

# Statement of Support 2015/6

## Brief description of Kluntz A/S:

Kluntz was founded in 1996. We sell incentive product marketing and provide our customers with good service and advice for the best promotional product for their purpose. We are a staff of 12 and our turnover in 2015 was 3 million Euro.

We help our customers by creating value for them when they buy corporate clothing, promotional products or gift items. We believe that by having a strategic approach to incentive marketing products our customers achieve motivation, recollection, visibility and sympathy. We also consider our commitment to ethical trade as an “added value” to our products. So buying sustainable products from us, can also improve the images of our customers.

At Kluntz, our primary service is to guide our customers in selecting the best quality and the best product for the purpose. We take pride in promoting sustainable alternatives to most of the products we sell, and we guide our customers into making that choice.

The management of Kluntz A/S is very committed to sustainability and to optimize the internal processes in the company. Therefore Kluntz A/S have chosen to be ISO9001 certified during 2016. This certificate has helped to establish processes and procedures to ensure a good quality management program. However, these processes and procedures are also a big help when working with Sustainability.

HUMAN RIGHTS	
Principle 1	Business should support and respect the protection of internationally proclaimed human rights
Principle 2	Make sure that they are not complicit in human rights abuses

## Kluntz' A/S commitment to the principles

Kluntz A/S supports the Universal Declaration of Human Rights and the UN Guiding Principles on Human Rights. And through our membership of BSCI we focus on implementing these principles.

## How Kluntz A/S have implemented the principles of Human Rights

In 2016, Kluntz have joined BSCI in an effort to manage our social and environmental impact and to implement the principles of Human Rights.

The Business Social Compliance Initiative (BSCI) is a leading supply chain management system that supports companies to drive social compliance and improvements within the factories in their global supply chains. BSCI implements the principle international labour standards protecting workers' rights such as International Labor Organization (ILO) conventions and declarations, the United Nations (UN) Guiding Principles on Business and Human Rights and guidelines for multinational enterprises of the Organization for Economic Co-operation and Development (OECD).

BSCI companies take active part in developing and implementing a system for improved working conditions in the global supply chain. BSCI offers us one single implementation system and one Code of Conduct, that we share with thousands of other companies. For a company our size this is a unique opportunity to influence our suppliers to think and act more sustainable and help them to reach their goal and measure their progress.

During 2016 we have sent out information letters to our suppliers about our membership of BSCI in an effort to map which of our suppliers are already in the BSCI platform, that we can link up with. This process is still ongoing. In 2016 we have focused on our top 5 suppliers to get BSCI audited factories and have reached two of those, who are either members of BSCI or have factories with a BSCI audit and report.

**The measurement of outcomes in 2015 in regards to Human Rights/ plans for 2016**

During 2015/6 we have added factories of 2 of our suppliers into the system – which adds up to 9 factories in total.

Status of these factories are as such:

Factory 1	C
Factory 2	Improvements needed
Factory 3	D
Factory 4	Improvements needed
Factory 5	Improvements needed
Factory 6	G
Factory 7	C
Factory 8	C
Factory 9	C
Result	
	44% C
	33% Improvements needed
	11% D
	11% Good

During 2016/7 we will be following these factories remediation status and guide them in their remediation if required.

We will be adding 10 more suppliers factories into the platform during 2016/17.

Also in 2016/7 we will formulate our Human Rights policy and start to communicate about this to our stakeholders. We want to prepare ourselves and our stakeholders for the Due Diligence Process that will take place the following year.

<b>LABOUR</b>	
Principle 3	Business should uphold the freedom of association and the effective recognition of the right to collective bargaining
Principle 4	The elimination of all forms of forced and compulsory labour
Principle 5	The effective abolition of child labour
Principle 6	The elimination of discrimination in respect of employment and occupation

**Kluntz´ A/S commitment to the principles**

Kluntz A/S supports and adhere to the fundamental Labour principles in Denmark and International Labour Rights. We also respect and adhere to the principles of freedom of association and the right to collective bargaining, both locally and in our supply chain.

**How Kluntz A/S have implemented the principles**

Kluntz A/S follows the Danish Labor Law, and we are being audited against it by the Danish Working environment Authority on a regular basis. In order for us to implement the principles of Labour Rights, we have in 2016 joined the BSCI as also mentioned in the Principle of Human Rights section.

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ENVIRONMENT	
Principles 7	Business should support a precautionary approach to environmental challenges
Principles 8	Undertake initiatives to promote greater environmental responsibility
Principles 9	Encourage the development and diffusion of environmentally friendly technologies

### Kluntz' A/S commitment to the principles

At Kluntz A/S, we fully acknowledge our share of responsibility in protecting the Environment and minimizing our environmental footprint throughout the entire supply chain. We set demands both for ourselves and for our suppliers.

### How Kluntz A/S have implemented the principles

Kluntz A/S have always had a focus on environmental issues in-house, by using energy saving light bulbs, being cautious when printing and building a low energy consuming office and warehouse.

During 2016 Kluntz we have also invested time to become ISO14001 certified. This certification works as a framework for better management control which can then result in reducing our environmental impacts. It gives us a management tool to reap the benefits of environmental management.

Through the BSCI Code of Conduct there is a focus on environmental issues and when auditing the factories the overall rating also reflects the positive or negative impact on the environment. So the ratings in the above sections will reflect the findings in this area and will thus be remediated during next year as well as more audits will be conducted.

**The measurement of outcomes in 2015 in regards to Environmental Protection/plans for 2016**

During 2016/7 we will receive a rating on energy use for our building here in Denmark and will be acting on any recommendations that may be presented to us in the report following the rating. Our ISO14001 certification has helped us to identify and react on any impacts on the environment and given us tools to how we can react on these impacts.

For our supply chain we will focus on the BSCI audits we are currently doing and help them with remediation. We will also slowly start to prepare the first two suppliers about the BEPI, which is also part of BSCI (FTA) and with a deeper focus on the environmental issues. We will be looking into – in more depth, what are the implications of such an audit, and whether this is an audit our suppliers would be ready to undergo. Often findings on environmental issues, can also benefit the bottom line at the factories, hence making a good business case for our suppliers.

<b>ANTI CORRUPTION</b>	
Principle 10	Business should work against all forms of corruption, including extortion and bribery

**Kluntz' A/S commitment to the principles**

It is part of our requirements that suppliers must strive to avoid corruption in their supply chain. Under no circumstance must they be involved directly in any cases involving taking or offering bribes.

If we experience a supplier offering us a bribe, it will be reported immediately and our business relationship will be terminated.

**How Kluntz' A/S have implemented the principles**

It is a clear policy for all our employees in the office in Denmark, that if offered a bribe, they should refuse this and report the incident to the management instantly. Of course, they are aware, that they are not to offer a bribe to any of our stakeholders at any time; this will be reason for termination of employment contract.

Once we embark on a new business relationship, we explain the principles of the BSCI Code of Conduct to them and what we mean when we say that we are against any for of corruption.

**The measurement of outcomes in 2015 in regards to anti-corruption/ plans for 2016**

There have been no incidents reported during the last year and since we operate from one of the least corrupt countries and buy mostly from other EU countries, we have limited risk of experiencing corruption in our business relationships.

We have no plans for developing in this area further, as this is low risk to us and we have other areas that demands our focus.

#### **How to communicate this COP to our stakeholders**

This Communication of Progress will be available on our website alongside the BSCI Code of Conduct.

Whenever possible and when we participate in network groups, conferences and seminars we will inform about our CSR initiatives and support to UN Global Compact and The Danish Ethical Trading Initiative (DIEH), with whom we are also members.