



COMMUNICATION ON PROGRESS 2020

BAXX & METZ

CONTENTS

INTRODUCTION - CEO STATEMENT OF CONTINUED SUPPORT	04 - 05
ONE COMPANY	06 - 07
OUR SUSTAINABLE JOURNEY	08 - 09
OUR COMPANY	10 - 11
<ul style="list-style-type: none">- OUR EMPLOYEES- WORKING ENVIRONMENT- TRADE UNION AGREEMENT- SOCIAL COMMITTEE- ENVIRONMENT COMMITTEE	
BUSINESS AREAS	12 - 15
<ul style="list-style-type: none">- PROMOTIONAL PRODUCTS- PROFILE CLOTHING- CHRISTMAS GIFTS- CORPORATE GIFTS	
PRODUCT COMPLIANCE	16 - 17
<ul style="list-style-type: none">- OUR APPROACH TO "ENVIRONMENT FRIENDLY" PRODUCTS- PRODUCT COMPLIANCE ASSESSMENT	
OUR APPROACH TO CSR	18 - 19
<ul style="list-style-type: none">- QUALITY & ENVIRONMENT MANAGEMENT SYSTEMS- THE PURPOSE OF OUR COMMUNICATION ON PROGRESS- WORKING WITH THE 10 PRINCIPLES AND SDGs- WHAT IS UN GLOBAL COMPACT & THE SDGs	
RESPONSIBLE SUPPLY CHAIN MANAGEMENT	20 - 23
<ul style="list-style-type: none">- RESPONSIBLE BUSINESS BEHAVIOUR CERTIFIED- RISK SEGMENTATION OF SUPPLIERS- INTRODUCTION TO METZ COMPLIANCE LEVELS- HIGH-RISK BUYING COUNTRIES- HIGH-RISK SUPPLIER PROCEDURE	
REVIEW OF SOCIAL AUDITS 2020	24 - 25
LEVEL 1 FACTORIES USED IN PRODUCTIONS	26 - 27

OUR ENVIRONMENTAL COMMITMENT	28 - 33
<ul style="list-style-type: none">- 3 R's REDUCE REUSE RECYCLE- RENEWABLE ENERGY- PROJECTS FOCUSING ON REDUCE REUSE RECYCLE- PROGRESS & TARGETS	
MATERIAL & PRODUCT FOCUS AREAS	34 - 39
<ul style="list-style-type: none">- 2019 FOCUS AREA - PLASTIC MATERIALS- 2020 FOCUS AREA - HAND DISINFECTANTS & FACE MASKS- 2021 FOCUS AREA - TEXTILE STANDARDS	
"GREEN" OR GREENWASHING	40 - 41
<ul style="list-style-type: none">- IS THE T-SHIRT "GREEN"?- PLASTIC GREENWASHING TRAPS	
STAKEHOLDER ACTIVITY 2020	42 - 43
<ul style="list-style-type: none">- CUSTOMERS COLLABORATION- SUPPLY CHAIN COLLABORATION- SOCIAL WORKSHOP COLLABORATION	
APPENDIX 1	44
<ul style="list-style-type: none">- CSR POLICY	
APPENDIX 2	44 - 45
<ul style="list-style-type: none">- SUPPLIER CODE OF CONDUCT	



Working with the Un Global Compact principles and the sustainable development goals, gives us common ground and the opportunity to show that we take our responsibilities seriously.

Camilla Feldschau Petersen
csr@metz.dk

Employed at Metz since 2005
CSR Manager since 2014



“For me personally, it is highly motivating to be part of a team, that makes all new changes possible”.

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 in higher quality.

Our mission is 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 products.

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. In 2020 Metz obtained certifications within the ISO9001 & ISO14001 management systems, to further support our sustainable journey. The certifications verify what we have been doing for many years. Focusing on, customer satisfaction, product and service quality, supplier management, product compliance and the environment.

In 2020, the global coronavirus (COVID-19) pandemic made its entry. As for many other companies, it forced us to rethink our business structure and optimize our processes. We also had to look at new business areas to keep up

with the demands in the market. We had to think promotional products and gifts into the new online meeting universe. At the same time, it gave us the opportunity to explore products in the sanitation and hygiene area. The demand for customer designed hand disinfectants and face masks increased significantly in a time where the market generally was low on these products. This put a new demand to our knowledge about legal requirements and compliance, in this area. With this being said, our biggest impact is still in the production and consumption area, which sets out in SDG 12.

NEW EXCITING ANNOUNCEMENT FOR 2021

Looking beyond the pandemic, this year we will introduce exciting new opportunities for our customers. As of May 1st we are merging with Baxx Promotion, also a UN Global Compact member and frontrunner on CSR.

Recent years, product compliance requirements have made the procurement processes more and more complex. The requirements for both social and environmental compliance have been increasing. This also goes for the sustainable materials. Therefore, it has been a natural choice, to unite our resources and work together.

Through our joined fellowship, and driven by our ambition on being the leading force in CSR and sustainability, we will keep focusing on finding new long-term solutions, to support our customers, the circular economy as well as sustainable product development. To support the world's economies and societies.

This report is our seventh 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

INTRODUCTION
TO THE MERGE
OF BAXX & METZ
AND TO US AS
ONE COMPANY
FROM MAY 1ST 2021

INTRODUCTION TO THE MERGE

**MAY 1ST 2021,
BAXX & METZ
HAVE MERGED**

The two largest promotion and corporate gifts suppliers in Denmark have merged on May 1st 2021. We are now a total of 70 employees with an annual turnover of more than EUR 35 mill. We now have, two office locations and logistics centres. One placed in Copenhagen and one placed in Kolding. This is a big and important step going forward, both for us, but also for our customers, who will experience new and better solutions.

Both Baxx & Metz have been pioneers in the sustainable area of our industry for more than a decade. The principles of UN Global Compact and our ISO9001 and ISO14001 certifications, have worked as a tool for both organizations. Aligning our work with CSR in the two organizations should therefore be straightforward. Also, our mutual responsibility works around "RESPECT, COLLABORATION & TRUST" which also forms the framework for our approach to sustainability.

Being the main suppliers of promotion and corporate gifts to the largest companies in Denmark (and an increasing number of customers abroad), our responsibility is more than just being able to offer the best product range. Recent years, compliance requirements have made procurement processes more complex and costly with increased requirements for quality assessment and control of production facilities. In that respect it was an obvious choice to unite our resources and skills to equip ourselves for the future that we share with our customers. We can further target our efforts and fulfil our ambition to be the leading driving force in CSR and sustainability in our industry.

By joining forces, our sustainable development can now be accelerated. Together we will use this to work for a more sustainable industry, for the benefit of our customers the world's economies and the societies.

- Our joined responsibility works around "RESPECT", "COLLABORATION" & "TRUST", which also forms the framework for our approach to sustainability.

**BAXX & METZ****OFFICE LOCATION,
SHOWROOM,
WEB SHOP &
LOGISTICS CENTER
IN KOLDING**

In the late 90s, Michael Eriksen delivered the first order in BAXX Promotion. Today 30 dedicated people work at the office in Kolding, Denmark. Baxx Promotion signed up to UN Global compact in 2013, and obtained our ISO9001 & ISO14001 certifications in 2015.

**OFFICE LOCATION,
SHOWROOM,
WEB SHOP &
LOGISTICS CENTER
NORTH OF
COPENHAGEN**

Metz was established in 1993 with 3 employees. Today 40 dedicated people work in the office North of Copenhagen, Denmark. Metz signed up to Un Global Compact in 2013, and obtained our ISO9001 & ISO14001 certifications in 2020.

- Danish suppliers of promotional products and corporate gifts. We act as a trend spotter and purchaser on behalf of our customers, and supply to Denmark's largest companies and organizations.
- We design and host, web shop purchasing platforms for our customers. By integrated analytics tools, we optimize their promotional purchases across countries and departments.
- To be upfront when it comes to new global initiatives, Metz are the Danish member, and part owner of the world's largest procurement organisation, IGC Global Promotions. IGC was founded in 1956 and is a global network. The network consists exclusively of market-leading promotional gift companies and have 59 members represented on 6 continents. The network work together across borders and share new ideas and experiences with each other.
- Certified in the international management systems for quality and environment, ISO 9001 & ISO 14001.
- Members of UN Global Compact.

OUR SUSTAINABLE JOURNEYS

TOWARDS US AS
ONE COMPANY

BAXX

2008

Baxx Promotion introduced our Code of Conduct, focusing on CSR, compliance, environmental impact and working conditions.

2011

Baxx Promotion increased our focus on supplier control and compliance, with closer collaboration and systemized factory audits.

2013

Baxx Promotion signed up to the UN Global Compact in March 2013.

2014

Baxx Promotion launched initiatives focusing on minimizing the consumption of electricity and the recycling of packaging materials.

2015

Baxx Promotion obtained ISO9001 and ISO14001 certifications, as the first Danish company in the business for promotion materials and gifts.

2016

Baxx Promotion intensified our effort within CSR and compliance, adding in-house resources in a dedicated Compliance-department.

2017

Baxx Promotion became a Goodwings partner, working on offsetting emissions for all business travels and accommodation.

2018

Baxx Promotion was re-certified within ISO9001 and ISO14001.

2019

Baxx Promotion systemized procedures for sustainable products, defining internal standards for product lifetime, production, reusability and recycling.

2020

Baxx Promotion further intensified our work on the UNSDGs, focusing on goal 8 & 12.

ONE
Company
from
May 1st.

2021

METZ

2009

Metz began the first approaches to CSR. Focusing on working conditions and the environmental impacts in productions.

2010

Metz obtained membership and part ownership of the world's largest procurement organisation, IGC Global Promotions as the only Danish company.

2012

Metz gained our FSC® logo license (this was renewed in 2018 and is valid until 2023).

2013

Metz signed up to the UN Global Compact in November 2013.

2015

Metz developed our first "just in time" concept. A system that focuses on minimizing production waste by 15-20%.

2016

Metz began purchasing electricity from renewable resources in the office location.

2017

Metz further developed on our responsible supplier compliance system. Adding CSR levels to our supply chain.

2018

Metz got a certification from "Achilles". They are a global supply chain risk management provider. This to support our responsible supply chain management and to demonstrate our responsible business behaviour.

2019

Metz developed guiding tools for plastic materials and implemented systems to identify the plastic greenwashing traps. And made a clear strategy on the SDG's, primarily focusing on goal 8 & 12.

2020

METZ obtained ISO9001 and ISO14001 certifications and defined an in-house warehouse packing policy. And we changed our office cleaning supplier to a Nordic Swan certified company.

OUR EMPLOYEES FROM MAY 1ST 2021

►► We do not have any in-house production, but act as a trend spotter and purchaser for our customers. To support our customers business, all departments are in-house.

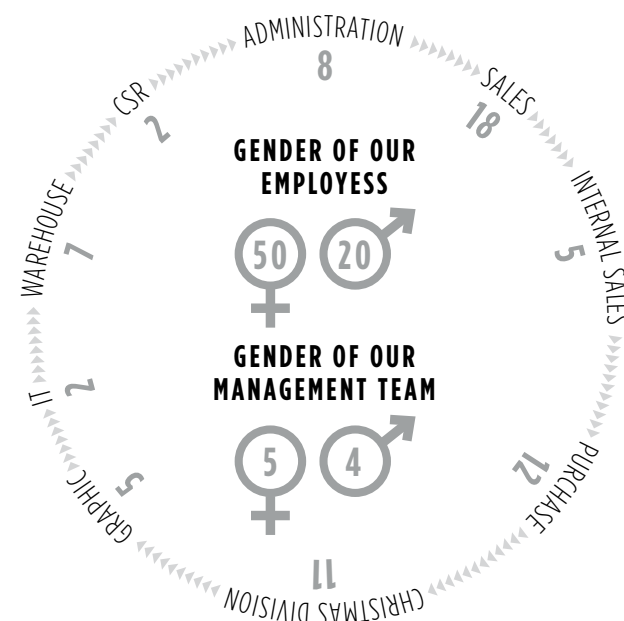
OUR EMPLOYEES MAKE A DIFFERENCE

IN-HOUSE DEPARTMENTS MANAGED
BY OUR 70 EMPLOYEES.

- SALES AND CONSULTING DEPARTMENT, provides value-creating advice and adapts customer projects to solutions.
- PROCUREMENT AND SOURCING DEPARTMENT, assure competitive prices and keep up to date on new products and trends.
- GRAPHIC DEPARTMENT, creates design proposals and assures compliance with brand guides.
- CSR DEPARTMENT, consults, monitors and assures compliance.
- IT & WEB SHOP SOLUTION, develops web shops and optimizes processes.
- WEB SHOP SUPPORT & CUSTOMER SERVICE, ensures customers satisfaction.
- WAREHOUSE & LOGISTICS CENTERS, handle web shop stock and distribution, both local and global.
- CHRISTMAS DEPARTMENT, assures the best supplier agreements and product range for company gifts and appreciation items.

RESPECT. COMMITMENT. SUPPORT ACTIVITIES

We always incorporate these three values in our daily activities. We set the bar high and offer our customers the most optimal solutions.



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 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, free fruit etc.

UNION WORKERS AGREEMENT

Our head office in Copenhagen 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.

SOCIAL COMMITTEE

Metz founded a social steering group in 2018 called "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.). Due to the corona pandemic (COVID-19) all our physical social events were cancelled. Instead, the steering group arranged two on-line bingo events in 2020, where we could be social on-line.

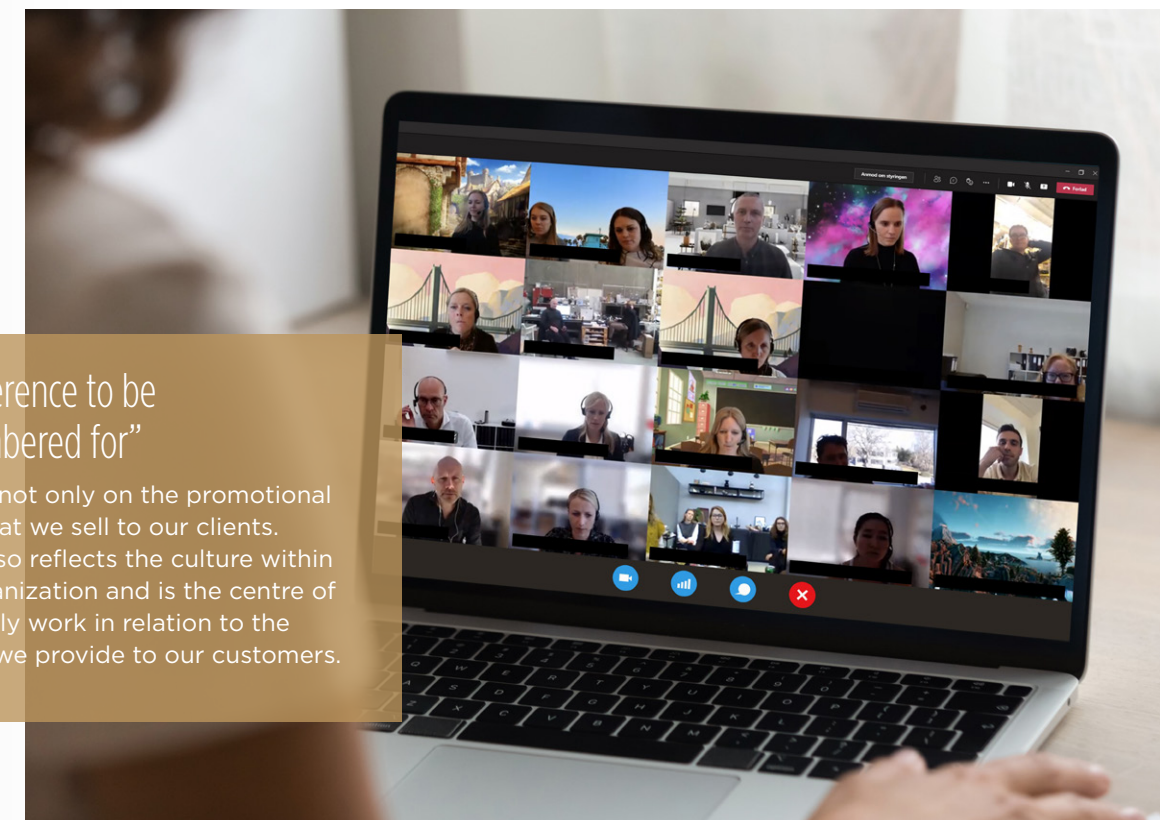
All participants received a family box, with different delicacy and bingo boards. And it was one hour of fun. This initiative is continuing in 2021.

ENVIRONMENT COMMITTEE

The purpose of the committee is to meet and discuss new environmental initiatives and communicate these to the different departments.

"A difference to be remembered for"

reflects not only on the promotional items that we sell to our clients. But it also reflects the culture within our organization and is the centre of our daily work in relation to the service we provide to our customers.



BAXX & METZ

**BUSINESS AREAS
& PRODUCT
COMPLIANCE**

ONE COMPANY FROM MAY 1ST 2021

BUSINESS AREA PROMOTIONAL PRODUCTS

PROMOTIONAL PRODUCTS ►►

Promotional products typically have targeted purposes and often form an important part of large campaigns. This requires an ability to come up with fun, touching and imaginative ideas with respect to the marketing strategy and the campaign message. We design and develop in collaboration with our customers, and handle the entire process from designs to production and delivery of the finished product.

BUSINESS AREA PROFILE CLOTHING

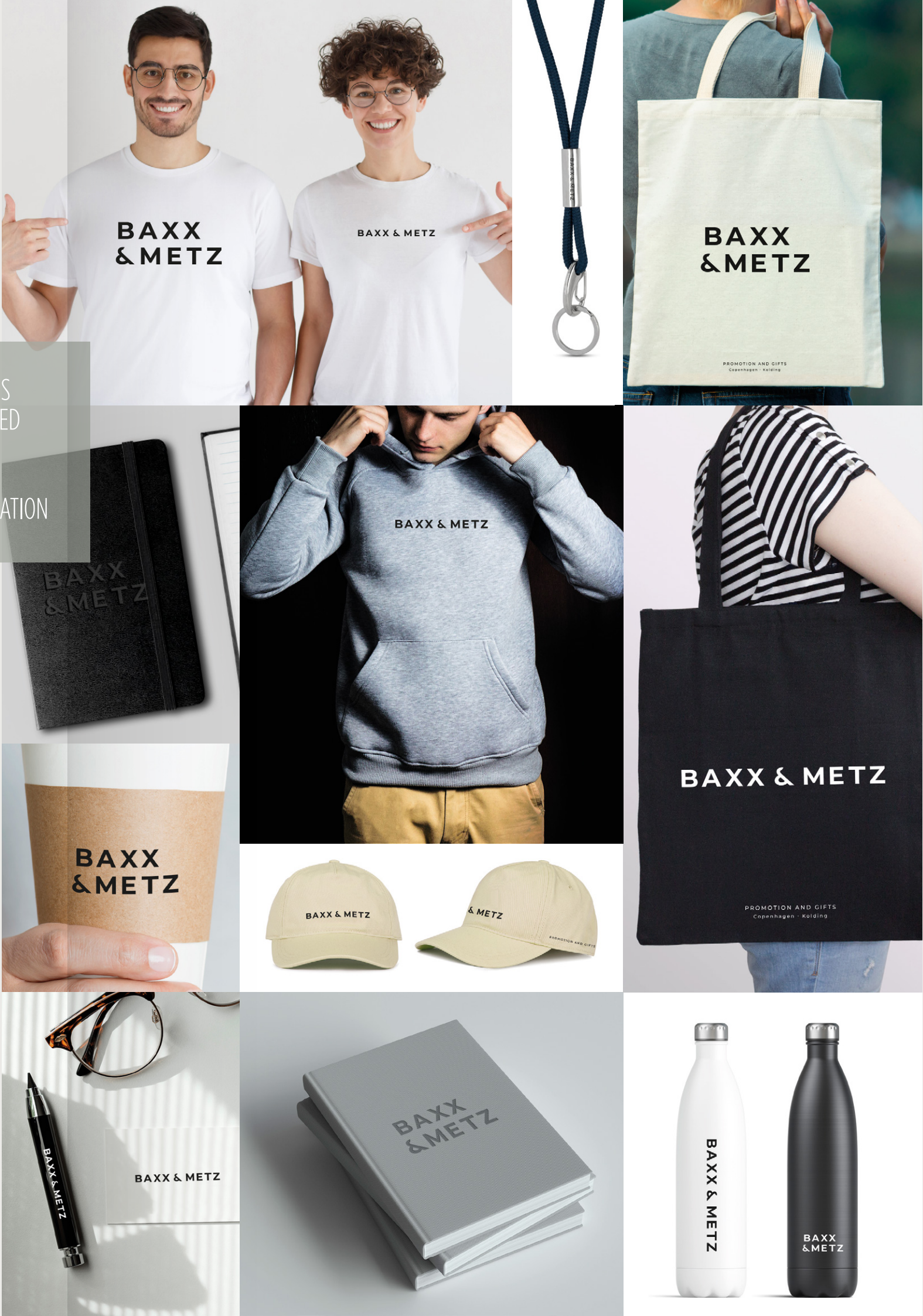
PROFILE CLOTHING ►►

Clothing will always tell a story and is an important part of the company's public face. Employees and customers should not just wear a logo but tell the company's story. We design and produce apparel for many Danish companies. A thorough needs analysis, followed up with design suggestions enable our customers to make the right choice, e.g. a special production with the opportunities this provides, or a branded product from stock.

PLAY VIDEO



EACH PRODUCT IS
ALWAYS ASSESSED
TO ENSURE IT
COMPLIES WITH
CURRENT LEGISLATION



BUSINESS AREA CHRISTMAS GIFTS

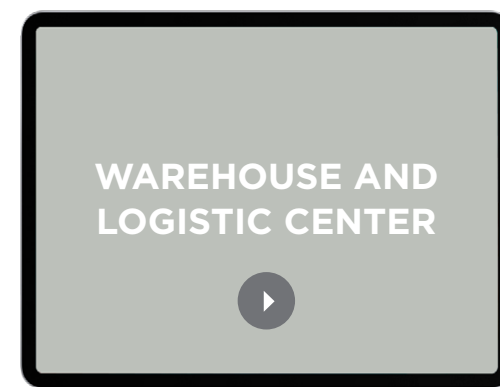
We develop and produce Christmas gifts to the largest companies in Denmark. Our customers rely on us to find the right products; it is a responsibility we are committed to as one of the leading suppliers in the market.

THE CHRISTMAS GIFTS AREA IS 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) with a minimum of 25 different gifts within each budget.

As a standard one of the 25 gifts is a donation gift. Since 2018, we have had a collaboration with the "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.

PLAY VIDEO



UMI chair, handmade in FSC-certified wild ash. The braids are made from OEKO-TEX 100 certified hemp. The product is produced in EU.



OMHU, Organic bed linen and towels. Certified by: GOTS, Svanemærket, OEKO-TEX 100 and Fairtrade.

BUSINESS AREA CORPORATE GIFTS

We offer a large range of branded gifts to our customers. But we also create custom designed gifts and gift baskets.

In 2020, many of our customers employees worked from home. As the months went by, companies chose to send appreciation gifts or meeting packages to their employees.

WE TAKE OUR RESPONSIBILITY
SERIOUSLY AND MAKE SURE,
THAT THE SUSTAINABLE CLAIMS
ARE DOCUMENTED AND VERI-
FIED, BEFORE WE INCLUDE THE
PRODUCTS IN OUR RANGE.



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 equipments 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 “SUSTAINABLE” 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 “sustainable” products. Different “sustainable” 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 advice to our clients. This also means that it is crucial that we assess the good products from the bad and sustainable from the greenwashing.

WE TAKE OUR RESPONSIBILITY SERIOUSLY AND MAKE SURE, THAT THE PRODUCTS COMPLY WITH CURRENT LEGISLATION, BEFORE WE INCLUDE THE PRODUCTS IN OUR RANGE.



normal pen

PRODUCT COMPLIANCE
3 STEPS

Define the product

Production start

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



sustainable pen

PRODUCT COMPLIANCE
7 STEPS

Define the product

Production start

BAXX & METZ

**CSR & RESPONSIBLE
SUPPLY CHAIN
MANAGEMENT**

ONE COMPANY FROM MAY 1ST 2021

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.

QUALITY & ENVIRONMENT MANAGEMENT SYSTEMS

ISO 9001 & 14001 CERTIFIED

Quality has always been one of our focus areas. We never accept anything less than high quality documented products, and we work continuously to improve as it is in our DNA. To monitor and manage the risks associated with our business, we are certified according to the international standards for quality and environment. This means that we have processes to ensure that products are produced in socially

and environmentally responsible ways. All policies, goals and procedures are implemented in our management system. This way we reduce the negative environmental impact of our products and ensure that they live up to all relevant legislation.

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.

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 strengthening 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 suppliers, 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 strengthening the compliance with internationally proclaimed principles for Human Rights and Labour Standards, in our supply chain. By this ambition we are committed to working with SDG 8., especially 8.7 & 8.8.

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. Our ISO 14001 in environment management, supports this ambition.

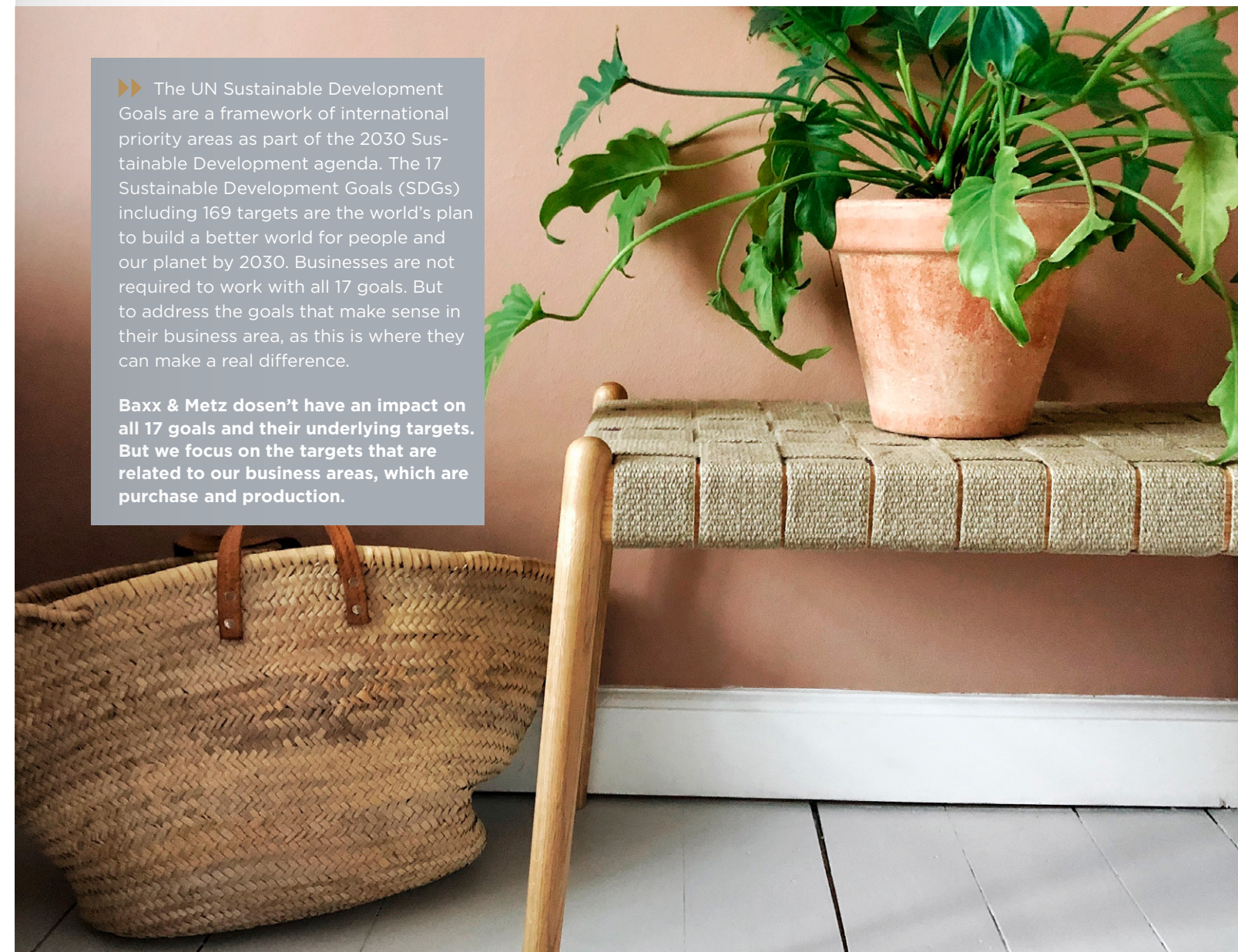
►► The UN Global Compact is an initiative of the late UN Secretary-General Kofi Annan. Founded in 2000.

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 our CSR strategy and work as the foundation for our cooperation with our suppliers.

►► 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 their business area, as this is where they can make a real difference.

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



RESPONSIBLE SUPPLY CHAIN MANAGEMENT

RESPONSIBLE BUSINESS BEHAVIOUR CERTIFIED

As we are committed to the sustainability performance of the businesses 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[®]. 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 ARE ASSESSED BY THE ACHILLES TEAM



► [®]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:

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 are assessed for compliance with our Code of Conduct and the supplier will be added a Baxx & 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.



METZ LEVEL SYSTEM PROGRESS SINCE LAST REPORT

ONE COMPANY FROM MAY 1ST 2021

NEXT YEAR BAXX & METZ
SUPPLIER DATABASE WILL
BE ONE, AND WE WILL
THEREFORE MAKE ONE
JOINED COMMUNICATION
ON THIS AREA.

METZ ASSESSMENT AND REVIEW OF SOCIAL AUDIT REPORTS FROM HIGH RISK AREA FACTORIES IN 2020

RESPONSIBLE SUPPLY CHAIN MANAGEMENT STEP 2 (ASSESSMENT)

In 2020, we have reviewed 115 different kind of audit reports and documents. After end assessment, the suppliers’ level is added to our supplier database, using the below segmentation form.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT STEP 3 (ACTIONS)

Based on the audit review, the supplier is given a level from 1-4 in our supplier database.

LEVEL 1

65 percent of the reviewed audits were placed in 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

10 percent of the reviewed audits were placed in 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

25 percent of the reviewed documents were placed in 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 - No suppliers were placed in level 4 this year.

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.

► From our audit report review, 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.

ASSESSMENT AND REVIEW OF SOCIAL AUDIT REPORTS IN 2020 FROM METZ CODE OF CONDUCT

RESPONSIBLE SUPPLY CHAIN MANAGEMENT STEP 4 (REPORTING)

This is how the numbers should be read:
Findings in a main area, divided with the total number audit check points.

Our code of conduct on;		AUDIT REVIEW FINDINGS				
HUMAN RIGHTS AND LABOUR STANDARD		2018	2019	2020		
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.	0	0	0	No actions	
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.	0	0	0	No actions	5 GENDER EQUALITY
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.	0	0	0	No actions	6 CLEAN WATER AND SANITATION
CHILD LABOUR	You must not use child labour. 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.	0	0	0	No actions	8 DECENT WORK AND ECONOMIC GROWTH
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.	5%	4%	2%	Provide guidance to the factory. And follow-up in the re-audits report if the findings have been closed.	10 REDUCED INEQUALITIES
HEALTH AND SAFETY	You must provide a safe and healthy workplace 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.	12%	10%	8%	Provide guidance to the factory. And follow-up in the re-audits report if the findings have been closed.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Our code of conduct on;
ENVIRONMENTAL MANAGEMENT

RISK IDENTIFICATION AND MANAGEMENT	<p>Where your activities involve an environmental risk, you must implement an effective system to identify and minimize potential hazards to the environment.</p> <ul style="list-style-type: none">- relating to your energy consumption,- emissions to air and land and water,- management of hazardous materials and waste <p>The system must be appropriate to the size, nature and risks of your operations and work towards continuous improvement in managing these risks.</p> <p>The system should be based on internationally recognized environmental management principles and applicable laws.</p>	4%	1%	1%	Provide guidance to the factory. And follow-up in the re-audits report if the findings have been closed.	6 CLEAN WATER AND SANITATION
						12 RESPONSIBLE CONSUMPTION AND PRODUCTION
						14 LIFE BELOW WATER
						15 LIFE ON LAND

Our code of conduct on;
ETHICAL BUSINESS PRACTICES

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 favour 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.	0	0	0	No action	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
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HIGH-RISK FACTORIES USED IN OUR PRODUCTIONS

Our target for year 2020 is that 95% of our primary factories in high-risk areas is 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 market and trends why some primary factories can change to secondary.

In the 2020 review, we can see that 94% of the primary factories that have been used for production are from level 1 factories, against last year's 91%. This is very close to the target we set back in 2016. Even though it is 1% lower than our target, this is still something to be proud of, as the increasing percentage every year shows

that we actively work with our supplier selection. It has been possible through collaboration, between our purchase and sales team.

The coming year, we will focus on combining our databases, supplier network and procedures, as part of the merge. Both Baxx & Metz enforce strict supplier compliance requirements, and together 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. We will also still be searching for new factories that demonstrate high commitment to the work with CSR, where new trends and new products arise.

► We have used 100% level 1 factories in our 2020 productions.

If we only look at our purchased standard items like;

notebooks, pens, key hangers, drinking bottles, mugs, umbrellas, caps, and bags, we have used 100% level 1 factories in our 2020 productions.



BAXX & METZ

**ENVIRONMENTAL
COMMITMENT**

ONE COMPANY FROM MAY 1ST 2021

OUR ENVIRONMENTAL COMMITMENT

Our environmental commitment means, that we are committed in taking responsibility for the environment in our daily activities. Both internally and externally.

It 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", which sets out in SDG12 that works as our primary goal, and supported by an internal policy. Every year, our work and progress are reviewed.



OUR "ENVIRONMENTAL COMMITMENT" - INTERNAL ACTIVITIES

REDUCE - Focus on energy, heat consumption, paper and packaging.

REUSE - Paper and packaging should be reused where possible.

RECYCLE - Products suitable for recycling, should be collected in the appointed spots.

OUR "ENVIRONMENTAL COMMITMENT" - FOR PRODUCTS

We attach great importance to produce and deliver compliant 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.

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.

Using renewable energy, is an important action to reduce our daily impact on the environment.

Since 2016, we have purchased our electricity from renewable resources, in our office north of Copenhagen.

We are aware that using renewable energy, is an important action to reduce the negative impact on the environment that energy consumption has.

From 2021, we have therefore changed to renewable energy on all our locations north of Copenhagen and in Kolding.

We are committed to lowering our environmental impact.

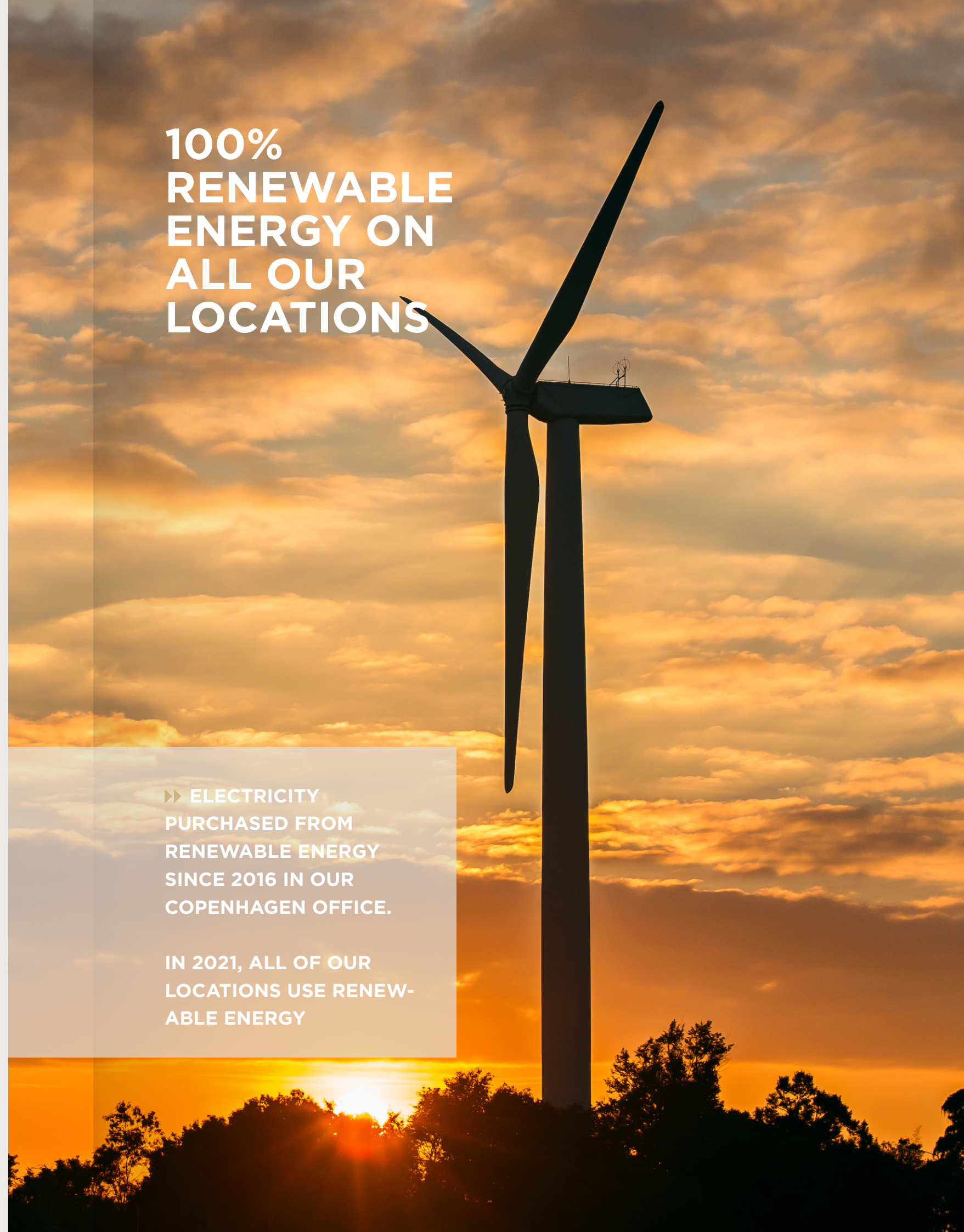
The awareness is just as important. Therefore, we have different focus areas, which work as our internal electricity and heat consumption policy.

By this, we support SDG 7 as a secondary goal. It will become a primary goal, once we start measuring on our electricity consumptions and make targets for improvements.

100% RENEWABLE ENERGY ON ALL OUR LOCATIONS

» ELECTRICITY
PURCHASED FROM
RENEWABLE ENERGY
SINCE 2016 IN OUR
COPENHAGEN OFFICE.

IN 2021, ALL OF OUR
LOCATIONS USE RENEW-
ABLE ENERGY



INTERNAL PROJECTS FOCUCING ON REDUCE, REUSE, RECYCLE



WEBSHOP PRODUCT RANGE WITH FOCUS ON MINIMIZING 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 to make 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 reducing 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 adjusted every year and today consist of more than 80 different standard textiles and bags.

WEB SHOP PACKING SOLUTION

2020, made us focus on our warehouse packing impacts. We therefore made an investigation, of different alternatives to the current packing materials used in our warehouse.

From the investigation, we found that many of the alternatives that looked sustainable, were in fact not a better solution. One example was the paper tape, which due to its quality, needed more on each parcel. Therefore, the tape would only be of “signal value” and not have a real effect on the sustainable solution.

REUSING INCOMING PACKAGING

We collect all incoming cardboard packaging and recycle these for our outgoing shipments. This results in both a reduction in our cardboard waste and our consumption of newly purchased cardboard packaging.

Metz is approved
as a distributor of
FSC® certified products
and have a trademark
license: FSC-N001788.

CHOSEN PACKING SOLUTIONS ON OUR WAREHOUSE

- ▶ PP tape with water-based adhesive.
- ▶ Cardboard boxes made of 70% recycled material (we have chosen the 70%, as the 100% recycled material would not have same durability)
- ▶ Protection air pillows in 35 my instead of 44 my, to save 20% plastic in our shipments. The airbags are made of 55% bio-PE (residual product from sugar cane production) and 45% normal PE. The pillows can be recycled on an equal basis with 100% fossil PE plastic.

BUNDLE ORDER SYSTEM

We have developed a system to bundle orders across our customers.

The system is focusing on reducing the footprint of the product, by minimizing small productions and single freights. To support the sustainable purchase for our customers.

FSC CERTIFICIED PAPER

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. We always cross check the certificate / licence number, to verify that the certificate is still valid and has not been cancelled.

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

REDUCTION OF PRODUCT POLYBAGS

The packaging of the goods can most often be an equal, or greater, waste load than the product itself. Therefore, we are focused on reducing packaging, by switching from single packaging to multi-packaging, where it makes sense for the customer, without compromising on quality.

RECYCLED MATERIALS 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” was launched in the beginning of 2020.

REDUCE SINGLE USE PLASTIC BAG PRODUCTIONS

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 have 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 have not switched to paper instead (paper bags that would have other environmental concerns as a single use product).

Plastic bag production:

From 2016-2020 the plastic bag production has decreased by 88 %, we have therefore reached our target for 2020, that the plastic bag sale should decrease by 85%. New target for 2025 will be a total reduction of 95%.

Paper bag production:

From 2016-2020 the paper bag production has decreased by 75%.

We expect that the numbers will decrease even more in 2021, as the Danish government has forbidden all stores to give away free bags.

NO PHYSICAL GIFT CATALOGUES

In 2020, we decided that we would no longer send out our physical gift catalogues. The catalogue will only be sent as an online version, in the future.

In 2020, we saved
80.000 gift catalogues
(15.5 tons of paper)

FOCUSING ON REDUCE REUSE RECYCLE IN OUR CHRISTMAS DIVISION

We have a responsibility, which is why we focus extra on how we through our product range and communication can help make a difference.

The principles in the 3 Rs ” **REDUCE, REUSE, RECYCLE**” that make the foundation in our “environmental commitment” also reflect in our Christmas range and strategy.

FOCUS IN OUR GIFT RANGE SELECTION

REDUCE & REUSE - Designs in high quality materials, that our customers want to use and not least keep.

RECYCLE - Products made from recycled materials or suitable for recycling.

FOCUS ON GIFT WRAPPING

Our gift wrappings are created from two primary purposes.

REUSE - Reusable designed.

RECYCLE - Suitable for recycling.

REDUCE - Minimize the gift wrapping.

Is the gift wrapping necessary, when you have selected your own Christmas gift? In the industry, the normal procedure is that the gift price includes the gift wrapping. In 2020, we focused on how to reduce unnecessary use of packaging and disposable plastic gift cards. We therefore chose to give lower gift prices in our whole range, which were incl. electronic gift cards and electronic distribution list. If our customers wanted the gift wrapping, they should actively choose this. That way our customers could save money, on their Christmas budget, while minimizing the impact on the environment.

PROGRESS IN METZ “ENVIRONMENTAL COMMITMENT” SINCE LAST REPORT AND TARGETS FOR BAXX & METZ FOR 2021

ONE COMPANY FROM MAY 1ST 2021

PRIMARY SUSTAINABLE DEVELOPMENT GOAL SDG12

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 areas 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 advice we give to our customers. Some of our focus areas are communicated in the following pages.

Every year, we review our work and progress, from both our primary and secondary goals. This process assures that we are taking into account all relevant information and considering each of the outcomes.

SECONDARY SUSTAINABLE DEVELOPMENT GOALS

Our efforts in the principles “Reduce, Reuse, Recycle” also extends to four secondary targets;









SDG 7, Ensure access to affordable, reliable, sustainable and modern energy for all.

SDG 14, Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

SDG 15, Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

It works as secondary goals, as we do not yet, make measurements on our ambitions direct impact.

Our environmental commitment
PROCESS & TARGETS

REDUCE	2019	INITIATIVE	2020	TARGET		2021
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.	1) We developed a system that saved around 20-25000 pcs A4 papers a year. 2) When we need to print we only use FSC paper. 3) In our Chinese productions we only use FSC certified paper or similar.	We decided that we would no longer send out our physical Christmas gift catalogues. The catalogue was, and will only be sent as an online version. Read more on page 31.	Each year we should focus on how to reduce our internal paper use.		 	Specially related to: 12.2 12.5 15.2.1
We will reduce the product packaging where possible without having any impact on the condition of the product.	1) Products on our web shops are sold in inner units of xxx. When the products are produced, they will pack in the sold inner units, so that individual packaging is saved, when ordered in the web shop.	Focus on the individual packing, like minimizing single polybags, use of recycled materials etc.	Projects on how to minimize the product packing, and replacement of single use polybags further.			Specially related to: 12.4 14.1
We will work to reduce the sold plastic bags and single packaging products in our promotional product range to reduce the single-use consumption. But also, to prevent that the product we produce ends up in the nature and oceans.	1) From 2016-2019 the plastic bag production has decreased by 73%, target for 2020 was 85%.	From 2016-2020 the plastic bag production has decreased by 88%. Read more on page 31.	We will keep promoting the reusable alternatives.	Reduction of sold plastic bags by 95%		
We will reduce pre-produced products and focus on combining productions to minimize the footprint of the single product.	1) We will keep reducing pre-produced products with logo by expanding the "Just in time" range offered in our web shop solutions. The range is reviewed every year and adjusted to the demands in the market. Read more on page 30.	We have developed a system to bundle orders across customers. The system is focusing on reducing the single product footprint, and to support the sustainable purchase of our customers. Read more on page 30.	This is ongoing projects, as we constantly need focus on how we can minimize our and our customers' footprint. While following with the demands in the market.			Specially related to: 12.2 12.5
We will work to promote the sustainable textile alternatives.	N/A	We have this year made a textile guide. The purpose is to give quick information to our organization, about the different standards. And that way, work as a guiding tool. Read more on page 38.				
We will promote the use of renewable energy, through own operations, to help reducing the negative environmental impacts, the use of energy has.	N/A	First steps to dialogue with our supply chain.	We should be finished mapping the used energy source in our supply chain.	We should start with our internal scope 1 & 2.		Specially related to: 7.2
We want to reduce our electricity consumption.	This is an ongoing focus area. 1) To reduce our electricity consumption, we have an office policy to turn off, computers, monitors, lights and air conditioning, when these are not in use. 2) All lights in our basement have been changed to energy-saving models. As the need arises, we will do the same with the other lights in the office.					
REUSE						
We will promote the sustainable durable alternatives through function, designs, materials, and quality.	1) Different projects and cases to support our sales and purchase so they can give the right advice to our customers has been initiated during this year.	This is an ongoing focus area and needs to be reviewed and communicated when new products arrive. Education will be available for our employees, when the need arises.				
We will reduce the use of new material in our shipments by reusing received boxes, air pillows etc. for our own shipments.	1) We checked the possibility to change from plastic airbags to paper fillers, but the alternatives were not good. 2) We also checked the possibility to change to paper tape instead of our plastic tape, but due to quality this was not a suitable solution.	To focus more on our warehouse shipment packing impacts. We investigated in several other alternatives to the present used packing materials. And changed, where we found better solutions to minimize our shipments impact. We also created a packing policy focusing on reducing. Read more on page 30.	This is an ongoing focus area and needs to be reviewed once a year.			Specially related to: 12.2 12.5
RECYCLE						
We want to promote the use of materials suited for recycling.	1) We have last year 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. Read more on page 34-35.	This is an ongoing focus area. And will be expanded when new materials arise.				
We will collect our discarded products and samples for recycling and collect the company's defective equipment for responsible disposal at the recycling stations.	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.	This is an ongoing focus area. And needs to be revised when new recycling processes are available.				Specially related to: 12.5

METZ FOCUS AREAS 2019 & 2020 AND BAXX & METZ FOCUS AREA 2021

ONE COMPANY FROM MAY 1ST 2021

PLASTIC MATERIALS - 2019 FOCUS AREA BUT STILL JUST AS RELEVANT

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.

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.

To identify the different plastic types and different phrases, we developed a system last 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. How we can differentiate between them and which test and regulations the material should comply to.

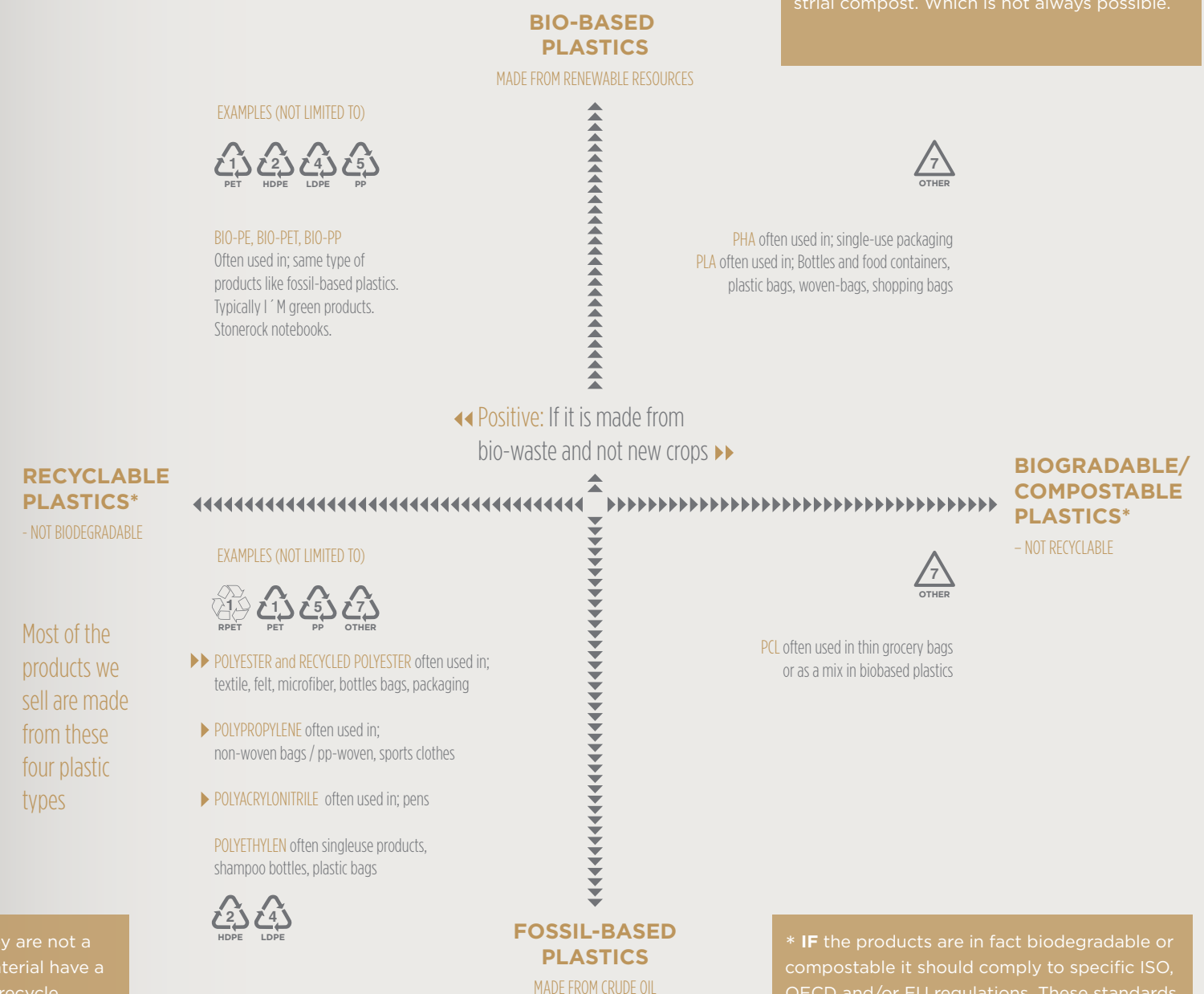
The identification system also shows a guide on how to mark all the different plastic types for easy recycling disposal.

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 have 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 fully 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 is not always possible.

COVID-19
2020 focus area
Hand disinfectants and
textile face masks

Focusing on REUSE
and RECYCLE

In 2020, the coronavirus moved as a global pandemic. To help minimize the spread of the coronavirus, hand disinfectants and face masks became an everyday basic need. The market quickly became in shortage of delivering these items.

For the hand disinfectants, many began to produce, import and sell alternative solutions. Many with wrongful material safety data sheets (MSDS), with ingredients that are not recommended, with incomplete labels and/or without tested documented effect. This later, made the danish authorities on the area, call back several undocumented products from the market.

Some also tried to sell the hand disinfectants claiming it was compliant to the cosmetics legislation. However, when the active substance is alcohol, it falls under the biocidal legislation, and cannot be sold as a cosmetic.

For the face masks, companies searched for alternatives to the single use medical face masks. But for many it was not clear what to buy. The market was floating in different alternatives, many with the same effect, as if you did not wear a mask.

For us, it was from the start, about making sure that the items we sold had the right documentation and followed the Danish recommendations as a minimum. If we sold products with wrongful or missing documentation, it could pose a health risk. We chose to focus on two versions of hand disinfectants and two versions of textile face masks.

IMPORTANCE OF PRODUCT
COMPLIANCE AND DOCUMENTATION.

For hand disinfectants, there are very strict requirements for the required information on the label.

- ▶ The label should be in Danish.
- ▶ The alcohol percentage should appear on the label.
- ▶ Full ingredients list.
- ▶ The danger signs should be shown, and there are minimum requirements for the size and colours.
- ▶ Direction for use should be stated.
- ▶ Listed distributor and manufacturer.
- ▶ Danish registration number and batch number.

TEXTILE FACE MASKS - REUSE

The Danish recommendations in 2020, was for a 3-layers face mask. One level higher, the European Committee for Standardization (CEN) made a guided general with requirements for textile masks. The guide included minimum requirements for key parameters such as design, filtration efficiency and breathability, with tests recommended for performance evaluation. The guide is called the CEN Declaration of June 2020 "CWA 17553 Community Face Coverings"

Our option one: OEKO-TEX certified 3-layer textile mask. With layers in cotton, spun bond and polyester. Including nose clip and adjustable ear loops. The Danish recommendations have changed in 2021.

Our option two: Textile face masks including nose clip and adjustable ear loops. Tested according to the recommendations written in the CEN declaration of June 2020. With tested air capacity according to EN ISO 9237:1995 and tested particle filtration according to EN 14683: 2019.



HAND DISINFECTANTS

The Danish recommendations are that the v/v should be between 70-85% ethanol.

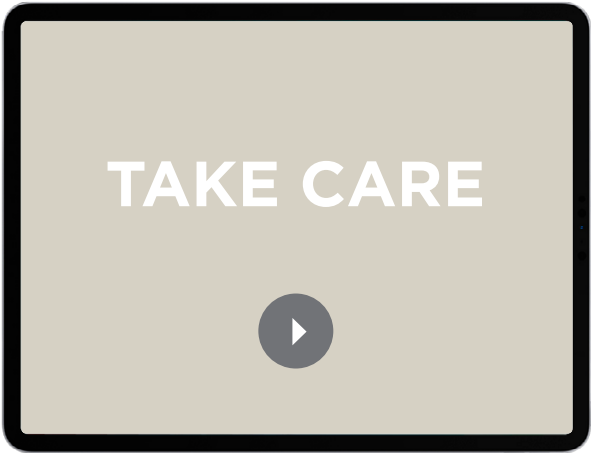
Our option one - REUSE: Refillable tube in 30 or 50 ml, with a carabin hook. Our gel contains 80% v/v ethanol. In addition, it also contains 4.5% w/w propanol which is also alcohol. Which gives a total alcohol percentage of 85% v/v.

Our option two: Credit card sprays in 20ml, in 2020 this was made from normal PP plastic. But in collaboration with our supplier, we could in the beginning of 2021 offer this in RECYCLED PP plastic instead. Our spray contains 75% v/v ethanol denatured with Isopropanol.

The products are registered with the Danish Environmental Protection Agency and are produced in Denmark.

TO SUPPORT OUR SALES, WE MADE A GUIDED VIDEO, WITH OUR SELECTED HAND DISINFECTANTS AND TEXTILE FACE MASKS. THE PURPOSE OF THE VIDEO WAS NOT ONLY TO SELL THE PRODUCTS. BUT ALSO, TO INFORM ABOUT THE MINIMUM REQUIREMENTS AND TO SHOW DIRECTION FOR USE, ACCORDING TO THE DANISH RECOMMENDATIONS.

PLAY VIDEO



TEXTILE STANDARDS 2021 FOCUS AREA

The markets demands are these years increasing on sustainable textiles e.g., recycled materials, organic cotton, and sustainable production etc.

On the textile area, there are more than thirty different claim standards, a product can be certified from.

To make it easier for our organisation, to manage the different claims, and be able to match the best product to the specific customer requirements, we have in 2021 chosen to make a system, for eleven standards that we primarily come across, in our daily activities.

OUR INTERNAL SYSTEM INCLUDES BELOW ELEVEN STANDARDS.



TO ASSESS THE DIFFERENT STANDARDS IN OUR INTERNAL SYSTEM, WE HAVE USED THE SHOWN ASSESSMENT MODEL:

- ▶ Some standards go through most steps.
- ▶ Some go through the social steps and/or environmental steps.
- ▶ Some look at product compliance steps and/or chemicals used in the product.

GUIDING TOOLS FROM OUR LEVELS SYSTEM

To make it easy for our employees, we have rated the standards according to same procedure as our supplier level system, as this is a language our organization understands.

The standards have been assessed from our Code of conduct on both their social and environmental performance. On their approach to chemicals and carbon reduction. But also if they are making “life cycle” assessments on the products.

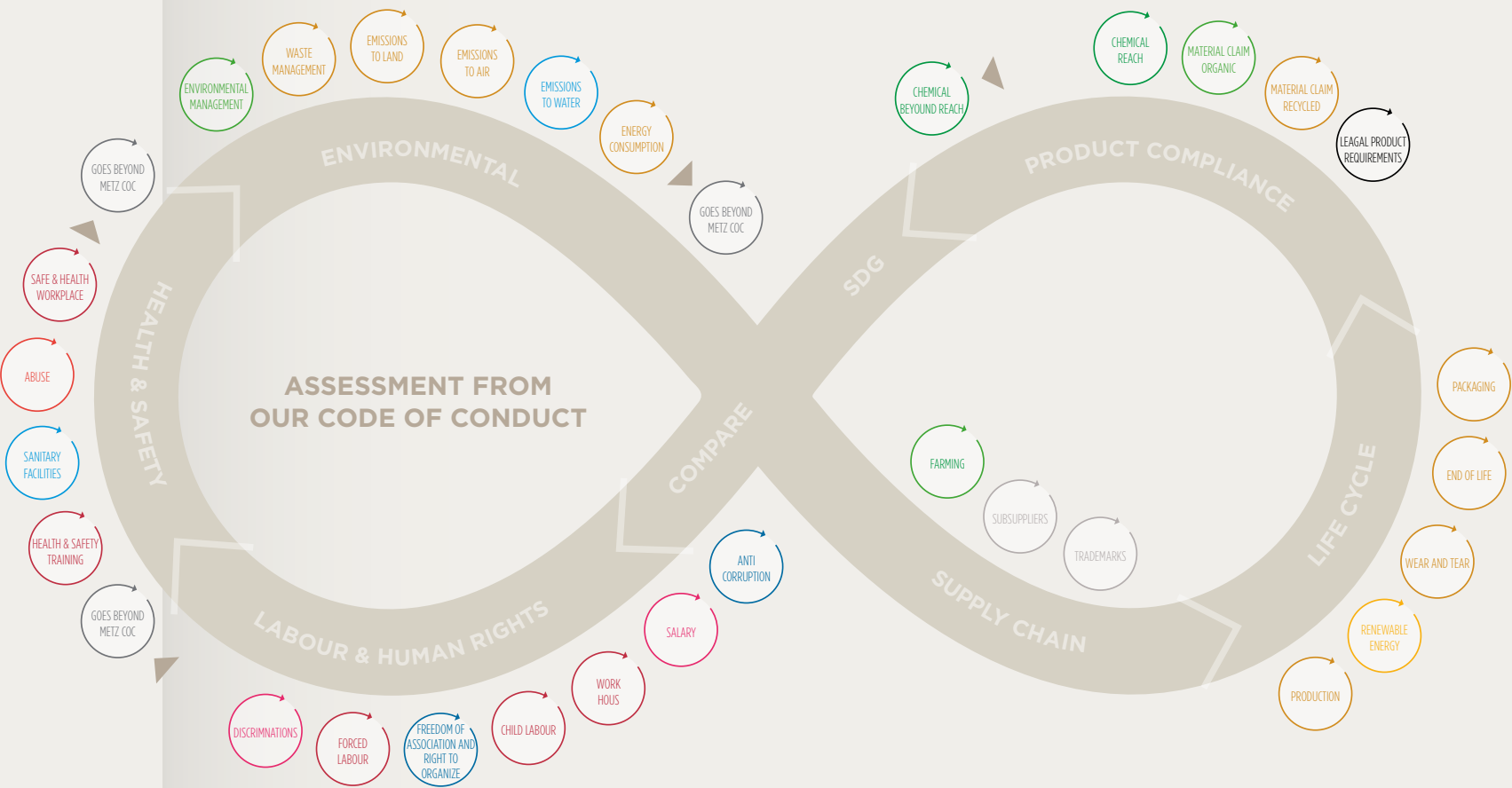
Last, we have also looked at which of our primary and secondary sustainable development goals, the different standards are working with (this could of course be different from company to company, and what they have defined as their primary and secondary focus goals). All relevant SDGs for the specific standard, is shown in our internal system, this to be able to align with our customers focuses.

The system compares the different standards to our code of conduct. And are rated from our internal “supplier compliance levels rating system” level 1+ to 3.

The rating system only looks at the first three steps, in our assessment model. Meaning, if a standard has high level in e.g., life cycle or product compliance, it will not be shown from the illustrated level rating system. But this is instead described.

- ▶ If all areas comply to our code of conduct, and If one or more areas go beyond, the standard is rated “1+”.
- ▶ If the areas are compliant to our code of conduct, the standard is rated “1”.
- ▶ If one or more is not compliant to our code of conduct and supporting documents for social compliance are needed, the standard is rated “2”.
- ▶ If the standard only addresses e.g., chemicals or material verification, the standard is rated “3”.

This way our organization know that supporting documentation is required, and which to require. E.g. If a standard does not address social or environmental compliance, the supporting documents would be to receive a social audit report.



“GREEN” OR GREENWASHING?

IS THE T-SHIRT “GREEN”?

What is green, and how do you measure it? The simple answer is that you can't. In Denmark a product cannot be called “green” according to “the Danish marketing act”. Saying that, an item could be a more sustainable choice, than other alternatives, but it needs to be described.

When looking at the sustainable clothing, it is important to look at the whole picture.

- Is it sustainable because it has been grown organic?
- Is it sustainable because no chemicals have been used in the production?
- Is it sustainable because it looks at the social compliance?

The definition of the sustainable clothing depends on the eyes looking at it. This is why it is important to communicate, what is sustainable in the specific product.

WHY IS COMPLIANCE AN IMPORTANT STEP IN OUR PROCEDURE?

By looking at a t-shirt, you cannot tell if it is made from normal cotton or from organic cotton or if harmful chemicals have been used. It is therefore important to have the material documented and certified by recognised standards.

However, that a material is certified, makes no guarantee that the material is used in the final product. Therefore, many of the standards use “transaction” certificates for verification of the final product. We always cross check the certificate / licence number, to verify that the certificate is still valid (that it has not been cancelled by the authorities).

Although the concept of “sustainability” was first introduced back in 1987, it has really moved forward, in the recent years. Unfortunately, this has also created a market for undocumented products.

We take our responsibilities seriously and ensure that claims are documented.



PLASTIC GREENWASHING TRAPS

Since 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 that seem “green”.

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.



Shown are examples to some of the plastic greenwashing traps that we have come across with wrong information branding. In fact, this is still the case in many of the newsletters we receive every day for different types of products.

BAXX & METZ

**STAKEHOLDER
CSR ACTIVITY 2020**

ONE COMPANY FROM MAY 1ST 2021

METZ STAKEHOLDER CSR ACTIVITY 2020

CUSTOMERS

Over the last four 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 choices. Our customers want to do the right thing when purchasing products.

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 Key Account Manager and our CSR manager. The program was launched first time in September 2019. In 2020, most meetings were held through online platforms and we will continue the initiative throughout 2021.

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 builds on the following:

Respect Collaboration Trust

SUPPLIER SUSTAINABLE PROGRAM

Driven by our ambition to make a positive change, we support our suppliers ongoing sustainability integration. Helping them to meet the challenges they are facing. This way, we focus on proactive improvements. We believe that building bridges between our companies, in the end will create better results.

We want to invest our time, in relationships with suppliers who provide a safe working environment, treat their employees with respect, and have focus on their environmental impacts.

► FEEDBACK FROM EARLIER CUSTOMER 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.”



► **At Elleslettegård, they have housing, education and employment offer for people who would otherwise have difficulty coping with an everyday life.**

COLLABORATION WITH A SOCIAL WORKSHOP, SINCE MID-1990s.

As a company, we are aware that we have a social responsibility. That is why we work closely with Elleslettegård, who offer young people and adults with special needs, the best possibilities for building an independent life.

TEAM MANAGER, LARS KJELDSKOV AND PROJECT MANAGER, TRINE DYRHOLM, SAYS:

“Elleslettegård's workshop, started performing tasks for Metz in the mid-1990s. It started with small packing assignments, and today we perform many different tasks. From the small labelling tasks and gift wrapping to the larger conference packing projects. Today, Metz accounts for 60-70% of the workshop's turnover.

We are very pleased with the tasks we receive from Metz. They give us the opportunity to create job possibilities for both our STU students and our protected employees, and help create a meaningful framework for their everyday life.”

BAXX & METZ CSR POLICY AND SUPPLIER CODE OF CONDUCT

ONE COMPANY FROM MAY 1ST 2021

APPENDIX 1

►► BAXX & METZ
CSR POLICY

Baxx & Metz wishes to be a responsible and trustworthy business partner as a supplier of promotional products and corporate gifts to Denmark’s largest companies. Baxx & 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. Baxx & 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 Baxx & 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 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

►► BAXX & METZ
SUPPLIER CODE
OF CONDUCT

As a business, Baxx & 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 Baxx & Metz’ suppliers and your employees; this means any firm or individual that provide a product or service to Baxx & 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 BAXX & METZ
We want to do business with suppliers who share our commitment to responsible conduct. To be a supplier to Baxx & 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 Baxx & 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 Baxx & 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, Baxx & Baxx & Metz is entitled to terminate any effective agreement with the supplier or if applicable any purchase orders.

For more information please contact your Baxx & Metz representative directly.

BAXX & METZ

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