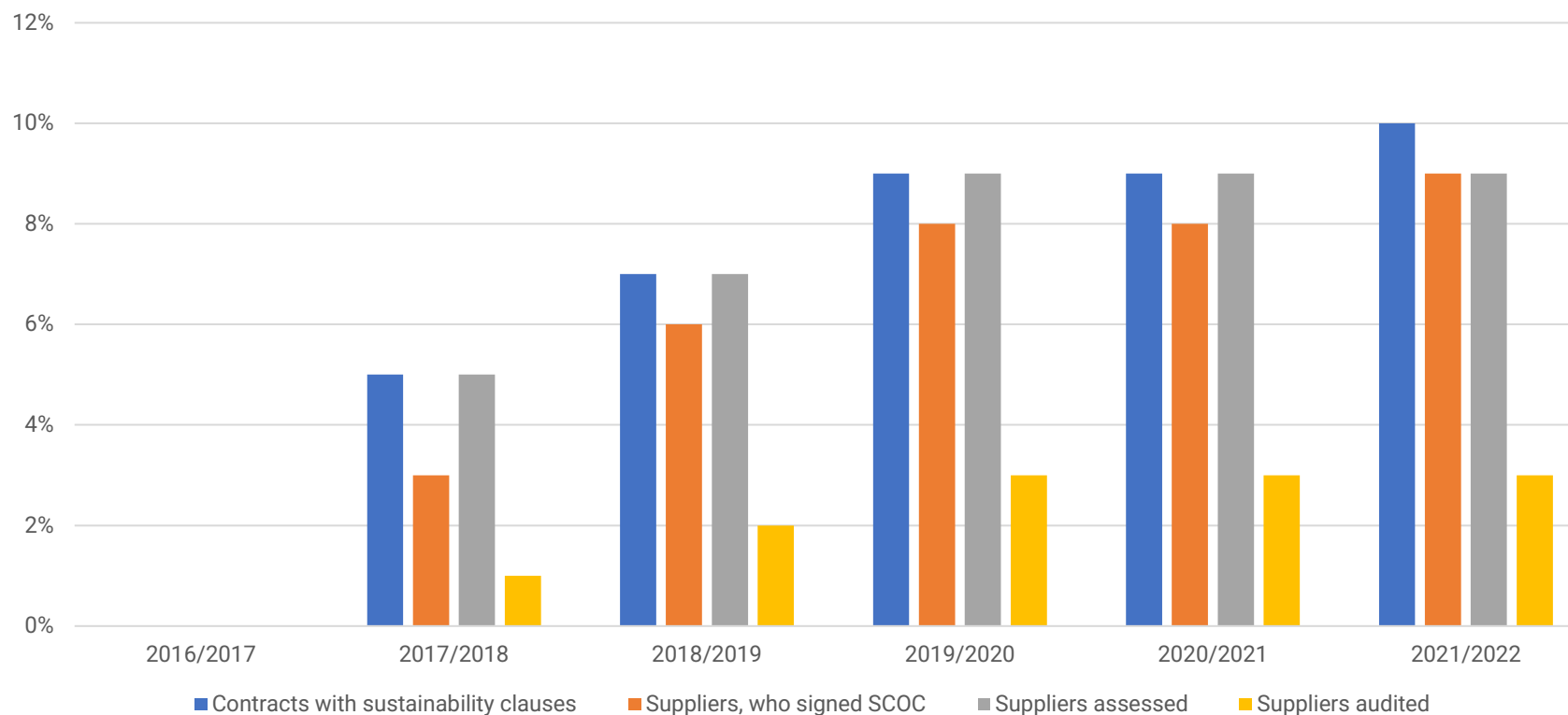
3%

Of suppliers were audited



Sustainable Supply Chain

Sustainable Procurement Measures





Sustainable Supply Chain

Apart from increasing the share of sustainable products in our range, we have also taken focus on sustainable procurement regarding resources for our daily office work, including certified and/or recycled office paper and cartridges, energy-efficient IT equipment, such as computers and printers as well as fair trade coffee and tea and organic milk. During the reporting period, we were able to increase the share of purchased sustainable or certified products:

Sustainable procurement for merchandise as well as office products was covered in our sustainability training attended by 100% of all employees.

68%

Of material was selected due to sustainability criteria

5%

Of suppliers selected due to sustainability criteria

100%

Of coffee fair-trade and milk organic

100%

Of cartridges recyclable

90%

Of computers & printers energy efficient

100%

Of office paper was chlorine free, recycled or certified

Outlook

After a trying couple of years of pandemic, we are now as optimistic as ever to continue on our sustainability transformation journey.

Our next goal is to become carbon neutral by 2030 and to expand our sustainable product range.



Sustainable Development Goals



Sustainability Aspect	UNGC	Achievements 2021/2022	SDG Contribution
Human rights	Principles 1, 2, 4, 5	<ul style="list-style-type: none"> ➤ 0 human rights related incidents 	<ul style="list-style-type: none"> ➤ SDG 5 “Gender equality” ➤ SDG 10 “Reduced Inequalities” ➤ SDG 16 “Peace, Justice and Strong Institutions”
Labour	Principles 3, 6	<ul style="list-style-type: none"> ➤ 35% of new recruits above 50 years ➤ 60% women employed in comparison to whole organization ➤ 4 apprentices ➤ More flexible working conditions ➤ 80% of our employees worked from home ➤ 0 accidents ➤ Strong measures to response to Covid-19 pandemic 	<ul style="list-style-type: none"> ➤ SDG 3 “Good Health and Well-being” ➤ SDG 4 “Quality Education” ➤ SDG 5 “Gender Equality” ➤ SDG 8 “Decent Work and Economic Growth” ➤ SDG 10 “Reduced Inequalities”
Environment	Principles 7, 8, 9	<ul style="list-style-type: none"> ➤ Decrease of energy consumption by 4,2% ➤ Decrease of fuel consumption by 1,7% ➤ Reduction of waste amount by 2 tonnes 	<ul style="list-style-type: none"> ➤ SDG 7 “Affordable and Clean Energy” ➤ SDG 12 “Responsible Consumption and Production” ➤ SDG 13 “Climate Action”
Anti-Corruption	Principle 10	<ul style="list-style-type: none"> ➤ 0 business ethics related incidents ➤ 0 data breaches ➤ New implemented measures: due diligence 	<ul style="list-style-type: none"> ➤ SDG 16 “Peace, Justice and Strong Institutions”



Wir beraten Sie gerne

Communication on Progress Report 2021/2022



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