

I am the **2019 COP** report. I am created to communicate our support and commitment to the **UN GLOBAL COMPACT** and to be a valuable tool for our stakeholders. I am an online version which makes me **REUSABLE**. If printed, please make sure to read me again and again and again. Together we can all help **REDUCE** waste and save natural resources.

**metz.dk**



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The honest and pragmatic approach is the essence of my daily work.

Camilla Feldschau Petersen  
csr@metz.dk

Employed at Metz since 2005  
CSR Manager since 2014



## INTRODUCTION

**- STATEMENT OF  
CONTINUED SUPPORT**

Metz was established in 1993, back then company gifts were typically a thin nylon bag with a company logo. We were convinced that we could do better. We found other fabrics, stronger materials, changed the logo to embroidery instead of print and reinforced the straps. The result was a far more exclusive and durable bag. This is now history. But still ongoing and expresses the philosophy which has always been the corner stone at Metz, and which forms the basis of everything we do. We are critical of all products and continuously try to change small or large details, thus making the product better, more functional and higher quality.

Always aiming to do better, we have continuously been growing. Since 2011 we have been the leading and largest supplier of promotional products and Christmas gifts in Denmark. This has only been possible because we embrace new challenges and constantly try to improve.

We started working with CSR and our supply chain back in 2009. We wanted to adopt an internationally recognized framework for structuring and reporting on our Corporate Social Responsibility (CSR) efforts. For that reason, we signed up to the UN Global Compact in November 2013. Since then our sustainable journey has moved quickly, each year we have new exciting projects and initiatives.

2019, Has been the year where climate issues, sustainable materials, greenwashing and plastic was seriously put on our agenda. Both internally among our employees and externally in relation to our customers. Because we also work as consultants for our customers it's crucial that we provide the right information and we have therefore used extra manpower on making systems and procedures to spot the greenwashing traps.

Our biggest impact is in the production and consumption area which sets out in SDG 12. We want to provide high quality products which are durable. Reusable so the product can be used again and again and again. If possible recyclable so the material can have new life. And moving away from single use product.

To support our production and consumption strategy and to minimize our single use plastics. We have entered into a new collaboration with "Plastic Change", where through various projects we support their work.

2020, Next year we will continue to have a high focus on materials. We will keep working on finding new long-term solutions to support the circular economy. And focus on developing products that will not contribute to the "use and throw away culture".

I take great pride in the journey Metz is on, a new chapter in our history and I strongly believe that this is the future. In the following pages we present our approach to CSR, as well as the CSR activities and projects that we have conducted or initiated during 2019.

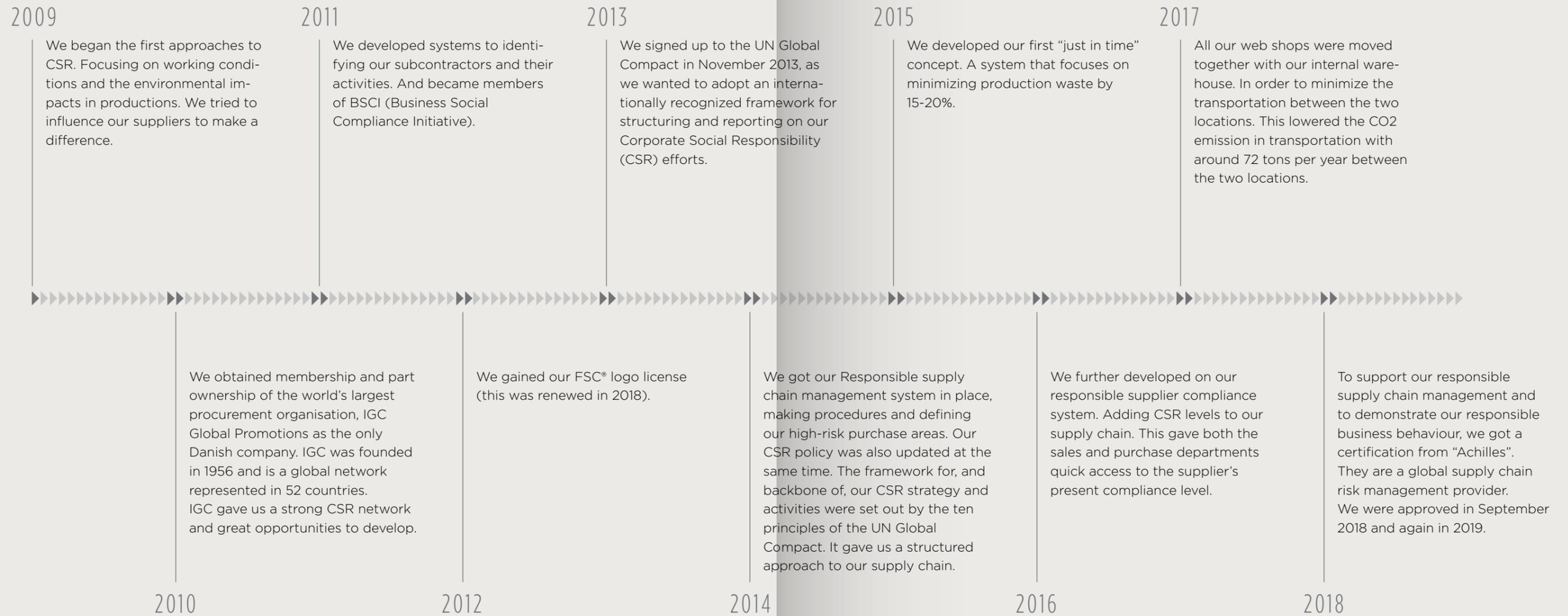
It is and will always be the companies of the world that drives globalization. And it will only be through a global fellowship and collaboration that we can ensure progress for the benefit of the world's economies and societies.

This report is our sixth Communication on Progress and it is still my pleasure to inform you that Metz reaffirms our support to the United Nations Global Compact, its 10 principles as well as the sustainable development goals.

Yours sincerely,  
Claus Hedegaard  
CEO

OUR SUSTAINABLE JOURNEY

# IMPROVING OUR PERFORMANCE



## ABOUT METZ

▶▶ Metz is a Danish company that supplies promotional products and gifts to companies and organizations. Metz was established in 1993 and employed at that time 3 employees. Today 52 dedicated people work in our headquarters North of Copenhagen, Denmark.

Metz acts as a trend spotter and purchaser on behalf of our customers. As a supplier of promotional products and corporate gifts to Denmark's largest companies, we must be a responsible and trustworthy partner in all areas. Most of the products are produced, according to our customers' wishes and needs.

Our payoff: "A difference to be remembered by" reflects not only on the promotional items that we sell to our clients. But it also reflects the culture within Metz and is the centre of our daily work in the organization in relation to the service we provide to our customers.

As the only Danish company, we obtained membership and part ownership of the world's largest procurement organisation, IGC Global Promotions. IGC was founded in 1956 and is a global network represented in 52 countries.

### TRADE UNION WORKERS AGREEMENT

We are members of the Danish HK and have a trade union agreement for our employees within our business area for trade and service. This provides the best agreement within working hours, child's first sick day, pension and wages for our employees.

### ▶▶ OUR EMPLOYEES

At Metz, we are 52 dedicated people across different departments and each of our employee plays a vital role in the success of our company.



### WORKING ENVIRONMENT

A good working environment is not only about the way we talk to each other, it's about giving the employees the right tasks, challenge their expertise, and about supporting a good team spirit. It's important that the employees get proper answers and guidance to their questions and feel that they are heard to when they present their suggestions and ideas. In other words, each employee should feel important and valued.

We support this philosophy by having annual one-on-one development interviews and "walk and talks". By offering access to a private health insurance for our employees and their children. By fostering a good team spirit (e.g. by frequently organizing social events). And by giving the employees access to fitness, spinning, yoga, healthy lunch programs, free fruit etc.

### ENVIRONMENT COMMITTEE

In 2019 we founded our environment committee which consists of one representative from each department (administration, promotional sales, Christmas sale, purchase, graphic, communication and our warehouse) and does not include members from the management team. The purpose of the committee is to jointly organize and disseminate new initiatives and communicate these to their departments.

### SOCIAL COMMITTEE

As Metz grows and more new colleagues arrives. We founded a social steering group in 2018 called; "Metz social committee". The purpose is to build relationships across the different departments by frequently organizing social events (like; social walks, running arrangements, dinners, theatres etc.)

# OUR EMPLOYEES



In 2019 the steering group arranged to participate in e.g. the DHL running event in Copenhagen. 38 of our employees signed up for the event and was divided on cheering, running and walking teams (the latter collected garbage on the 5 km route while walking).

## OUR APPROACH TO CSR



The backbone of our CSR strategy is shaped by the ten principles of the UN Global Compact. Together with our suppliers and building on the UN Global Compact principles, we wish to work towards a more responsible supply chain for our customers and our other stakeholders. One of the ways to do this is to create a transparent and responsible value chain. So that our customers and other stakeholders can have confidence in us as a company and as a reliable business partner.

Our approach builds on our ambition to make a positive difference, to establish responsible processes for the products we sell while systematizing and strengthen our supplier risk management. We do this by assessing the products we sell and by collaborating proactively with our suppliers in order to strengthen their compliance with internationally proclaimed principles for Human Rights and Labour Standards, Environment and Anti-corruption.

### WORKING WITH THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT AND THE SUSTAINABLE DEVELOPMENT GOALS (SDG'S) IN OUR SUPPLY CHAIN

Our mission is to provide high-quality products. While also influencing and strengthen the compliance with internationally proclaimed principles for Human Rights and Labour Standards, Environment and Anti-corruption in our supply chain.

### ►► Our efforts are driven by the following ambitions;

- We strive to monitor and manage the CSR risks associated with our business, as well as communicate our performance to our customers, so that we can support the success of their own businesses.
- We know that responsible business conduct provides sustainable, long-term business results, and that responsibility is a prerequisite for retaining our customers' trust and confidence.
- We want to proactively expand our portfolio of sustainable products in a balanced way that reflects the changing customer demands that we are experiencing.
- Addressing and working with the Sustainable Development Goals (SDG's) gives our company an important voice.
- Joining forces with supplier, industries and NGO's create great business opportunities.

We want to support the long-term solutions and the circular economy. And reduce waste through; prevention, reduction, recycling and reuse. We want to do this while also influencing and strengthen the compliance with internationally proclaimed principles for Human Rights and Labour Standards, in our supply chain. By this ambition we are committed working with SDG 8.

As we are a sales and purchase organisation, we can make a real impact in the product that we sell, with a direct impact on productions and consumption patterns which are outlined in SDG 12.

►► The UN Sustainable Development Goals are a framework of international priority areas as part of the 2030 Sustainable Development agenda. The 17 Sustainable Development Goals (SDGs) including 169 targets are the world's plan to build a better world for people and our planet by 2030. Businesses are not required to work with all 17 goals. But to address the goals that make sense in your business area, as this is where they can make a real difference.

**Metz don't have an impact on all 17 goals and their underlying targets. But we focus on the targets that are related to our business area, which are purchase and production.**

### THE PURPOSE OF OUR COMMUNICATION ON PROGRESS

The purpose of this Communication on Progress report (COP) is to document and communicate to our stakeholders how we work with the ten principles of the UN Global Compact and how we address the SDG's. But just as important is to communicate how we work with sustainability through products (e.g. production and consumption) in our business area of promotional products and gifts.

►► The UN Global Compact is an initiative of the late UN Secretary-General Kofi Annan. Founded in 2000.

The Global Compact encompasses ten principles which at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.

The 10 principles are integrated in Metz CSR strategy and works as the foundation for our cooperation with our suppliers.



# RESPONSIBLE SUPPLY CHAIN MANAGEMENT

## RESPONSIBLE BUSINESS BEHAVIOUR CERTIFIED

As we are committed to the sustainability performance of the businesses that we work with as well as our own. To support our responsible supply chain management and to demonstrate our responsible business behaviour.

We have been through an assessment from Achilles<sup>(1)</sup>. The assessment reviews our business activities both internally and externally and includes the areas shown in the figure. The assessment is made once a year. We were approved first time in September 2018.

### THE FOLLOWING AREAS IS ASSESSED BY THE ACHILLES TEAM

Insurances; public liability, workers compensation, product liability

Responsible Supply Chain Management assessment

Health & Safety Management; verification on manual and factory certifications

Corporate Social Responsibility; assessment of our Corporate Social Responsibility Management

Financials, review and statement of records for the latest 3 years.

Quality Management; verification on manual and factory certifications

Environmental Management; verification on manual and factory certifications

Management team identification

Company information and profile

Data Protection

<sup>(1)</sup> Global supply chain risk management provider working with industry specific processes to assure compliance. Achilles was founded in 1990 with the purpose to drive procurement with less risk while improving working conditions and increase sustainability in the supply chain.



Our organization has a global network of suppliers. Our business model is based upon sourcing either directly from the supplier or indirectly through an intermediary. We distinguish between direct suppliers, companies selling branded goods, recognized agents or other intermediaries. The latter group often manages an independent network of suppliers and will often represent higher supply chain related risks than a single supplier, that is why we also look at product country of origin.

The backbone of our RSCM system is shaped by the ten principles of the UN Global Compact for Human Rights and Labour Standards, Environment and Anti-corruption. This approach is also defined in our company's CSR policy (see appendix 1) that structures and motivates our efforts within CSR.

The purpose of our RSCM system is to have a systematic management system to monitor compliance with our Supplier Code of Conduct (see appendix 2) and international standards within our supply chain.

## RISK SEGMENTATION OF SUPPLIERS

We distinguish between suppliers based in low-risk or high-risk countries and have different processes for these.

The CSR team is responsible for the risk segmentation of suppliers. The risk segmentation helps to determine how we will work with the supplier, the level of documentation we will require, and the level of follow-up with the supplier on CSR performance. The risk profile is assigned to the supplier by following the risk segmentation used by the Business Social Compliance Initiative (BSCI) building on six so-called Worldwide Governance Indicators (WGI) in sourcing countries developed by the World Bank.

**We consider the indicators described below as credible basis for segmenting our suppliers from high or low risk countries:**

1. Voice and Accountability Political
2. Stability and absence of Violence/Terrorism
3. Government Effectiveness
4. Regulatory Quality
5. Rule of Law
6. Control of Corruption

### ► LOW-RISK SUPPLIER ASSESSMENT

The category of low-risk comprises of suppliers who operate in countries that generally uphold a comprehensive level of legislation and strong implementation of international standards. As such the need for documentation is not considered as material as for the high-risk suppliers. However, we recognize that even though the distinction between low and high production country risk is made, low risk suppliers can sometimes still pose high-risks for other reasons e.g. country of origin. As such, it is possible for the evaluation team to assess and move a supplier from the low risk to high-risk group, if necessary.

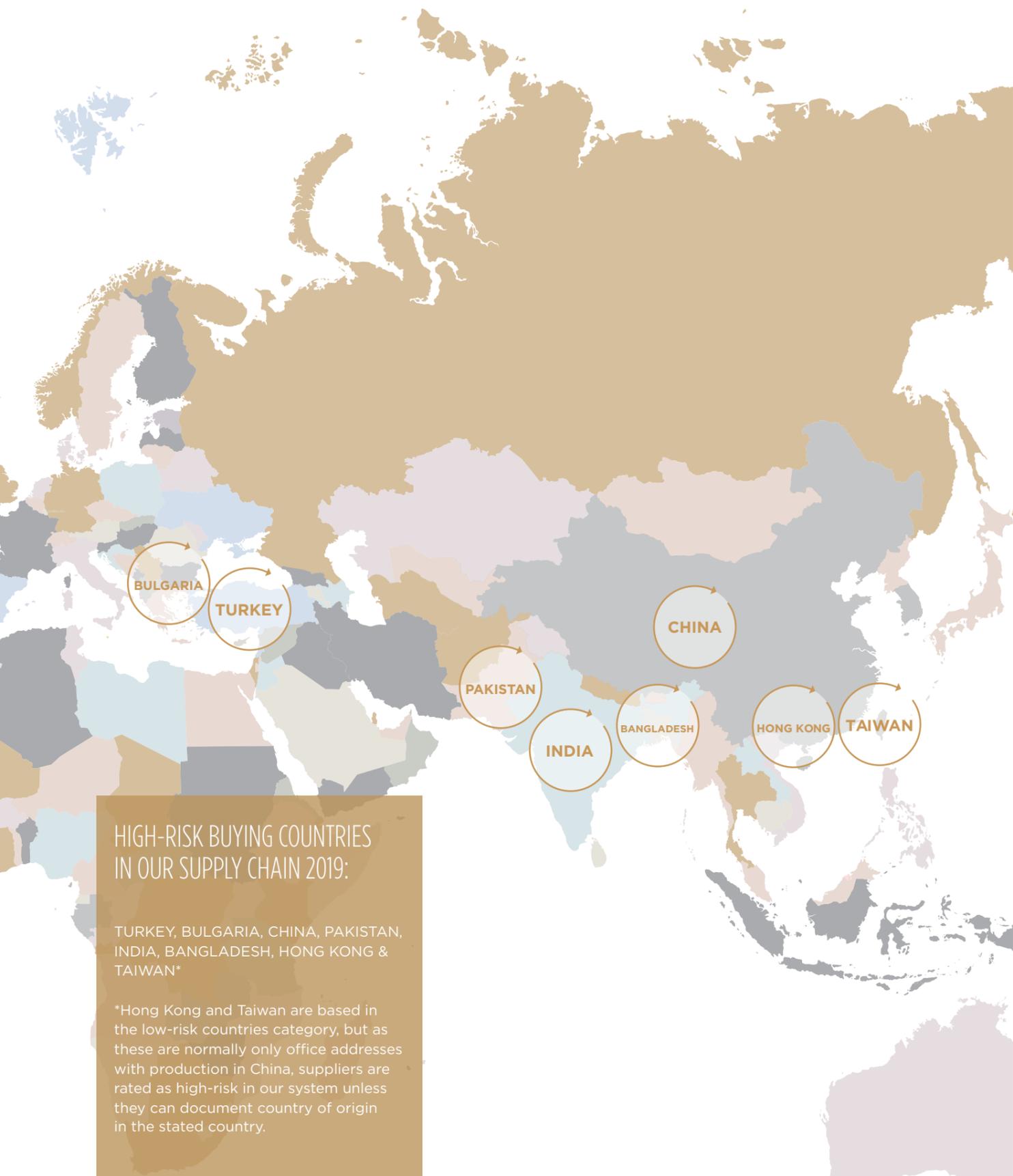
## METZ COMPLIANCE LEVELS INTRODUCTION

To provide a quick overview of our compliant high-risk suppliers to our sales and purchase department. We added levels in our database back in 2016. Not only does it show the suppliers present compliance stage, but it also works as a guiding tool to improve the supplier's performance.

This database contains all suppliers. Not all are used for productions and are therefore not categorized as our primary suppliers. However, as the market is changing every year it's important to have compliant suppliers within all product groups.

### ► HIGH-RISK SUPPLIER ASSESSMENT

The category of high risk comprises of suppliers, who operate in countries with a generally low level of national regulation within the four areas of the UNGC and / or a low level of implementation of international standards. In order to live up to our criteria for well-documented CSR performance, it is essential that high risk suppliers can document that they work systematically to manage CSR risks, specifically those related to Health & Safety, Labour Rights, Human Rights, Anti-corruption and Environment. Buying from high-risk countries will demand well-documented CSR performance. Documents should be assessed by the supplier evaluation team following our high-risk procedure. The team consists of a member from our purchase department and the CSR manager.



**HIGH-RISK BUYING COUNTRIES IN OUR SUPPLY CHAIN 2019:**

TURKEY, BULGARIA, CHINA, PAKISTAN, INDIA, BANGLADESH, HONG KONG & TAIWAN\*

\*Hong Kong and Taiwan are based in the low-risk countries category, but as these are normally only office addresses with production in China, suppliers are rated as high-risk in our system unless they can document country of origin in the stated country.

**HIGH-RISK SUPPLIER PROCEDURE**

Once a supplier based in a high-risk area registers with us, we request the supplier to sign our Supplier Code of Conduct and to complete a self-declaration with several questions related to the suppliers' performance on Human Rights, Labour Standards, Environment and Anti-Corruption (step 1). Received documents, responses and supporting documents is assessed for compliance with our Code of Conduct and the supplier will be added a Metz level of compliance (step 2). Actions based on added levels (step 3). Reporting (step 4)

**WELL-DOCUMENTED CSR PERFORMANCE**

The evaluation team assess received documents from the below:

- ▶ Social audit reports and e.g. ISO certifications should together cover the areas set out in Metz Code of Conduct.
- ▶ Social audit reports should be certified by third-party (e.g. SGS, DNV, Bureau VERITAS and/or other BSCI or SEDEX auditors)
- ▶ The overall results of the audit should be approved by the third-party certifying auditor and only include minor non-compliances findings.



### HIGH RISK FACTORIES USED IN OUR PRODUCTIONS

Our target for year 2020 is that 95% of our primary factories in high-risk areas is be placed in Metz level 1.

A primary factory is defined by the number of orders placed and produced in a two years period. The reason it is only in a two-year period is because of the marked and trends why some primary factories can change to secondary.

In the 2019 review we can see that 91% of the factories that have been used for production in

2019 are from level 1 factories, against last year's 89%.

We know that the last percentages to reach our goal can be hard to gain but we will work extensively the next year to reach this. We will keep focusing on phasing out the factories where it has not been possible to improve their CSR performance, and trying to move our primary factories up to our level. But we will also keep searching for factories that demonstrate high commitment to the work with CSR.

### ASSESSMENT AND REVIEW OF SOCIAL AUDIT REPORTS IN 2019 - RESPONSIBLE SUPPLY CHAIN MANAGEMENT STEP 2

From our review of the audit reports this year. We can see that it is still the areas "working conditions" and "health and safety" that are noted with findings in the audit reports. In these two areas it is mostly working hours and lack of PPE protective equipment that are reported. But also, a small percentage is reported on the "environmental management" area. All findings are noted in our database and will be part of our communication with the factories to strengthen their compliance.

#### HUMAN RIGHTS AND LABOUR

Discrimination:	Zero Reports
Forced Labour:	Zero Reports
Freedom of Association and Right to Organize:	Zero Reports
Child Labour:	Zero Reports

Working Conditions (reports on working hours):	22%
Health and Safety (reports on missing PPE):	71%

#### ENVIRONMENTAL MANAGEMENT

Risk identification and management:	7%
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#### ETHICAL BUSINESS PRACTICES

Corruption:	Zero Reports
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If we only look at our purchased standard items like; notebooks, pens, key hangers, drinking bottles, mugs, umbrellas and bags.

**We have used 100% level 1 factories in our 2019 productions.**



METZ LEVEL DESCRIPTION

▶ LEVEL 1

WELL-DOCUMENTED CSR PERFORMANCE

*Compliant* - no supporting documents are needed; however minor improvements may be necessary. If documents have expired, the supplier will be moved down to level 2 or 3 until new documents are received and evaluated.

▶ LEVEL 2

*Partial compliance* - supporting documents and/or major improvement needed. If a supplier does not manage to close their major non-compliance findings, if documents have expired or if there has been changes in their organization that affected their compliance, they will be moved a level down until they regain the needed documentation. Similarly, they will be moved to level 1 if they manage to close their caps, get new documentation etc.

▶ LEVEL 3

*Not in compliance* - Compliance documents are needed.

When we evaluate if a supplier should be moved to the phasing out level or if they should be moved to level 1 or 2, we look at the overall picture; social compliance, quality of the productions and business cooperation. If all these areas are below what we could expect from our business partners, we will move them to the phasing out level and focus our effort on finding a supplier who can fulfil our requirements.

▶ LEVEL 4

*Phasing out*

The phased-out suppliers' contact details will be blocked in our system once we find a replacement, this ensures that there could not be sent inquiries or new orders to the blocked supplier.

METZ LEVELS HIGH-RISK SUPPLIER COMPLIANCE  
- RESPONSIBLE SUPPLY CHAIN MANAGEMENT STEP 3 & 4

▶ LEVEL 1

Shows improvements in level 1 suppliers. Level 1 suppliers consist both of earlier level 2 and 3 suppliers but also consist of new suppliers that we have entered collaboration with.

▶ LEVEL 2

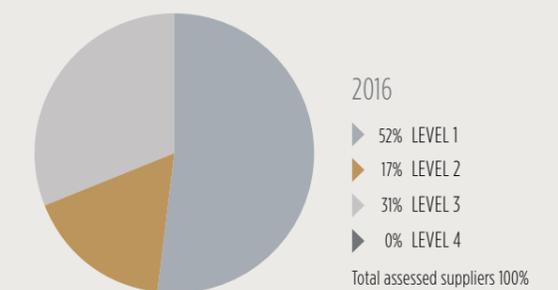
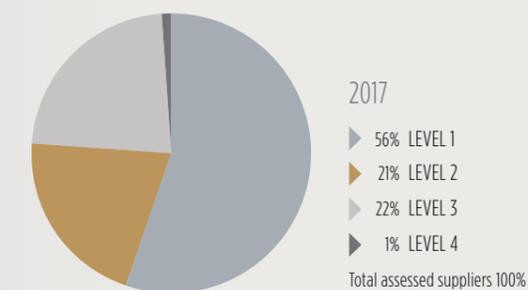
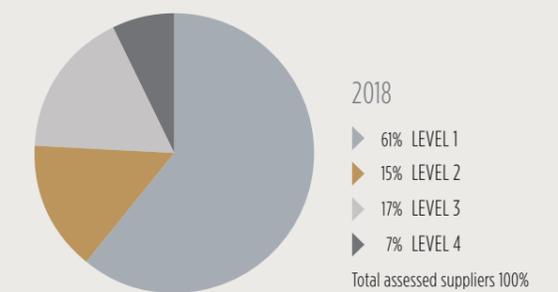
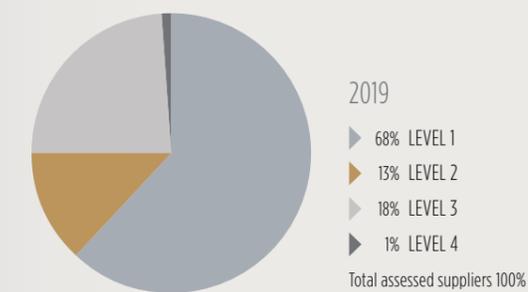
We had to move some suppliers to level 3 due to expired documentations. Once we have received new documents the supplier could receive a new level.

▶ LEVEL 3

The percentage in this level has increased. As we had to move some level 1 and 2 suppliers to level 3 until we receive and review the new audit reports.

▶ LEVEL 4

The 2018 level 4 suppliers have been phased out since we wasn't able to establish new collaboration and they have therefore been blocked out of our supplier database. This year the number has therefore decreased.



## PRODUCT COMPLIANCE

Product compliance means that the product meets the essential requirements in the form of directives and regulations. Not all products require product compliance documents but specific product areas e.g. electronic, products for food, toys, safety, personal protective equipment's etc do. These product groups often require special product marks e.g. CE mark.

We do not make a purchase unless we have received product compliance documents (1) and verified the documents by 3rd party (2). This works as part our product compliance management along with product marks e.g. CE marks or material marks.

## THE HONEST AND PRAGMATIC APPROACH TO "ENVIRONMENT FRIENDLY" PRODUCTS

We feel it as an obligation to share our knowledge with our customers to support their business. And to provide accurate information on recycled content, organic certifications, and other relevant data for the specific product.

Beside the normal product compliance, we have extra focus on "environment friendly" products. Different "environment friendly" materials have different claim standards to follow, and it's important that the material used in our production have the correct verified certifications to ensure the authenticity of the product.

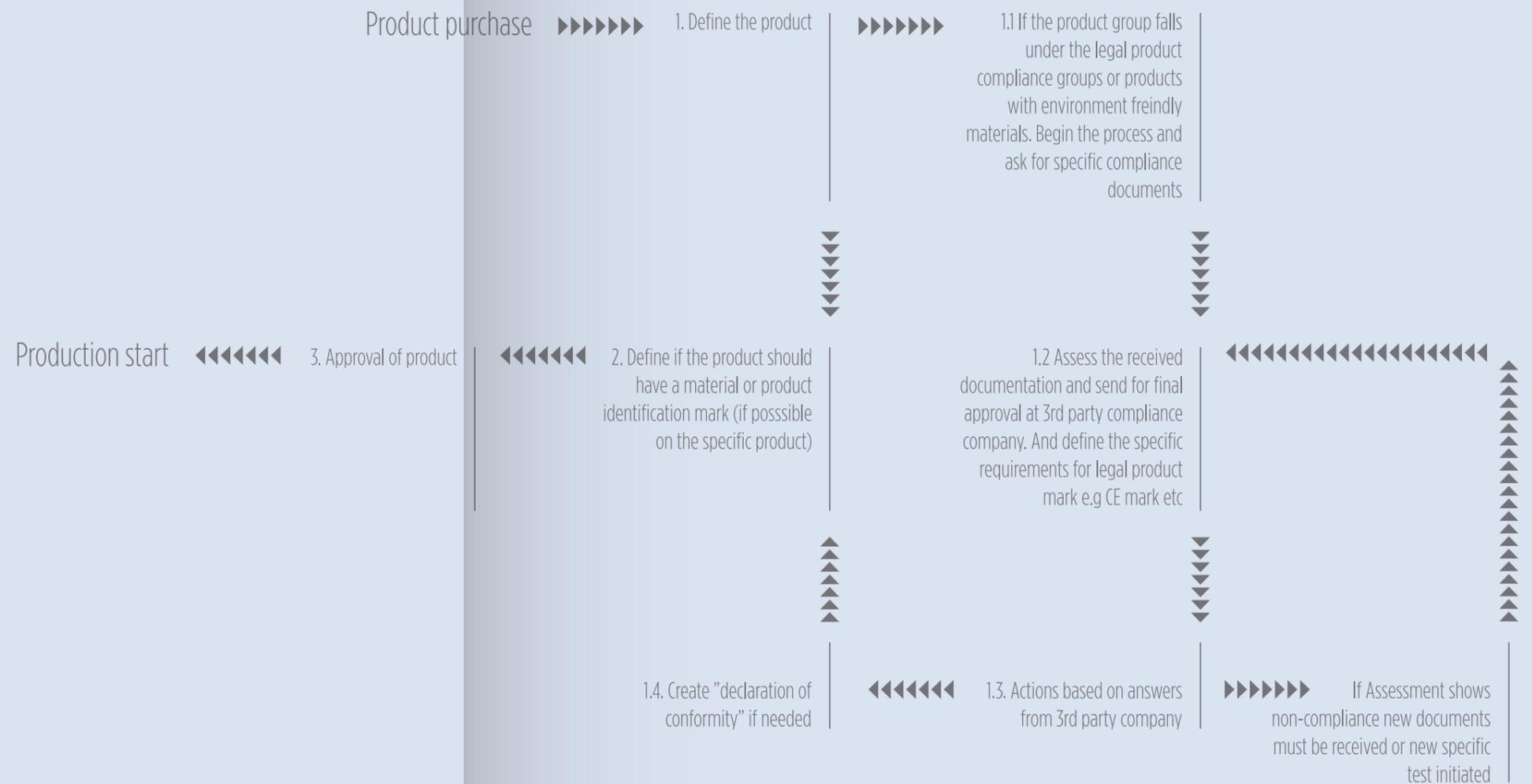
As a company dealing in promotional products and gifts, we need to stay in front of the market so we can give the best advices to our clients. This also means that it is crucial that we assess the good products from the bad and sustainable from the greenwashing.

### PRODUCT COMPLIANCE ASSESSMENT:

The product compliance assessment is based on 3 steps. Whereas some products need to go through a total of 7 steps as shown in the figure.

1. Product compliance is about ensuring that the product meets the essential requirements in the form of directives, regulations and standards. Some of these requirements, like the REACH chemical regulation, apply to all articles whereas other requirements are product specific such as e.g. EN-, which applies to specific products.

2. 3rd Party verification: We collaborate with a 3rd party company. With working anthropologists specialised in product compliance across countries. That verify the specific documentation.



# OUR ENVIRONMENTAL RESPONSIBILITY

For Metz, our environmental responsibility means that we are committed in taking responsibility for the environment in our daily activities.

We attach great importance to produce and deliver quality products.

Products in a design and quality that our customers want to use and not at least keep, so the products will not contribute to the “use and throw away culture” that has characterized the market for many years.

## ENTERING INTO NEW SPONSORSHIPS

Plastic is everywhere – on land and in oceans, in animals and it is the topic on every news channel. We can all agree that there is a problem with plastics entering the environment and that we need to find solutions for this.

We actively want to help stop plastic pollution and prevent plastic from ending up in the nature and not at least the oceans. That is why we in June 2019 entered into a sponsor partnership with “Plastic Change”. Wherethrough various projects we support their organization and their work on dissemination and raising awareness of plastic pollution. We communicate through our channels about our support and the different projects we have started to create awareness.

To support the sustainable development of our employees and give them the right knowledge to handle the different cases. Plastic Change held a 90 minutes lecture on materials, sustainable purchase, production and consumption patterns. Our employees got to ask relevant questions and the event was a great success with useful knowledge and important guidelines.

## WHO IS PLASTIC CHANGE?

Plastic Change is a Danish environmental organization working locally, nationally and globally on a mission fighting plastic pollution. They work hard to break the exponential growth of plastic pollution in the oceans and on land. But also work with the populations growing consumption patterns. They do this through documentation, education, communication and workable solutions. Plastic Change work as organisation and specially addresses SDG 14 “life below water”. To meet that goal, they actively work with SDG 9 “industry, innovation & infrastructure”, SDG 11 “sustainable cities and communities”, and SDG12 responsible consumption and production. To reach their goals and activate the other world societies they work with SDG17 partnerships for action.

## WHY DO PLASTIC CHANGE NOT FOCUS ON CLEANING UP THE OCEANS?

An estimate of 80-90% of the plastic that ends up in the oceans comes from land-based activities. Cleaning up the oceans would be an impossible job. Only a small percentage of all the plastic in the oceans are on the surface. Often in form of microplastic and impossible to clean up. If we don't stop the plastic pollution on land the plastic will keep floating into the oceans. That's why the focus should be on stopping the pollution on land.

plastic change



# EMPLOYEE ENGAGEMENT

Every year we have a teambuilding event for all employees. Each year we have different topics. This year it was decided that we should address the things where we could change our behaviour in order to reduce our negative impact on the environment.

All employees were divided into groups and had to come with suggestions on how we can make a difference for the environment both as a private person and as a company. All suggestions were talked about in open forum and we found and agreed on our focus areas. The focus areas have formed the framework for and backbone of "Our Environmental commitment".

Doing it as a company assignment has created a joined interest and responsibility across the organisation and different departments and sets out in how we act in our daily operations. But it also had the effect that our employees were inspired by each other in their own daily activities.

## PRIMARY SUSTAINABLE DEVELOPMENT GOAL

Our primary environmental commitment sets out in the SDG 12, "reduce waste through prevention, reduction, recycling and reuse". This is related to our core business area which are purchase and production, but it also reflects on the things we can change in our daily operation internally. As we are a sales and purchase organisation, we can make a real impact in the products we sell and the advices we give to our customers. Some of our focus areas are communicated in the following pages.

### OUR ENVIRONMENTAL COMMITMENT

Our environmental commitment sets out in our ambition to make an impact for the environment and is communicated through the principles in the 3 R's "REDUCE, REUSE, RECYCLE".

**REDUCE** - Invest in high quality materials so the products last longer.

**REUSE** - Create reusable products. So, they can be used again and again and again.

**RECYCLE** - Make the product suitable for recycling.

## SECONDARY SUSTAINABLE DEVELOPMENT GOALS

Our efforts in the principles "Reduce, Reuse, Recycle" also extends to three secondary targets;

- We want to reduce our internal electricity consumption and therefore our environmental responsibility extend to SDG 7. It is part of our internal policy and our employees are committed to fulfil it, but we don't measure it why we have it is a secondary.

- We want to reduce single use productions of plastic bags and other single use products and therewith also limit the risk of our productions ending up in oceans and nature. Our ambition addresses SDG 14 "reduce marine pollution of all kinds, in particular from land-based activities". It only works as a secondary as we cannot prove that it will have a direct impact and only sets out in our ambition. But we want to contribute keeping the nature clean from single use garbage.

- We want to reduce our internal paper consumption and promote the use of FSC paper in productions. Our ambition addresses SDG 15 "Progress towards sustainable forest management". It works as a secondary, as we do not work directly with sustainable forest management through partnerships, but through our principle "only to use FSC certified paper in our productions from China". We support the forests, wildlife and the people in it. And making our impact on minimizing illegal harvested trees.

## Our environmental commitment

## PROGRESS 2019

## SDG

## Description of the SDG target and indicators

### REDUCE

<p>We will think sustainability into our eating habits, through seasonal food, meat-free days and local ingredients, and reduce our food waste.</p>	<p>1) We receive our lunch from a subsupplier. We are not that big a company why they can not offer us specially meat free days. As this is a big wish from our employees we will look for a lunch provider who can fulfill our wish without increasing the cost.</p>		<p>12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses (12.3.1 Global food loss index).</p>
<p>We want to take care of the world's forests through less printed paper and promote the use of FSC® certified paper or equivalent that ensures sustainable forest management or other responsible origin.</p>	<p>1) We have developed a system so that received invoices on order purchases no longer needs to be printed. <b>Roughly this will save around 20-25000 pcs A4 papers in a year.</b> (since 2007 all our going invoices, order confirmations, and purchase orders has also been sent on PDF files). 2) When we need to print we only use FSC paper. 3) In our Chinese production we only use FSC certified paper or similar. <b>Read more on page 29.</b></p>	 	<p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse  15.2.1 (works as a secondary) Progress towards sustainable forest management).</p>
<p>We will work to reduce the sold plastic bags and single packaging products in our promotional product range.</p>	<p>1) We have reduced the production of plastic bags further since last year, and will work harder to have this number reduces or ideally ended during next year. Both to reduce the single-use consumption. But also to prevent that the product we produce ends up in the nature and oceans. <b>Read more on page 28.</b></p>	 	<p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse  14.1 (works as a secondary) By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.</p>
<p>We will continuously expand the "Just in time" range offered in our web shop solutions to reduce pre-produced products with logo.</p>	<p>1) The range is review every year. <b>Read more on page 28.</b></p>		
<p>We will reduce our single-use plastic consumption.</p>	<p>1) We have changed our milk purchases from the model with bioplastic screw lid to a model without. <b>Roughly this will save 3000 pcs Bioplastic lids in a year.</b> 2) We have also started a campaign to lower the use of single use plastic giftcards. <b>Read more on page 30.</b></p>		<p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p>
<p>We will reduce the product packaging where possible without having any impact on the condition of the product.</p>	<p>1) During the year we have updated our webshops further so that products are sold in inner units of xxx. When the products are produced they will pack in sold inner units, so that individual packing are saved.</p>		
<p>We want to reduce our electricity consumption. Computers, monitors, lights and air conditioning must be switched off when not in use and we will switch to use energy-saving lamps where possible.</p>	<p>1) All lights in our basement has been changed to energy-saving models. As the need arises we will do the same with the other lights in the office.</p>		<p>7.3 (works as a secondary) By 2030, double the global rate of improvement in energy efficiency.</p>

### REUSE

<p>We will promote the sustainable durable alternatives through function, designs, materials, and quality.</p>	<p>1) Different projects and cases to support our sales and purchase so they can give the right advices to our customers has been initiated during this year.</p>		
<p>We will reduce the use of new material in our shipments by reusing received boxes, airbags and bags etc. for our own shipments.</p>	<p>1) We have checked the possibility to change from plastic airbags to other materials (Bio-plastics, paper fillers etc), but the alternatives are not as good as we want yet. Therefore will continue to used the recyclable version we have now. 2) We have also checked the possibility to change to paper tape instead of our plastic tape, but do to quality this is at the moment not a suitable solution.</p>		<p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>

### RECYCLE

<p>We want to promote the use of materials suited for recycling.</p>	<p>1) We have made a plastic material guide to identify the different materials and descriptions. It also works as a resin code guide for all materials so that productions can be marked for easy disposal. <b>Read more on page 27.</b></p>		
<p>We will collect our discarded products and samples for recycling and collect the company's defective equipment for responsible disposal at the recycling stations.</p>	<p>1) Products are separated into material containers for easy disposal. Also a container has been created for products that are still working so that these can be given to different organisations.</p>		

## PLASTIC MATERIALS - 2019 FOCUS AREA



Plastic is in everything; clothes, bags, household items, pens etc. It is represented in many of our product groups, so it is important that we know the different plastic types and can spot when things are not marked correct.

During this year we can see that many are struggling and mixing the different phrases like; "bioplastic, biodegradable plastics, compostable plastics, recycled and recyclable plastics". Products are branded as "biodegradable" when in fact they are just "bioplastics". And products are branded "reusable" when the meaning is "recyclable".

Also, a lot of the plastic products that are actually placed on the market. Are missing the plastic identification number or marked with a wrong or misleading description. And it will not be clear to the consumer what the product is made from, if it's a better alternative or how the product should be disposed correctly.

In Denmark it is voluntary to mark the product with e.g. the resin code. However, marking the products with the correct resin codes, can help increase the products that are sent for recycling and will in the end contribute to the EU target that 10-million-ton plastic should be recycled by 2025.

To identify the different plastic types and different phrases. We developed a system this year to prevent misleading or greenwashing products to enter the market through us.

The system includes (but not limited to); What the material is made from. What products it's typically used in. Which could be called "compostable". Which could be called "biodegradable". How we can differentiate between them and which test and regulations the material should comply to.

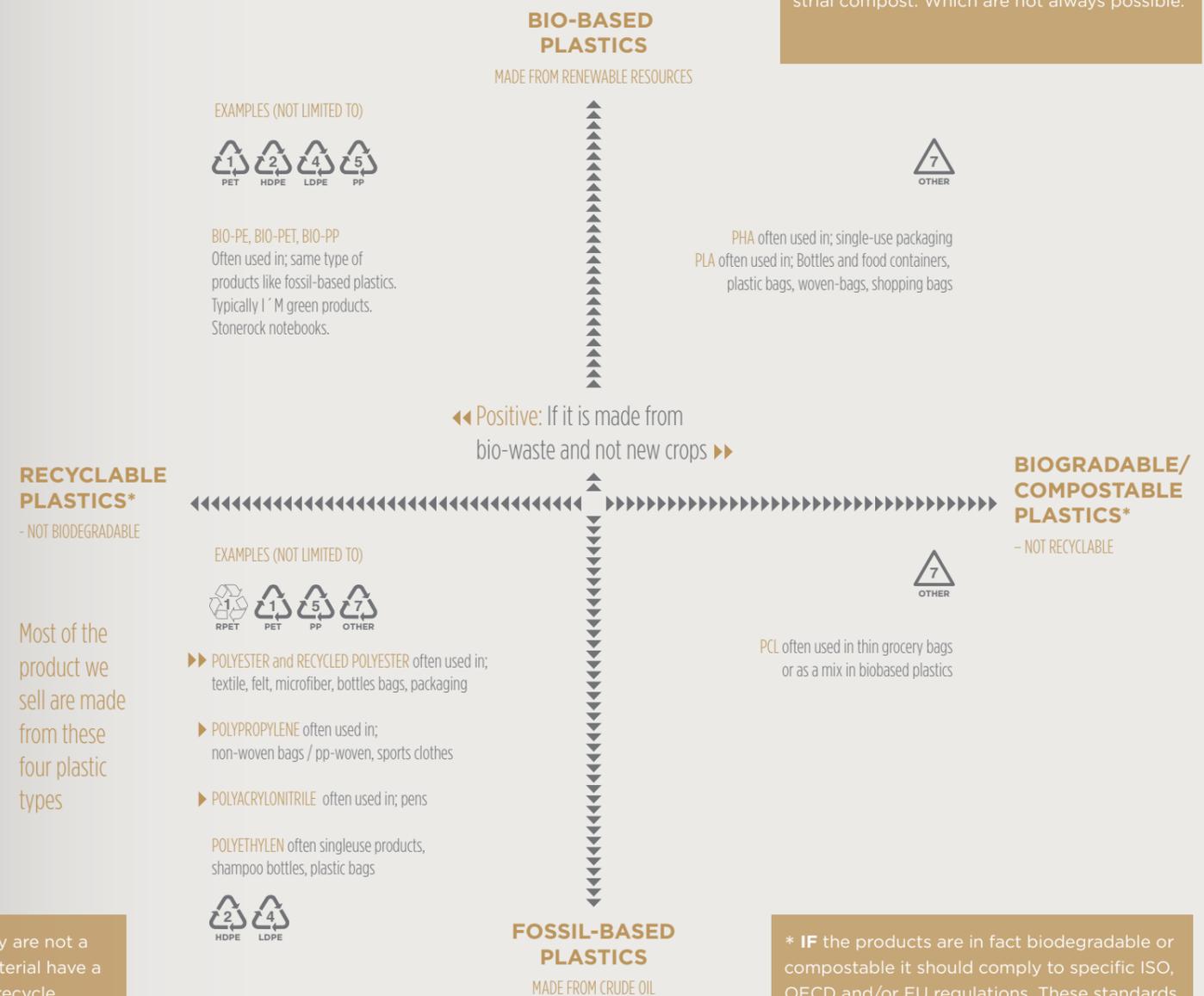
The identification system also shows a guide on how to mark all the different plastic types for easy recycling disposal.

Making this system we have made a transparent path for our employees so they can give the right advice to our customers and design the right product for the purpose as this is the area where we can make a difference.

\* Materials can be recycled if they are not a mix of other materials - if the material has a coating it will not be possible to recycle.

If recycled material is used in the production of new material it will save CO2.

## OUR INTERNAL PLASTIC IDENTIFICATION SYSTEM SETS OUT IN THE BELOW MODEL



The biodegradable tests that we have reviewed this year, do not show full decomposition of the products (even in special land fields). Our conclusion is therefore that the bio-based plastic products should not be sold for more than it is; a plastic material made from renewable resources.

The compostable products only make sense if there is the possibility to sort the waste according to applicable instructions for industrial compost. Which are not always possible.

\* IF the products are in fact biodegradable or compostable it should comply to specific ISO, OECD and/or EU regulations. These standards are under controlled conditions in special land fields and NOT in nature.

## PLASTIC GREENWASHING TRAPS

In 2019 there has been a high focus on plastic materials and the negative effects that it has on the environment. One of the trends rising, is the switch from plastic to other materials. Leaving consumers and manufacturers confused and searching for alternatives there seems "green". In Denmark there are no real control unit and this has created a big market for dishonest businesses - all trying to get a piece of the cake.

Specially bioplastics (PLA), have emerged as potential alternatives. Many with material descriptions like, "green", "biodegradable", "I'm not plastic", "Eco-friendly" etc. leading consumers to think this is the better alternative and that they are doing something good for the environment by purchasing this item. But in fact, many of the new alternatives are also plastics just in different forms.

Looking at all the new alternatives the sustainable product will not only be in the changing the material on some occasions the original plastic material could still be the better choice due to long life time.

We have shown four examples to some of the problems we are facing with wrong information branding. In fact, this is the case in many of the newsletters we receive every day for different types of products.

### PACKAGING

Stating that it is recyclable. But in fact this packaging **consist of 4 different materials and are therefore not suited for recycling;** Paper on the outside, aluminum foil on the inside, a small plastic window and with a plastic zipper to close the bag.



### BIOPLASTIC AIRBAGS

Printed on this airbag it says that the material is "100% biodegradable" and made from HDPE. **Bio-plastic made from BIO-PE (BIO-HDPE) can not be biodegradable,** these kind of bio-plastics can be recycled. If the airbag was made from PLA/PHA bio-plastic the products could in theory be "bio-degradable" in controlled conditions (if correct test reports was submitted). But normally this product would not be made from this type of material. So the correct description on this product would be "made from bio-plastic" and not "biodegradable plastic".

### SHOPPING BAG

This is a clear example of a shopping bag with a wrong and misleading branding. The material is made from bonded RPET non-woven (made from reused bottles). However the bag has a coating which is not available in RPET, the coating is made from a different type of plastic. **So the statement of 100% would not be correct in this case.** Also when putting a coating on a different material the product is no longer suitable for recycle. The problem in Denmark is that there are no control units, verifying the correct symbols so the factories are "free" to brand. At one point we got a reply from a factory that they mark with the symbols that the customer wants. With out deciding on the correct indication.



### THIS IS NOT A PLASTIC MUG

**This is a clear example of how bio-plastics are branded to mislead the consumer.**

The mug is printed with "this is not a plastic mug" and the marketing board shows 0% plastic, biodegradable, compostable etc. The compostable icon has a shovel direct into the ground and the biodegradable icon shows a tree. Misleads consumers to think they can just throw the mug in the nature or their home compost and it will degrade. But this is not the case. The test documents shows only industrial compost.

**It should not be sold for more than it is, a plastic material made from renewable resources.**

## PROJECTS FOCUSING ON; REDUCE, REUSE, RECYCLE AND THE ENVIRONMENTAL IMPACTS

### RECYCLEX BAG COLLECTION

To make our impact on the principles “reduce and recycle” we have made our top three selling bags in new material, using certified recycled polyester (RPET) instead of virgin material where possible on the bag.

By making this change in our new production we have reduced the used virgin material by 2150 KG.

The new collection “RECYCLEX” will be launched in the beginning of 2020.

### SILK DUVET COLLECTION

Since 2008 one of our top selling products has been the silk duvet and pillow. Since we first launched the product the packaging has been in same design only changing the colours. A non-woven bag with a transparent plastic window, a mix of several materials.

2019 made us focus on the materials and construction in our own productions. It was therefore clear that the packing should change when the item was re-ordered. On the new bag the transparent window is replaced with same non-woven material as the rest of the bag. Creating a bag with reusable and recycling purpose.

### WEBSHOP PRODUCT RANGE WITH FOCUS ON WASTE

► OUR JUST-IN-TIME CONCEPT  
SAVES 15-20% WASTE

We handle web shop solutions for 48 of our biggest clients. And have the opportunity on making their purchases responsible, by reducing their pre-branded products. To minimize our customers risk of ending up with a stock that will not be used, we developed our “Just in time” concept back in 2015 with the focus on redu-

cing pre-branded products. Only when we have received the order through the web shop, the product will be branded with company logo and still sent within 3 business days. The concept and products are developed every year and consist today of more than 80 different standard textiles and bags.

### REDUCTION OF SINGLE USE PLASTIC BAG PRODUCTIONS

Plastic bags is a huge environmental problem both since it is a single use item. But also, because it is often thrown in the nature impacting the oceans and marine life and the nature.

As we want to make our contribution to keep the oceans and nature safe and clean and reduce the number of single use plastic bags. We promote the purchase of reusable shopping bags instead of single use plastic bags to our customers.

We don't have exact numbers on how many costumers that has chosen the reusable bags. But we can see that e.g. both the single use plastic bag and paper bags has decreased since 2016. So, our earlier plastic bag production has not switched to paper instead (paper bags that would have other environmental concerns as a single use product).

#### *Plastic bag production:*

From 2016-2019 the plastic bag production has decreased by 73%

#### *Paper bag production:*

From 2016-2019 the paper bag production has decreased by 81%

Our target for next year is that the total decreased plastic bag production should reach 85%

### FSC CERTIFIED PAPER FROM CHINA

To make sure that our paper productions are as responsible as possible, we have made a policy only to purchase paper from FSC certified (or similar) factories in China.

Buying FSC® approved products means that there will be taken care of the forests, wildlife and the people in it. It assures that the harvested trees are replaced or allowed to regenerate naturally. But also ensures that the workers in the forest receive education, safety equipment and proper wages.

Metz is approved  
as a distributor of  
FSC® certified products

and have a trademark  
license: FSC-N001788.



## COMPANY CHRISTMAS GIFTS

We develop and produce Christmas gifts to the largest companies in Denmark. Our customers rely on us to find the right products; it is a responsibility we are committed to as one of the leading suppliers in the market.

### The Christmas gifts area are divided in to three groups.

- Customer defined Christmas web shops (with their own gift choice).
- Customer defined gift for all employees.
- Predefined Christmas web shop ([Firmajulegaver.metz.dk](http://Firmajulegaver.metz.dk)) with a minimum of 25 different gifts within each budget. Normally the company receives plastic gift cards with unique codes to hand out to their employees.

### DESELECTED PLASTIC GIFT CARDS ON OUR PREDEFINED CHRISTMAS WEB SHOP

As part of our environmental commitment, we actively want to reduce single use plastic. This year we have made it possible to deselect the gift card and receive electronic gift codes instead. For each deselected plastic gift card, a donating of kr. 5,00 per card will be made to Plastic Change by Metz.

Our ambition is to reduce the gift cards by 50% in 2019.

If we reach our ambition the following will be saved in 2019.

- 15000 pcs plastic gift cards
- 15000 pcs cardboard packing sleeves
- 550 shipments

As the Christmas Gift season is running now, we will report on the result in next year's COP.

Our target for 2020:  
70% reduction of  
physical gift cards.

### DONATION GIFT ON OUR PREDEFINED WEB SHOP

As a standard one of the 25 gifts are a donation gift.

Last year we entered into a collaboration with "Save the Children" organization in Denmark. By choosing this gift a donation will be made to "Save the Children" and will among other projects be used for special Christmas events for vulnerable families around in Denmark.

The organization "Save the Children", provides experiences to children from the poorest families in Denmark and helps them become part of a community.

### SUSTAINABLE CHRISTMAS GIFTS ON OUR PREDEFINED WEB SHOP

We want to be our customers sustainable partner and make it easy for them to offer the sustainable choice to their employees. So we have included a range of sustainable products in the gift election.

### THIS YEARS SUSTAINABLE CHRISTMAS GIFT

#### BOSKANI KITCHEN COMPOST BUCKET

Bokashi is a Japanese word for fermented organic material. There is another way of transforming food waste into organic nutrients.

It is designed to ferment all food waste in your home to reduce your household waste. From the fermented waste you get 3 useful products: solid fertilizer, liquid fertilizer and drainage cleaner.

The bucket is made of recycled plastic and is also recyclable.



For each deselected plastic gift card, a donating of kr. 5,00 per card will be made to Plastic Change by Metz.



## METZ STAKEHOLDER CSR ACTIVITY 2019

### CUSTOMERS

Over the last three years there has been a significant change, in the requirement from our customers. Most of our clients now have procedures to ensure that there are no breaches in their supply chain.

This year we have met a high number of requests from our customers regarding sustainable products and material choice. Our clients want to do the right thing when purchasing product but searching on which to choose.

#### CUSTOMER SUSTAINABLE PROGRAM

We feel it as an obligation to share our knowledge with our customers. To support their business, we have made a program offering them a meeting to talk about sustainable purchasing and what path would be the right for their company. The agenda of the meeting could include; greenwashing, consumption patterns, materials, supply chain management etc. The meeting would include our CSR manager but could also include Plastic Change. The program was launched in September 2019 and will continue throughout 2020.

We got the idea for the program when one of our customers asked for a meeting to spare on sustainability and sustainable purchases. From the evaluation we got very good feedback. We therefore saw this as an opportunity to make same support our other customers.

### ► This is what our customer says about the sparing and counselling:

“The advice we received from Metz was very professional and helped us achieve good insights, into how we as a company can run a more sustainable and green business.

It was both good advice, because the Metz consultants had deep knowledge and could give us answers to relatively technical questions.

But at the same time, they had a nice pragmatic approach that makes us as a customer feel that the road to more sustainability, is a journey that we can realistically take part in.

**Finally, it was reassuring that the environmental focus seemed so genuine, and that in some cases the environmental considerations were above sales.”**

### SUPPLY CHAIN

It is important that our supply chain has a responsibility towards CSR and towards us, and we believe that building bridges between our companies will result in better products and better business relationships. Collaborating is therefore an important factor in our supplier strategy and have in 2019 among others resulted in the following.

1. We have been in dialogue with a supplier to change their product descriptions as it was stating that the product was biodegradable without having the test to back this up.
2. We were asked if we would write a customer section in Georg Jensen's COP report. Where we also stated the importance of a supplier-customer and customer-supplier relationship.
3. We have helped suppliers updating their Code of Conduct upon their request. Their Code of Conduct was outdated and wanted our guidance what to include.
4. We have visited 2 of our primary factories in China.



## APPENDIX 1

## ▶▶ METZ CSR POLICY

Metz wishes to be a responsible and trustworthy business partner as a supplier of promotional products and corporate gifts to Denmark's largest companies. Metz does not have any in-house production, but act as trend spotter and purchaser for our customers. By delivering the right products, by providing high quality service and by creating a transparent value chain, we want to support a successful business for our customers. Metz was founded upon these values and principles.

We created our CSR policy with the goal of making a positive difference. We are committed to monitor and manage our supply chain in compliance with internationally recognized principles for Human Rights, Labour Standards, Environment and Anti-Corruption.

The framework for, and backbone of, our CSR strategy and activities are based on the ten principles of the UN Global Compact that we joined in November 2013 as well as our environmental commitment.

Our commitment is integrated in our business values and communicated where we have business activities and follow as a minimum the law.

**OUR RESPONSIBILITY TOWARDS ETHICAL BUSINESS PRACTICES IN OUR ACTIVITIES:**

Employees at Metz are expected to show good judgment and, if in doubt, they should contact their nearest manager or the CSR responsible. We will work against bribery, corruption, fraud and any other prohibited business practices in our business activities.

**Included by not limited to;**

- Public officials or private-to-private corruption.
- Payment of bribes or trading in influence in relation to business partners, government officials or employees.
- Use of facilitation payments.

- Political contributions, charitable donations and sponsorships in expectation of undue advantages.
- Permitting or participating in money laundering.

**OUR RESPONSIBILITY TOWARD HUMAN RIGHTS IN OUR BUSINESS ACTIVITIES:**

We will work to ensure basic human rights in our business activities by ensure that internationally principles are followed, including but not limited to;

- Work against discrimination in all its forms.
- Work against forced labour.
- Work against child labour.
- Work to respect workers right to establish trade unions.
- Work to ensure good working conditions, including working hours, wages, rest periods, overtime.

**OUR RESPONSIBILITY TOWARDS HEALTH AND SAFETY IN OUR BUSINESS ACTIVITIES:**

We will work to ensure a safe and healthy work place for workers involved in our business activities by ensure that internationally principles are followed, including but not limited to;

- Good working conditions.
- Access to clean water at the work place.
- Personal protective and safety equipment for the workers.
- Conducted health & safety training at the work place.
- Conducted emergency training at the work place.

**OUR RESPONSIBILITY TOWARDS THE ENVIRONMENT:**

We will work to fulfil the environmental responsibilities in our business activities and our manufacturing processes by ensure that internationally environmental principles are followed, including but not limited to;

- Energy consumption.
- Emissions to air and land and water.
- Management of hazardous materials and waste.
- Minimizing potential hazards to the environment.

**REDUCE REUSE RECYCLE WE ARE COMMITTED TO;**

- Collaborate with our suppliers, customers and other partners to make a difference in our business area.
- Continuously focusing on minimizing our products environmental impacts in the manufacturing, use and disposal process.
- Constant focusing on reducing our internal consumption, included but not limited to energy, paper and plastics.



## APPENDIX 2

## ▶▶ METZ SUPPLIER CODE OF CONDUCT

As a business, Metz wants to take responsibility for our impact on society and the environment. We want our suppliers to do the same.

This Code sets out our requirements to you as a supplier in terms of responsible business conduct. You are obliged in all your activities to comply with all applicable laws and regulations in the countries where you operate, including for product safety and environmental issues, and meet the requirements based on international standards listed in the following. In return, you can expect us to do the same.

The requirements in this Code build on international guidelines, including the UN Global Compact, the UN

Declaration on Human Rights and the ILO conventions. Where conflicts arise between applicable laws and regulations, this Code of Responsible Business Conduct, or requirements contained in our agreement with you, you must follow the strictest requirements.

**SCOPE OF THE CODE**

This Code of Responsible Business Conduct applies to all Metz' suppliers and your employees; this means any firm or individual that provide a product or service to Metz.

You must enforce the requirements in this Code with your own suppliers and inform them of the requirements in this Code, as they must also meet the demands outlined in this Code.

**DOING BUSINESS WITH METZ**

We want to do business with suppliers who share our commitment to responsible conduct. To be a supplier to Metz, you must meet the following requirements:

**1. Human Rights and Labour Standards**

**DISCRIMINATION:** You must treat all workers fairly. You must not discriminate against or harass any group or individual in your employment practices on the grounds of (but not limited to) gender, age, race, sexual orientation, nationality or ethnic origin, disability, political affiliation, union membership or religious beliefs.

**FORCED LABOUR:** You must not use forced labour, and no worker must be required to lodge a money deposit or original identity papers to be employed or to keep their employment.

**FREEDOM OF ASSOCIATION AND RIGHT TO ORGANIZE:** You must respect the right of your workers to establish, join or not join trade unions and any other association of their choice. You must support the right of representative unions and staff to bargain collectively. Where national law restricts the right to freedom of association and collective bargaining, you should allow workers to freely elect their own representatives to engage in dialogue with their management.

**CHILD LABOUR:** You must not use child labor. You must adhere to local regulations when employing young workers. Workers under 18 years of age must not engage in hazardous work, and workers employed must be at least 15 years of age or older than the compulsory school age.

**WORKING CONDITIONS:** You must ensure that working conditions, hours and voluntary overtime are in accordance with local regulation and industry practice, and that wages and benefits meet legally mandated minimums without unauthorized deductions. Work hours shall not exceed 60 hours per week, including overtime, except in extraordinary circumstances. You must allow all workers to have adequate rest periods, with at least one uninterrupted day off per seven day week.

**HEALTH AND SAFETY:** You must provide a safe and healthy work place for all workers. This includes, as a minimum, providing all workers with clean toilet facilities, access to clean water, adequate personal protective and safety equipment, adequate health & safety training, adequate heat and ventilation, adequate emergency training and emergency exits. You must never use any type of physical or psychological abuse.

**2. Environmental Management**

**RISK IDENTIFICATION AND MANAGEMENT:** Where your activities involve an environmental risk, e.g. relating to your energy consumption, emissions to air and land and water, as well as management of hazardous materials and waste, you must implement an effective system to identify and minimize potential hazards to the environment. The system must be appropriate to the size, nature and risks of your operations and work towards continuous improvement in managing these risks. The system should be based on internationally recognized environmental management principles and applicable laws.

**3. Ethical Business Practices**

**INTEGRITY:** You must act in an ethical, fair and professional manner in all contact with Metz. You must have honest and accurate recording and reporting of information. **CORRUPTION:** You must comply with applicable laws and regulations concerning bribery, corruption, fraud and any other prohibited business practices. You must not offer or give an undue advantage or favor to any public official or other third party, neither directly or through an intermediary. Nor must you demand or accept bribes or other improper payment for yourself to act or refrain from doing your duties.

**INSPECTION AND TERMS**

You must meet the requirements of this Code in order to do business with Metz. It is your responsibility to achieve and maintain the minimum standards required in the Code and to train your workers on their rights and obligations. We proactively communicate the requirements of our Code to suppliers, and we expect you to do the same.

As part of our agreement, we reserve the right to follow up on compliance with this Code, as well as pay visits to partners and factories at any time in order to ensure compliance with this Code. The follow-up may range from a request for documentation to an announced on-site audit. We require your full collaboration with such audits.

By a deliberate violation or a material breach to this Code of Conduct, Metz is entitled to terminate any effective agreement with the supplier or if applicable any purchase orders.

For more information please contact your Metz representative directly.

