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**Munchkin, Inc.**

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**United Nations Global Compact: 2022 Communications on Progress**

We are proud to continue our support of the United Nations Global Compact (UNGC) and its Ten Guiding Principles in the areas of human rights, labour, the environment and anti-corruption. As a global company, our commitment to better the lives of our consumers (parents and children) remains at the forefront of our business. This promise stretches beyond our products' usefulness; it extends to how Munchkin goods are made, where and how materials are sourced, factory conditions and standards, assembly workers' wages, and the environmental effects of our products. In 2021, this commitment to continued progress earned Munchkin the Great Place to Work-Certified™ title, an achievement based entirely on employee feedback.

Our recent [announcement with Smart Plastic Technologies](#) focuses on the impacts of Munchkin goods on the natural world. With this partnership, we are dedicated to a development process that considers the complete use and lifecycle of our products — from ideation to disposal — with a goal to make as many Munchkin products as possible disappear after their useful life.

Our commitment to the UNGC continues to grow stronger as we seek out new technologies, partnerships and opportunities to uphold the Ten Principles and accelerate our sustainability efforts. The following is an outline of actions and relevant policies related to each principle and a measurement of outcomes from the previous year.

Very truly yours,

A handwritten signature in black ink, appearing to read "S. Dunn".

**Steven B. Dunn**  
CEO & Founder

## United Nations Global Compact Principles

### Human Rights, Labour and Anti-Corruption Principles

- Principle 1: Businesses should support & respect the protection of internationally proclaimed human rights.
- Principle 2: Businesses should make sure that they are not complicit in human rights abuses.
- Principle 3: Businesses 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; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Ensuring that human rights and labour principles are upheld within Munchkin and by our suppliers and manufacturers is of utmost importance to us. Munchkin requires that all existing and new suppliers adhere to our Supplier Manual, which covers the company's standards of engagement, ethical standards, human rights, labour, anti-corruption, environmental and health & safety matters. Our manufacturers are required to comply fully with all legal and ethical requirements relevant to the conduct of their business. All factories must operate in compliance with all applicable local government laws, rules and regulations, including those related to labour, quality, worker health and safety and the environment.

All factories manufacturing Munchkin products must be either [ICTI Ethical Toy Program](#) certified or equivalent (e.g., BSCI, SEDEX, SA8000, EICC(RBA), WRAP, etc.) within six months from signing the supplier agreement.

All contractual relationships with distributors, vendors and manufacturers are reviewed annually and audited to ensure compliance by third-party partners. Any non-compliance of Munchkin policies or any violation of the requirement to conduct business in an ethical, fair, and legally compliant manner is not tolerated.

All employees are trained (and retrained every two years) on the company's anti-corruption, anti-bribery, fair labour and human rights policies before employment. These policies are made available to employees at the start of and throughout their time at Munchkin.



As members of the [Employers for Pay Equity Consortium](#), Munchkin is committed to reducing the national pay gap, conducting bi-annual global company-wide gender pay analysis and evaluating our hiring and promotion practices to eliminate unconscious bias and barriers. In 2021 women made up 55% of our workforce, 44% of executives and 33% of Munchkin's Board of Directors.

Last year, we established Munchkin's first women's leadership group, the [E3 League](#). Created by the female leaders of our executive team, the E3 League provides a forum for female employees to connect, focus on personal and professional development, and inspire each other to pursue their passions. The mission of E3 is threefold:

1. Embrace our community by bringing women together
2. Empower the women of Munchkin with the tools they need to meet (and exceed) their goals
3. Enjoy the experience of connecting with other women at work

In 2021, we were accepted in the [UNGC's Target Gender Equality accelerator program](#) focused on advancing women's leadership and representation. During this nine-month program (wrapping up this spring), Munchkin team members engaged in a gender equality performance analysis, participated in workshops on activating stakeholders and identified practical and concrete ways to improve gender parity. Participation in this program directly supports the United Nations Sustainable Development Goal 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

#### Environmental Principles

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

In 2021 we strengthened our commitment to reducing our environmental impact and increasing transparency of such efforts by publishing our first annual [Sustainability Report](#), which outlines the following ambitious yet attainable goals.

- Ensure 100% of packaging is animal safe by 2022
- Reduce the amount of packaging material by 40% by 2025
- Increase the amount of recycled content in films and plastics by 50% by 2025



These efforts, among others, resulted in the third consecutive year of achieving [Walmart Giga Guru](#) status. This was accomplished by setting goals in three pillars of science-based targets and reporting impact in nature, waste, packaging and transportation.

- Redesigned packaging to be more recyclable by making it easy to disassemble before disposing.
- Phasing out the use of materials that are not highly recyclable, including PP and PVC.
- Redesigned packaging to use less plastic and paperboard material.

Using [COMPASS Life Cycle Analysis Tools](#), environmental performance is monitored and evaluated to measure CO2 emissions from packaging design and materials. Last year, we reduced 9.86 metric tons of paperboard material, eliminating 2.00 metric tons of CO2 and reduced 21.80 metric tons of PET plastic material, eliminating 71.60 metric tons of CO2.

Our continued partnership with UsedCardboardBoxes' [UCBZeroWaste program](#) to track, recycle, reuse and divert waste from our warehouse supports our goal of zero waste to landfill by 2025.

We invested in two new systems to further this goal; the first is a baler system that compacts all our cardboard and plastic shrink wrap from our distribution center. Baler machines support a more efficient recycling and pick-up process, reducing emissions to transport recycled goods. The second investment was in [SMART Trash](#), a compactor monitoring system that ensures effective and efficient trash hauls, eliminating emissions from premature compactor pick-ups.

In 2022 we began utilizing [Sigma VANISH](#) for all pallet shrink wrap in our main warehouse. VANISH is a stretch film engineered to start breaking down into its original components after its useful life of two years. The process can occur in any environment, regardless of whether the film is recycled. It leaves behind zero microplastics or toxins and becomes a food source for micro-organisms.

In 2021, we reused 3.53% or 11,520 lbs of cardboard and plastic wrap waste and recycled 79.04% or 257,780 lbs, diverting it from landfills.

