

## Statement of Support 2020/21

### Brief description of Kluntz A/S:

Kluntz A/S was founded in 1996. We sell incentive product marketing and provide our customers with good service and consultation on the best promotional product to serve their purpose.

We create value for our customers by providing them with corporate clothing, promotional products, and gift items that are tailored to their company and its needs. We believe that by having a strategic approach to incentive marketing products, our customers can achieve motivation, brand recognition, visibility, and credibility.

We consider our commitment to responsible production and consumption an added value to our products. In short, by buying their products from us, our customers can improve their brand image.

At Kluntz, our primary service is guiding our customers in the selection of the ideal product. This includes quality and the general match between their needs and the product's properties. We take pride in promoting responsible alternatives to most of the products we sell. We always guide our customers into making the most considerate and responsible choice among the available options.

The management of Kluntz A/S is very committed to working with sustainability and responsible practices in mind. It is the ambition to continuously optimize the internal processes in the company. Therefore, Kluntz A/S have chosen to become ISO900 and ISO14001 certified. These certifications have helped establish processes and procedures that ensure good management systems. The management systems incorporated to meet these certifications help us in managing CSR as well.

Kluntz A/S is mainly focused on contributing to the Sustainable Development Goal no. 12: Ensure sustainable consumption and production patterns.

Our membership of Amfori and The Danish Ethical Trading Initiative gives us the tools and knowledge to accomplish this.

| <b>HUMAN RIGHTS</b>                              |   |
|--|---|
| Principle 1                                      | Business should support and respect the protection of internationally proclaimed human rights |
| Principle 2                                      | Make sure that they are not complicit in human rights abuses                                  |
| <b>Kluntz A/S' commitment to the principles:</b> |   |

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

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

Kluntz is a member of Amfori to manage our social and environmental impacts and to implement the principles of Human Rights in our supply chain.

Amfori is widely known as BSCI, but it changed its name to Amfori from January 1<sup>st</sup> 2018.

Amfori is a leading supply chain management system that supports companies to drive social compliance and improvements within the factories in their global supply chains. The principles are based on ILO conventions, the UNGP on Business and Human Rights as well as the OECD Guidelines.

Amfori companies take active part in developing and implementing a system for improved working conditions in the global supply chain. Amfori offers a single implementation system and one Code of Conduct. This creates a unique opportunity to gain leverage at the supplier level and move forward on the sustainability agenda.

Amfori audits the following Performance Areas:

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

Kluntz A/S is mainly working with factories based in China.

Managing Human Rights there is a challenge. The country is currently rated as high-risk. Through our membership of Amfori and the Danish Ethical Trading Initiative, we support initiatives that focus on the vulnerable workers in our supply chain and help them to seek better working conditions.

In China, the main issue is still fair remuneration and working hours, which is normally the result of both poor purchasing practices and poor production planning.

We have developed a Child Labour Policy that is to be distributed to, as well as signed and implemented by our suppliers.

The Child Labour Policy defines what will happen if we discover that any of our suppliers use Child Labour. Instead of just firing the child and terminating our partnerships with the supplier, Kluntz and our suppliers will take joint responsibility for the future of the child to ensure that the child does not end up worse off than he/she was.

#### **The measurement of outcomes in 2020 regarding Human Rights/ plans for 2021:**

We have made a Human Rights Policy, which is a good foundation for our continuous focus on Human Rights in our supply chain. We will however focus on Amfori for the implementation, as this is where we can get leverage at the supplier level.

The challenge for Kluntz A/S, is that we have many different product groups and therefore a long list of suppliers that needs to be managed. However, many of our suppliers are established brands who already have good and well-defined compliance programs that we trust.

The suppliers who we will instead focus on are the ones where we are dealing with them directly through our close partners in Hong Kong.

Naturally the Covid-19 pandemic have influenced the factories that we are working with, and many audits have been postponed during this time.

We currently have 4 factories in total in the Amfori system.

| Factory    | 2019 Rating                 | 2020 rating                | 2021 Rating                |
|------------|-----------------------------|----------------------------|----------------------------|
| Factory 1  | C                           | C                          | Not available              |
| Factory 2  | C                           | C                          | Not available              |
| Factory 3  | C                           | C                          | Not available              |
| Factory 4  | C                           | C                          | Not available              |
| Factory 5  | C                           | C                          |                            |
| Factory 6  | C                           | B                          | Not available              |
| Factory 7  | C                           | C                          | Not available              |
| Factory 8  | C                           | C                          | Not available              |
| Factory 9  | C                           | C                          | Not available              |
| Factory 10 | C                           | C                          | C                          |
| Factory 11 | A                           | B                          | B                          |
| Factory 12 | A                           | A                          | D                          |
| Factory 13 | A                           | A                          | A                          |
|            | <b>Overall ratings 2019</b> | <b>Overall rating 2020</b> | <b>Overall rating 2021</b> |
|            | D = 0%                      | D = 0%                     | D = 8,33%                  |
|            | C = 77%                     | C = 66%                    | C = 8,33%                  |
|            | B = 0%                      | B = 17%                    | B = 8,33%                  |
|            | A = 23%                     | A = 17%                    | A = 8,33%                  |
|            | Unrated = 0%                | Unrated = 0%               | Unrated = 66,66%           |

(Factory 5: business relation terminated)

Since last year's COP, the Amfori platform has been updated resulting in many necessary changes and actions, in order to gain the same level of transparency and information as was available on the former platform.

In the fall of 2021, not all the necessary changes have been made, and Kluntz A/S are not connected to the desired number of factories, and as such the status of the factories is not directly comparable to last year's status.

In 2021/2022 we will continue our existing ambitions for increasing the number of factories we have on the Amfori platform. However, that will now include some migration work on the new platform, so we can connect with as many factories as possible and increase our number of factories on the Amfori platform, to a level that exceeds the one from 2020, which was 12.

During 2020 we were going to intensify our collaboration with our Hong Kong partners. This was postponed due to COVID-19. This continued to pose a challenge in 2021. We hope to re-establish that good connection in 2022 and start working closer together. The aim of our increased cooperation would be to increase the number of factories we have in the Amfori database to exceed the 2020 level.

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

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

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

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

Kluntz A/S follows the Danish Labour Law, and we are being audited against it by the Danish Working Environment Authority on a regular basis.

Kluntz is a member of Amfori to manage our social and environmental impacts and to implement the principles of Labour Rights in our supply chain.

Amfori is a leading supply chain management system that supports companies to drive social compliance and improvements within the factories in their global supply chains. The principles are based on ILO conventions, the UNGP on Business and Human Rights as well as the OECD Guidelines.

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**The measurement of outcomes in 2020 regarding Labour Rights/ plans for 2021:**

We currently have 4 factories in total in the Amfori system.

Status of these factories are as such:

| Factory    | 2019 Rating                 | 2020 rating                | 2021 Rating                |
|------------|-----------------------------|----------------------------|----------------------------|
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| ENVIRONMENT  |  |
|--------------|--|
| Principles 7 | Business should support a precautionary approach to environmental challenges     |
| Principles 8 | Undertake initiatives to promote greater environmental responsibility            |
| Principles 9 | Encourage the development and diffusion of environmentally friendly technologies |

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

At Kluntz A/S, we fully acknowledge our responsibility in protecting the environment and to minimize our environmental footprint throughout the entire supply chain. We set demands for ourselves as well as our suppliers.

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

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

Kluntz is ISO14001 certified. This certification works as a framework for better management control which then results in reducing our environmental impacts. It gives us a management tool to reap the benefits of environmental management.

Through the Amfori Code of Conduct there is a focus on environmental issues and when auditing the factories, the overall rating also reflects the positive or negative impact on the environment.

**The measurement of outcomes in 2020 regarding Environmental Protection/plans for 2021:**

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

For our supply chain, we will focus on the Amfori audits we are currently doing and help them with remediation. We see very few issues in our supply chain related to environment.

The main issues we find are regarding their management systems on environmental protection. However, if we look at our supply chain, basically no matter the product we are making, then the biggest environmental impact that we have, is identified further out in our supply chain than we have currently mapped.

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

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

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

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

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

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

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



### **The measurement of outcomes in 2020 regarding anti-corruption/ plans for 2021**

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

However, the production countries where we are operating can have issues around anti-corruption which is why we have developed an Anti-corruption Policy for our internal staff and suppliers. We planned to implement this in 2020, postponed it to 2021 because of the COVID-19 situation, but had to postpone it yet again, as the situation did not improve enough.

We are hoping to implement it in 2022.

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

It is always important for Kluntz A/S to make our stakeholders aware of the work that we are doing in relation to sustainability and managing a responsible business. We strive to always be transparent about our actions, both at the headquarters, but also how we do business in the global supply chain.

We are members of the Danish Trading Initiative to communicate the issues we experience in our supply chain and engage in dialogues to solve many of these issues.

Our homepage contains information about the work that we are doing and the fact that we are a proud member of Amfori, The Danish Ethical Trading Initiative and The UN Global Compact.