

Statement of Support 2017/8

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 to meet their purpose. We are a staff of 12 and our turnover in 2016 was approx. 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 to meet their needs and we take pride in promoting sustainable alternatives to most of the products we sell. We always guide our customers into making the most sustainable choice available.

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. The management system incorporated to meet this certification helps us in managing sustainability as well.

Kluntz A/S have also become member of Amfori/BSCI to reach the possibility to dig deeper into the supply chain and increase leverage for change with other companies.

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 to manage our social and environmental impact and to implement the principles of Human Rights in our supply chain

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. The BSCI principles are based on ILO conventions, the UNGP on Business and Human Rights as well as the OECD Guidelines.

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.

We are in a continuous process of mapping factories to register to Amfori/BSCI.

Amfori/BSCI audits the following Performance Areas:

- 1- Management system and cascade effect
- 2- Workers involvement and protection
- 3- Freedom of association and collective bargaining
- 4- No discrimination
- 5- Fair remuneration
- 6- Decent working hours
- 7- Occupational health and safety
- 8- Child Labour
- 9- Young workers
- 10- No precarious employment
- 11- No bonded labour
- 12- Protection of the environment
- 13- Ethical business behavior

The factories that have BSCI and producing for us, are in China, Bangladesh and Turkey.

Regarding Human Rights in these countries, they are currently rated as high-risk countries. For Turkey they have reached a better risk rating now, due to the fact that Turkish refugees can now seek for working permit according to Turkish law, so we are no longer dealing with unregistered workers in the same degree as before.

In Bangladesh, we work with factories who are also part of the Accord on Building and fire safety, which means that they undergo extra audits from engineering companies with focus on only Fire, Electrical and Building safety issues.

On the factories in Bangladesh, worker committees are being formed to ensure the safety level at the factories. They are formed to reach a sustainable situation, where workers and management themselves can identify and take actions against any safety risks at the factory premises.

In China, the main issue is still fair remuneration and working hours, which is normally the result of both poor purchasing practices and poor production planning. Rather than an act of deliberately underpaying and forcing overtime.

The measurement of outcomes in 2017 regarding Human Rights/ plans for 2018

We have a Human Rights Policy, which is a good back-up for our continuous focus on Human Rights in our Supply Chain. We will however focus on BSCI for the implementation, as this is where we can get leverage to our suppliers.

We have done the newest audit for all suppliers after implementation of the new Code of Conduct released by BSCI in 2014. So we have the possibility to compare results from last year.

The status of the factories currently in the Amfori/BSCI portal are as shown below:

Factory	Previous Rating	Current rating
Factory 1	C	C
Factory 2	C	C
Factory 3	D	No audit
Factory 4	C	No audit
Factory 5	C	C
Factory 6	No audit	C
Factory 7	C	C
Factory 8	C	C
Factory 9	No audit	C
Factory 10	C	C
Factory 11	C	B
Factory 12	A	C
Factory 13	C	A
	Overall ratings	
	D = 0%	
	C = 69%	
	B = 7 %	
	A = 7 %	
	Unrated = 15%	

We are still experiencing factories who are not renewing their audits, and as a small buyer out there, it is sometimes difficult for us to push for it. If we do not succeed we will need to de-list it from the BSCI platform and stop using that factory.

The major reason why factories are rated C, is because of their management system.

Along with a new BSCI Code of Conduct, came also increased requirements on the management systems. The suppliers are not used to be working like this, and it will take them a few audits, and trainings before they realize, what exactly it is we require from them. However, on the factory “hardware”, it seems that we have good and compliant factories, which are safe for the workers.

LABOUR	
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 2016, Kluntz have joined BSCI to manage our social and environmental impact and to implement the principles of Labour Rights in our supply chain

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The measurement of outcomes in 2017 regarding Labour Rights/ plans for 2018

We have a Amfori/BSCI Code of Conduct, which is a good basis for checking up on Labour Rights in our supply chain. Auditing through Amfori/BSCI, gives us leverage towards our suppliers in checking up to see if they live up to the laws and legislation in the area of Labour Rights.

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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 to become ISO14001 certified. This certification works as a framework for better management control which then results 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.

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 2016 regarding Environmental Protection/plans for 2017

Our ISO14001 certification has helped us and given us tools to identify and react on any negative impact on the environment that our business may have.

For our supply chain, we will focus on the Amfori/BSCI audits we are currently doing and help them with remediation. We see very few issues in our supply chain related to environment. The main issues we find are regarding their management systems on environmental protection. However, if we look at our supply chain, basically no matter the product we are making, then the biggest environmental impact that we have, is identified further out in our supply chain than we have currently mapped.

ANTI CORRUPTION	
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 form of corruption.

The measurement of outcomes in 2016 regarding anti-corruption/ plans for 2017

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.

Our SDG Focus

Out of the 17 Sustainable Development Goals we have chosen to focus on working to improve on Goal nr. 12, which is: Ensure Sustainable Consumption and Production Patterns.

We believe the nature of our business within Promotional Products calls for actions towards a more sustainable supply chain. Which we contribute to by implementing Amfori/BSCI audits and training in our supply chain.

How to communicate this COP to our stakeholders

This Communication of Progress will be available on our website alongside the Amfori/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.