



Asia Promotions Direct Ltd

Corporate Social Responsibility and Ethical Trading Policy

April 2010

Introduction

Asia Promotions Direct is a global promotional merchandise sourcing and manufacturing company serving some of the world's biggest global brands. We have offices in Hong Kong, the UK and Australia, and supply merchandise that is used across the world through our three trading arms: BrandHK, Asia Promotions Direct and Australian Promotions Direct.

We value our customers and work continuously to deliver a service that is second to none. This means we have to look after our customers and ensure that their brands are not put at risk by unethical actions. Our Ethical Trading & Corporate Social Responsibility Policy describes how we do this by being a responsible corporate citizen.

We consider corporate citizenship to govern our actions and impacts across:

- Customers
- Staff
- Suppliers
- Broader society.

So everything we do can have an impact on one or more of these groups. Being responsible means we take account of the impact of our actions on all of these groups.

What is sustainability?

Perceptions vary on what "sustainability" actually is. To be truly responsible, we believe that our activities as a business must have as positive an impact on each of these key areas:

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1. Acting Lawfully
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3. Sustainability: Environmental, Social & Commercial

Environmental

the way we buy
the products that we sell
the way we run our business

Social

supporting community projects
acting lawfully
influencing our suppliers

Commercial

treating staff fairly and well
supporting small businesses

Acting Lawfully

We are committed to working within the law in all of our areas of operation (currently Hong Kong SAR, Australia and the United Kingdom). Over 10 years of operation we have built up an extensive understanding of the rules and regulations that impact on every aspect of promotional sourcing and manufacturing – from disclosure and taxation to environmental codes of conduct.

Anti-corruption

We have a zero tolerance policy for corruption. No employee is allowed to offer or accept bribes. This is laid down in the Company handbook. All payments are authorized by a Director and have to be supported by written receipts.

European Waste Electrical & Electronic Equipment (WEEE) Directive

In the rapidly changing European regulatory environment, our customers can be reassured that we meet the highest standards of compliance. APD complies fully with the WEEE Directive.

Taxation & Legal Status

We pay all taxes due in each country where we operate and have never attempted to evade payment. There is a properly legally constituted company in each country and our accounts are externally audited and submitted to the appropriate authorities annually.

Legal Compliance

We comply with the law in every jurisdiction where we operate including all local labour laws. In many instances our compliance exceeds the minimum legal requirement where we feel that is appropriate and in keeping with this Policy.

Insurance

We hold adequate public, product and employee liability insurance to protect our staff, our customers and their customers in the event of the unexpected. Our public/product liability insurances are detailed below:

Hong Kong

UK

Australia

Public Liability US\$640,000

Public Liability US\$16,000,000

Public Liability US\$4,500,000

Treating Staff Well & Fairly

Ensuring that we have motivated and productive staff is crucial to our success. We have written and enforced policies on Health & Safety, Working Practices and Equal Opportunities to ensure our staff are safe, treated well and treated fairly.

Health & Safety

Our Health & Safety Policy is designed to ensure that staff and visiting customers are able to work in a safe environment without risk to their person. The Policy is the responsibility of the Managing Director, Daniel Patient, and is reviewed annually to ensure compliance with the law.

A thorough risk assessment has been carried out of all working environments, and action plans are developed to address issues raised by the assessments. All staff conducting off-site visits (e.g. when visiting factories in China) are given training in assessing risks and are never compelled to work in environments they consider unsafe.

All new staff undertake Health & Safety training in their first week of employment.

Our full Health & Safety Policy is available on request.

Working Practices

We understand that working practices differ across the world, but we know what works best for us. Working hours are Monday to Friday from 9am to 6pm with 1 hour for lunch and appropriate breaks through the day. Occasionally staff will be expected to work additional hours if we are busy but we try to minimize this as much as possible.

We are committed to paying staff fairly at a rate commensurate with their skills, experience and contribution. Staff salaries are reviewed annually as part of a formal Personal Development Review process and the company contributes to approved pension funds (the current company contribution rate is 5% of salary). In Hong Kong a 13th month of salary is paid to help cover personal tax.

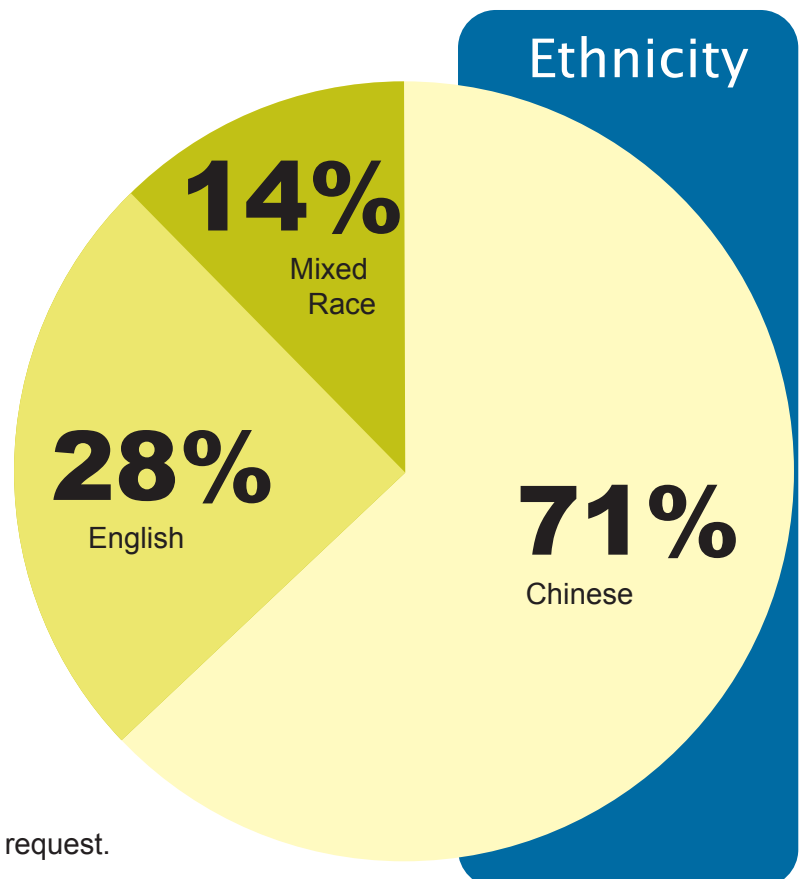
Equal Opportunities

Asia Promotions Direct is an equal opportunities employer and has zero tolerance on any discrimination on the grounds of race, gender, sexual orientation, faith or disability. As a small company we do not set targets but do monitor the gender and race of employees. We do not record or monitor faith, sexual orientation or disability.

All staff have direct access to senior management in the company and are informed at the start of their employment of the following areas of their rights:

- Staff Complaints Procedure
- Whistleblowing Procedure

Our Equal Opportunities Policy is available upon request.



Sustainability

We believe a sustainable business needs focus on 3 key areas:

1. Environmental sustainability – minimizing the impact of our business on the environment
2. Social sustainability – acting ethically and supporting the broader society
3. Commercial sustainability – building long-term relationships with our customers and suppliers.

Environmental

Minimizing our impact

Sustainable sourcing

With a database of 5000 suppliers across China, we are able to select those manufacturers who offer the most sustainably produced merchandise. There are a range of options available including:

- Recycled plastics and other materials
- Recyclable materials
- Low toxicity and biodegradable materials

And we can source to tailored sustainability criteria too. Because we understand the manufacturing process we can guide you through the process of buying a unique gift that is designed using recycled materials, with minimal land-transport miles and minimum waste.

Eco options

Our catalogue contains an ever growing range of environmentally friendly products from recycled pens to power-saving gadgets such as the USB PowerSave Button. Every year we get a greater proportion of requests for environmentally responsible products from customers. But the most efficient way to protect the environment is to re-use: a promotional gift that really works will be kept by your customers and used again and again, keeping your brand message alive for much longer than print or advertising.

Packaging

We offer the minimum amount of packaging necessary to deliver your merchandise in pristine condition and we do this as standard. Of course we need to use some packaging to protect your order, but we used recycled paper wherever it is economically viable and always supply plain boxes unless you order them printed. That way we cut down on the pollutants caused by printing processes.

Recycling

Our office in London manages our accreditation and compliance with the WEEE Directive and we bear the cost of the collection and disposal levy on all imports to the EU. We are committed to offering the best possible service to customers and, on request, we can offer a return address for merchandise so that it can be recycled by us to turn into the raw materials for more merchandise.

What are we doing?

We are taking steps to reduce our environmental impact:

1. Extensive use of public transport by staff of all levels for business use. No company cars exist.
2. Turning off of computers, machines, air conditioners and lights when not in use and at night/weekends/holidays
3. Recycling of paper. All waste paper is either reused as scrap or recycled.

We are currently exploring options such as:

- more efficient air conditioning units as older models require replacement
- Window reflective film to reduce heat ingress and to avoid glare.

Social sustainability

Acting ethically

Ethical business practices

We work with some of the biggest global brands in the world. Even expert companies find that quality assuring their global supply chains can be tricky with issues caused by factories further outsourcing to un-monitored suppliers. That is why we visit every factory and carry out the inspections on goods ourselves.

Supporting civil society

We believe that our role as a responsible corporate citizen means giving something back to society. Our Hong Kong-based direct trading arm, BrandHK, offers discounts to charities and voluntary groups. Last year we donated or sold promotional goods to various charities including: Fabbas, HK Dog Rescue and Operation Smile.

Commercial

Building a future together with our customers and suppliers

The third, and traditionally most important, pillar of our sustainability policy is ensuring the long-term viability of our business. Asia Promotions Direct has been operating for a decade and we intend to be around for another 10 years. We have invested in our staff, processes and suppliers to make sure that this will happen. So when you order from BrandHK, Asia Promotions Direct or Australian Promotions Direct, that is the beginning of a commitment that we have to working with you for the long-term.

Supply Chain Management

As well as making a commitment to our customers, we also establish long-term relationships with suppliers which enable us to negotiate better prices and service: based on long-term value to suppliers rather than cutting corners.

Our supply chain management processes are simple:

- Get to know the company – a personal visit by senior management is the norm
- Pass our values down the supply chain by telling our suppliers why customers want ethical products
- Pay a fair price.

Eradicating forced and child labour

Asia Promotions Direct is committed to the principles of the UN Convention on the Rights of the Child. In particular Articles 19, 27, 28 and 32 which provide for children to grow up healthy, safe from violence, with access to education and without risk of dangerous or harmful work. We go further than the Convention and demand that none of our suppliers uses coerced or tied labour, engages in graft, or employs children under 16 on a full time basis.

Furthermore, we ensure that our products are manufactured and assembled in the factories with whom we deal and that work is not outsourced (without our consent and inspection) to unmonitored third parties.