



Stieler & Co. A/S

**Turbo on accountability
2019-20**

We want to take the lead.

Stieler & Co. have been focusing on sustainability and responsible supplier management for many years, but 2019 was the year in which we seriously took action behind the vision in being the most sustainable and responsible product agency in Denmark. 2019's initiatives will be further developed and refined in 2020.



Stieler & Co. has been a member of UN Global Compact since 2017, who works within The Ten Principles in order to establish fundamental responsibilities in the areas of human rights, labor, environment and anti-corruption. We support these principles and this report is based on the four topics, in order to clarify our initiatives in this matter.

We support human rights.

With a global network we recognize our responsibility to influence our suppliers, thus we believe our supply chain to be the area of which we have our biggest impact and opportunities to improve social, ethical and environmental conditions. Stieler & Co. constantly works to improve the supplier selection process in order to improve social- and environmental standards within the factories. A 2020 goal for us is to be even more transparent towards our customers, why a new, tailor-made platform is being developed so all our customers will be able to read factory audits, see photos and follow each order closely. We believe this is the best way to do business; honest and reliable.

Full capacity on green solutions.

Stieler & Co. are continuously dedicated improving our influence on the environment. We make sure to always look at new ways to optimize our processes and switch products to sustainable solutions in order to minimize the environmental impact.

In the beginning of 2020, we did an environmental initiative in our showroom, in order to showcase environmentally friendly and sustainable products such as corporate bicycles, recycled pens, water bottles, umbrellas, mugs, tote bags, caps etc.

The Stieler approach.

On the following pages, you can read about our Stieler approach and how we aim to take the lead when it comes to sustainable solutions for our costumers. All mentioned initiatives have strengthened our business and given us knowledge about a new customer need: sustainable merchandise. You can read a more concrete and comprehensive description about all our initiatives in the following pages.



Enjoy!

Yours sincerely,

A handwritten signature in blue ink that reads "Kent Pedersen".

Kent Pedersen
CEO & Partner

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Stieler at a glance

2019

8

+employees
45% Men
55% Women



Member since
+2017
X3 RD COP report



75%

Company Bikes

Company Cars



25%

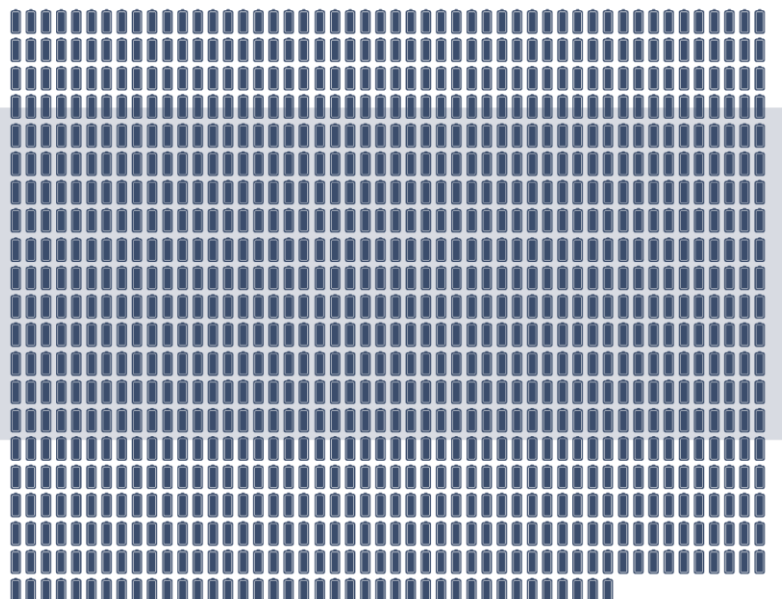


20

Per Week



1040

 Per Year



Stieler & Co. supports human rights.

When Stieler & Co. selects suppliers, efforts are focused on the question of weighting resources against importance of the supplier, and the CSR risks that are particularly relevant. The process when selecting and eliminating suppliers, consist of five stages.

Stieler & Co.'s selection process plays an important role in reducing risk, costs and response time. Sourcing & Project coordinator, Lisa Ha explains: *"When we engage in a dialog with new suppliers, the first stage is to request the suppliers to read and comply with our "Code of Conduct". To eliminate the risk of adverse impacts on our CSR principles, we include suppliers where we have a justified suspicion of adverse CSR performance".*

She elaborates: *"Preventive activities will depend on the resources we have available to engage in a dialog with the specific supplier. We focus efforts on suppliers with highest commercial*

impact. It is typically these suppliers we can influence the most, since we are an important partner for them. Together with our representatives in Hong Kong and China we visit the suppliers we are particular dependent on".

Here's how Stieler & Co. keeps an eye on partner factories.

Suppliers must have a certification to prove, they meet the requirements regarding working environment. Stieler & Co. always looks for certifications, that indicates good standards

within work environment such as SA8000, ISO 9001 and BSCI1 certification.

“Factories must be certified within environmental management to prove they meet the requirements.”

Lisa Ha, Sourcing & Project coordinator

The SA8000 Standard is the leading social certification standard for factories and organizations across the globe and involves fair treatment of workers across industries. The certification touches elements such as child labor, forced or compulsory labor, health and safety, discrimination, working hours and more.

The BSCI certification includes workplace conditions in accordance with human rights, ILO conventions and national labor law. This certification is designed to improve working conditions for the suppliers of BSCI's participating member companies.

“Factories must be certified within environmental management to prove they meet the requirements. When selecting a factory in China, we strive to select factories with an ISO 14001 certificate in order to secure that the organization meets the standards regarding environmental management. The certificate is a part of the management system used to manage environmental aspects, fulfill compliance obligations, and address risks and opportunities and it specifies requirements for an effective environmental management system (EMS)” says Lisa Ha.

CEO & Partner Kent Pedersen adds additionally: *“We will in 2020 launch a new platform for all customers special made for them to see our engagement with the specific factory who produce the order. This means, our customers in the future will be able to see the reports from the factory concerning Social compliance and sustainability”.*

Stieler & Co. - Code of Conduct.

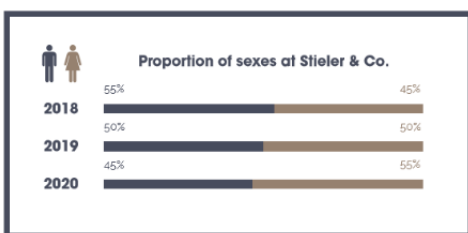
Stieler & Co. developed their own Code of Conduct in 2017 in order to build lasting collaborative relationships with suppliers and other partners. The Code of Conduct is an essential and integral part of all business agreements with Stieler & Company why acceptance and compliance with this Code of Conduct is mandatory for all suppliers. The Code of Conduct touches areas such as anti-corruption, labour, working environment, environment, discrimination and human rights.



Employees who thrives, favors bottom line.

Stieler & Co. believes that happy and motivated employees benefit both work environment and bottom line.

Diversity is about gender as well as age, experience, ethnicity and education, though studies show, that if a company has an equality in genders, they will experience a higher financial return. Stieler & Co. joined Ring the Bell for Gender Equality which is in compliance with 5th SDG (Gender Equality). Stieler & Co. are continuous focusing towards a more diverse working environment including a balance between age as well as proportion of men and women.



Stieler & Co. makes a yearly Employee Satisfaction Survey among all employees in order to improve and gain insights of the work environment (see below chart, rated from 1-10). *"We are pleased to see, that the general picture of the work environment among employees is positive. There have been some organizational changes in 2019 and in the beginning of 2020 so it's very rewarding to see, that our employees are thriving and happy going to work. However, the*

survey also gives us great insights on where to improve for us to reach our goal that all areas are above 8 in average" says CEO & Partner, Kent Pedersen. He elaborates: *"We always priorities having fun while working which also reflects the Employee Satisfaction Survey and the amount of social activities throughout the year such as the annual Kick off event and the DHL Relay Race"*. Stieler & Co. has participated in the DHL Relay Race since 2006, and Kent Pedersen believes this particular event is a good occasion to get out of the company's walls and enjoy a great day of fun, exercise and bonding with colleagues and family members.

Employee satisfaction survey in average





Stieler & Co. will be working on full capacity on green solutions.

Stieler & Co. recognize that the transformation towards zero emission is complicated and long, unfortunately. However, Stieler & Co. is very curious and always keen to learn more about new sustainable solutions to react on climate changes. Hence, employees also participate in different events thrown by UN Global Compact or other stakeholders in order to learn and act accordingly.

In last year's COP report, Stieler & Co. aimed to be an even more active and engaging member of UN Global Compact and to actively participate in the upcoming events. Nearly 50% of all employees have in 2019 participated in different events hosted by UN Global Compact or other relevant stakeholders.

Stieler & Co. joined the webinar "Academy Special Briefing - Business Ambition for 1.5°C: Our Only Future" which complies the 13th SDG (Climate Action). By developing more sustainable alternatives for our costumers and continuous focusing on internal processes, Stieler & Co. aims to make a distinctive action towards better

climate. CEO & Partner, Kent Pedersen explains: *"Climate action is one of Stieler & Co.'s focus SDGs, since we believe that we can make the fastest and biggest change here by improving our day-to-day business internally and externally".*

Furthermore, Stieler & Co. participated in "SMV COP 2019" hosted by UN Global Compact, where the best reports were acknowledged and highlighted for other SMV's to learn best practice. Student Assistant, Amanda Harvest tells: *"We decided to join the event since we wished to get inspiration on how to approach the 17 SDGs within our business model. We gained so much knowledge and ideas in which we actually work*

on integrating in our business model as we speak. I really look forward to continue working on these projects in order to be even better when it comes to a more sustainable and responsible business model”.

A greener future.

In 2018 Stielor & Co. started to provide sustainable products for their customers in order to aim towards a 'greener future'. In 2019 this was reinforced when the company supplied the postal company PostNord with 500 water bottles made from 100% recycled PET bottles and bamboo. The water bottles support the Plastic Bank; a social enterprise headquartered in Canada which aims to clean up plastic waste from our oceans while providing valuable opportunities for impoverished communities. Stielor & Co. will in 2020 have an even bigger focus on providing customers with sustainable solutions whenever possible.

Small initiatives do also count.

Stielor & Co. strives to support FN's 17 SDGs whether it is small day-to-day routines or bigger initiatives like the earlier mentioned special made platform for our existing customers. Stielor & Co. have in 2019 invested in three company bicycles in order to limit using the car for customer visits in the neighborhood. By having the bicycles Stielor & Co. expects to see a radically decline in the fuel consumption in the years to come. The developer of this initiative, Creative Director & Partner, Thomas Kjersgaard explains "*A proportion of our employees take public transport to work, which means they often choose the company car whenever they need to visit a customer. We saw an opportunity by developing our own bicycles, as we can reduce fuel costs, implement a green day-to-day solution while our employees can do their daily workout when going out to meet customers. We think this is an ideal win-win initiative, which befits both the environment, employee health, brand value and the bottom line*".

The 17 Sustainable Development Goals.

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth - all while tackling climate change and working to preserve our oceans and forests.

Source: www.sustainabledevelopment.un.org

The Stieler approach.

Stieler & Co.'s ambition is to actively manage a responsible supply chain and promote sustainable products in order to contribute positively towards society and environment.

Stieler & Co. have implemented a responsible supply chain management system, which is based on CSR- and product/quality compliance. Sourcing & Project coordinator, Lisa Ha explains: *"The overall focus in our CSR strategy is driven by following ambitions:"*

- + We strive to create positive value for all shareholders. Both present and future associations with Stieler & Co. shall create long-term value by an enhanced corporate image.
- + We believe that by working responsibly and sustainably we can reduce the negative impact and develop innovative solutions to advance our positive contribution to the environment and society upon which we depend for our future growth.
- + We recognize the complexity of global procurement and the risks that can occur when buying promotional products. Therefore, we take every effort to select and monitor our global network of suppliers, and manage their performance over time to establishing long lasting collaborative relationships.

Continuous aiming to improve.

Sourcing & Project coordinator, Lisa Ha tells: *"I participated in UN Global Compact's workshop about responsible supply chain management. I do a lot of sourcing every day so this workshop was an ideal event for me to join. It gave me great insights on how to be even better when sourcing and selecting suppliers for future collaborations. In relation to this workshop we have become more aware on how to make fully use of our membership at Sedex".*

Sedex is one of the World's leading ethical trade service providers. They work on improving working conditions in global supply chains. They

offer practical tools, services and a community network to help companies, like Stieler & Co. to improve their responsible and sustainable business practices, and source responsibly.

Encouraging to safe and healthy work environment.

2019 was the year, where Stieler & Co. started to take a serious action towards factories in the East. With a long history working in China and the Far East, Stieler & Co. recognizes that the working conditions needs extra attention. The managers should appoint one or more representatives with the responsibility to formulate written policies and procedures with respect to health, safety, social welfare and facilities management.

"I'm very proud, that we every day prove that it is possible to achieve success without accepting or engaging in any form of corruption."

Flemming Bendixen, Client Director

The representatives will monitor policies and procedures and secure they are communicated and respected. It is important that the management team and the representatives understand the impact of having healthy and motivated employees. Stieler & Co. encourage and motivate suppliers to maintain and improve a positive safe and healthy working environment, by focusing on benefits that reduces sickness. By encouraging and promoting a good healthy workforce, the suppliers can improve productivity, moral, employee engagement and performance.



Responsible collaborations.

Stieler & Co. is against all forms of corruption. Client Director, Flemming Bendixen elaborates: *"I'm very proud, that we every day prove that it is possible to achieve success without accepting or engaging in any form of corruption."*

Denmark is according to the Transparency International and the Corruption Perceptions Index 2020 again this year ranked as no. 1 out of 180 countries. This shows Denmark is the least corrupted country in the world alongside New Zealand, who also is ranked as no. 1. Furthermore, Denmark has scored 87 points out of a 100. *"Also*

China, which is our primary used supplier country, is ranked as no. 80 out of 180, which is a substantially better ranking than their no. 87 last year. This is of course considered very positive since China's Government increased focus on anti-corruption obviously has born fruit" says Client Director, Flemming Bendixen.

Stieler & Co. have within the company an excellent check system over transactions. The records are maintained with proper proves where each DKK goes to and what is done with it. The accountant and management board control this information in close cooperation.

The Corruption Perceptions Index.

Since its inception in 1995, the Corruption Perceptions Index, Transparency International's flagship research product, has become the leading global indicator of public sector corruption. The index offers an annual snapshot of the relative degree of corruption by ranking countries and territories from all over the globe. In 2012, Transparency International revised the methodology used to construct the index to allow for comparison of scores from one year to the next. The 2019 CPI draws on 13 surveys and expert assessments to measure public sector corruption in 180 countries and territories, giving each a score from zero (highly corrupt) to 100 (very clean)

Source: www.transparency.org