



# Communication on Progress Report to the United Nations Global Compact

11 February 2022



MEMBER OF  
IGC GROUP



platform  
promotional  
products



WE SUPPORT



*Een relatie is een geschenk*

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# Introduction



# Statement of Continuous Support

Dear stakeholders,

I am happy to announce that as of 22 October 2020 by signing the letter of commitment, Staat & Co Businessgifts BV has committed to fully support the ten principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labour, Environment and Anti-Corruption. We have also committed to the UN Sustainable Development Goals (SDGs) which will further aid us in supporting the guiding principles and continuously improve our sustainability performance. We have joined these initiatives because we think it is important to make our contribution

2021 has been an exciting year. Throughout the year, we have taken over the activities of Avenda Promotional Products, owned by a respected entrepreneur who fell seriously ill because of Covid 19. Together with him we arranged a model to proceed his business in a sustainable way. We are also proud to announce that we were awarded the EcoVadis Platinum Award in 2021. During the year we had our carbon emissions examined and together with EcoTree we have committed to compensate our full emissions of scope I and scope II of our business. 20% of our cars have been changed from diesel cars to full electric vehicles. We have arranged a training with our staff to become the most sustainable distributor in our field in the Netherlands. Step one is that from now on we will always offer a more sustainable product next to the more common products that we sell, in order to raise more awareness by our clients.

All these efforts aid us in ensuring that sustainability stays a top priority for us.

In this first annual Communication on Progress report, we describe the actions, policies and measures we have in place to integrate the UNGC principles into our business strategy, culture and every day operations, covering the period January to December 2021. We also commit to sharing this information with our stakeholders, using the primary channels of communication.

Your Sincerely,

*Hans van der Ouw, [Chief Executive Officer]*

*11 February 2022*

# About Staat & Co Businessgifts

Staat & Co Businessgifts (hereafter Staat & Co) is one of the oldest importers of business gifts, advertising items, premiums and other promotional items. We mainly sell to large and medium-sized companies. Active since 1947, we have a long legacy of supplying original and sustainable gifts. We are a member of the IGC Global Promotions NV since 1989, Pro4-Group and the branch-organization "Promotional Products Professionals". For the year 2022 we have reached PPP-accreditation as one of the first companies in the field, based on our achievements in 2021 on sustainability empowerment and our steps in the field of education.

Our company is driven by our core values of ensuring customer satisfaction, driving commercial success and being social, environmentally conscious, and economic.

As a spin-off of our company we founded a separate sustainable enterprise "Green Earth Products" in 2009. This company is a specialist in sustainable gifts. Still there is a very close connection between the two companies.

In 2016 we moved to another premises, much smaller than the building that we used to stay in since 1979. This new building has 120 solar panels on the rooftop, to arrange a large part of our electricity consumption

In 2022 our CEO will be part of the sustainability committee of the branche organization PPP, to ensure all possibilities to make our industry more sustainable in the near future.



Our mission...

...To offer sustainable  
and green products



# Our values...

Customer satisfaction

Commercial success

Social, environmentally conscious  
and economic

# Sustainability at Staat & Co

At Staat & Co we strive for a better world. Our mission is to keep an eye on the ecological and social impact our company makes and how we can mitigate this impact.

Our vision is to sell only fair and environmentally friendly products, regardless of product category. Thanks to this method, we are guaranteed to deliver high-quality, sustainable products that are not only good for the world, but also last longer because of the materials used. We also have a separate 'Ecology' category which consists of gifts that have a direct ecological impact, including bags from recycled, paper made from sugar beets or solar energy phone chargers.

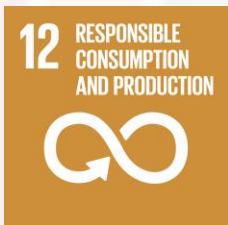
Our commitment to sustainability and corporate responsibility is the reason we became signatory of the UNGC, and incorporated the Ten Principles of Human Rights, Labour, Environment and Compliance into our Code of Conduct and our policies. Our objectives and targets ensure that our business operations are continuously aligned with the principles, something we are proud to showcase in this Communication of Progress report. Staat & Co also supports the **United Nation's Sustainable Development Goals** (SDGs) and specifically contributes to Responsible Consumption and Production (SDG 12), Climate Action (SDG 13) and Life on Land (SDG 15).

We have divided this report into three themes: Labour and Human Rights; Environment; and Compliance. For each theme, we will provide an overview of the targets and measures in place that enable us to work towards the UNGC principles and link these to the SDGs.



# Sustainable Development Goals

We are committed to truly integrating sustainability into our business strategy. For this reason, we support and actively contribute to the UN Sustainable Development Goals, namely goals 12, Responsible Consumption and Production, 13, Climate Action, and 15, Life of Land. Staat & Co aims to support all 17 of the UN's Sustainable Development Goals, but we prioritise these three because of their relevance to our business operations.



We recognize the problems linked to wasteful production and consumption within our industry and have made sure to align to and integrate SDG 12 into our company DNA. We embrace circularity by providing a large proportion of sustainable and eco-labelled products that are either made from recycled materials and/or are easily recyclable, and we have set the target to strive to increase the percentage of sustainable alternatives available to our customers by 5% each year. We also seek to encourage sustainable, fair and safe labour throughout our supply chain, and ensure that the highest ethical standards are upheld.



We recognize the urgent need for dedicated action regarding our changing environment and climate. To contribute to preventing further exacerbation of climate change, we fully align with SDG 13. We have in place a formal environmental policy that sets clear targets and measures such as providing mandatory environmental awareness training to all employees or using 100% sustainable and renewable energy in our facilities. We have also set targets to reduce our electricity consumption by 10% by 2030 and our CO2 emissions by 50% by 2030, as well as reducing overall waste.



We view the careful selection of the materials used in our production process, as well as how our products are disposed of, as one of our greatest responsibilities in contributing to the preservation of our global ecosystems. By aligning to SDG 15, we seek to prevent damaging our communities and the natural habitat around us, by having measures in place that ensure communication to our customers about the proper methods of disposal. Through this, we want to avoid any negative effects on biodiversity and the ecosystems around us.

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# Labour and Human Rights

# Labour & Human Rights

## *Our Commitment*

Staat & Co is committed to safeguarding Labour and Human Rights practices related to the UNGC principles and the SDGs, the related principles that we adhere to, and respect are as follows

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights;
- **Principle 2:** 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.

We are committed to conducting all business in a manner that respects our employees, their rights and the community around us. We seek to uphold international and national legislation, regulations and human rights by complying with the Universal Declaration of Human Rights and the International Labour Organization's Core Conventions through our labour policies. We also strive to hold all our partners and suppliers accountable in following us in this approach and to uphold these principles throughout all our operations with comprehensive policies, measures and the integration of social considerations.



*With these initiatives, we actively contribute specifically towards SDG 12, Responsible Consumption and Production*





# Labour and Human Rights

## *Our Policies*

### **Approach**

The human rights, working conditions and health and safety of our employees are an utmost priority in our business and we seek to respect them throughout Staat & Co. operations. In order to facilitate this safe, non-discriminatory and open culture set forth as part of our business vision, we have created policies to ensure we uphold these ideals and exercise our commitment to Principles 1, 2, 3, 4, 5 and 6 of the UNGC.

### **The Human Rights & Labour Practices Policy**

In our Policy Handbook implemented in 2020, we provide employees with policies and specific objectives to uphold a working environment that respects all local and international laws and regulations regarding health and safety, working conditions and human rights. Beyond that we make sure that employees feel comfortable in a workspace that is free of discrimination, harassment and has ample opportunities to grow in their career through training, skills development and management guidance.

### **Internal Code of Conduct**

Our 2020 Code of Conduct provides all employees with ethical guidelines which are to be upheld throughout day-to-day operations and business decisions. The Code of Conduct includes provisions around Abuse of labour and Child labour, Human Rights, Discrimination and Harassment, Working Conditions and Employee Health and Safety.

### **Sustainable Procurement Policy**

Through our Sustainable Procurement policy, created in 2020, we aim to actively contribute towards a responsible supply chain and ensure that our production partners meet our social commitments. In order to achieve this, we implement various social selection criteria that suppliers must fulfil for us to consider working with them.





# Labour and Human Rights

## *Our Policies*

### **Supplier Code of Conduct**

Implemented since 2019, our Supplier Code of Conduct plays an important role in involving our suppliers in our effort to have an environmentally conscious supply chain. Within our Supplier Code of Conduct, we require suppliers to not only adhere to local and international laws and regulations but also integrate social considerations into their operations. We have specific clauses on abuse of labour and child labour, discrimination and harassment, human rights, working hours and wages and workplace conditions. We require our suppliers to sign the Supplier Code of Conduct to prove their commitment and compliance.

# Labour and Human Rights

## *Human Rights, Child and Forced Labour*

### Targets and objectives:

- Aim to comply with all relevant local and international laws and regulations concerning the respecting of fundamental human rights and the dignity of our employees, which are reflected throughout our business operations.
- Condemn all forms of child and forced labour throughout its operations and partnerships and is committed to the prevention and safeguarding of our employees and their human rights.

### Measures

We support and respect internationally proclaimed human rights and the relevant International Bill of Human Rights. In addition, we also support the principles present in the International Labour Organisation.

Within our **Code of Conduct**, we highlight our respect of human rights across the company and commit to treating employees equally and with the respect and dignity deserved. The Code of Conduct also stipulates that we do not tolerate any form of forced labour or labour which involves any type of abuse or any form of punishment, nor do we tolerate any kind of child labour. At Staat & Co we make sure to **hire employees who are of legal working age** complying with the national Dutch legislation.

In addition, within our **Supplier Code of Conduct**, we make sure that the partners and suppliers we do work with also adhere to the relevant local and international legislation surrounding labour and human rights and we have set an absolute minimum age of employees for its suppliers at 16, even if our partner's national laws allow it.

We make sure that the partners and suppliers we work with adhere to the relevant local and international legislations. As such we conduct **supplier audits** that covers child labour, forced & compulsory labour. Based on these audits we decide who we work with. As part of our efforts to make sure human rights are represented properly throughout our supply chain, we also expect our suppliers to have regular **workers representative meetings** in place.

# Labour and Human Rights

## *Human Rights, Child and Forced Labour*

### Measures Continued

We also seek to take a tangible approach to educating, upholding and encouraging the integration of respecting human rights for our employees such as the provision of **mandatory discrimination and harassment trainings** that highlights respecting the diversity of our employees and how to avoid any abuses of human rights or the occurrence of any discriminatory behaviour.

Staat & Co also has a clearly communicated **whistleblowing procedure** in place for the chance that incidents occur that violate any of the employees' human and/or labour rights.

### Measurable outcome

- % of suppliers assessed on CSR issues, including human rights : 100%
- % of suppliers having signed Supplier CSR code of conduct , which includes provisions regarding human rights, child and forced labour : 70 %
- % contracts containing CSR clauses, including human rights : 100%
- Number of reported incidents due to human rights violations : 0%
- % of employees who received a training on human rights : 100%

# Labour and Human Rights

## *Employee Health and Safety*

### **Targets and Objectives:**

- Comply with all relevant local and international laws and regulations concerning employee health and safety, such as, but not limited to, the EU Directive 89/654/EEC and the Dutch Working Conditions Act;
- Undertake actions to ensure awareness amongst employees with regard to their health and safety, such as provision of occupational health and safety risks and emergency processes etc.;
- Ensure employees are provided with the necessary safety information and equipment to safeguard their health and safety;
- Ensure accessibility of the office for people with disabilities, illnesses, or handicaps;
- Ensure the mental and physical strain on employees is as low as possible;
- Ensure transparent reporting on incidents concerning employee health and safety;
- Maintain the count of injuries and accidents at 0.



# Labour and Human Rights

## *Employee Health and Safety*

### Measures

As part of our operations, we require all employees to complete a mandatory **Health and Safety Awareness Training** that makes sure to train them on the usage of the available health and safety equipment and formal emergency response procedures in place. These expectations and procedures are also clearly communicated in our policy and personnel handbook for our employees' reference. The precise measures covered in these trainings and documents are further illustrated below:

From a legislative standpoint, we regularly check **compliance with local laws and regulations** concerning the building standards we operate in, and we have clear lines of contact with the owner of the space in case any problems arise.

If emergency scenarios do arise, we have clearly placed **evacuation plans** for our employees to follow within the building, placed next to our bathrooms. This plan is also present within the **personnel handbook** and in the health and safety training. These emergency evacuation plans point clearly to our **emergency exits** for example of which we have five, all kept clear at all times and that are indicated with light-up green signs that are visible in case of power outage. In terms of emergency response, we also have some preventative measures in place such as the five **smoke alarms present within our building**. These alongside the emergency exits and accompanying signs are checked on an annual basis during our **annual emergency practice session**.

At Staat & Co we do not only make sure to take a preventative approach to emergencies, but also have reactive measures in place. Multiple **fire extinguishers** are made available, and their locations are clearly communicated in the emergency plan. In the case that any injury occurs on our premises, we have **four employees who are certified and trained BHV first aid responders** who can use the **on-site first aid kits** found in our central mail room to treat any injured.

# Labour and Human Rights

## *Employee Health and Safety*

### Measures Continued

In addition, Staat & Co conducts **regular Health and Safety Risk Assessments** to identify, minimize and reduce the number of health and safety hazards present in our workplace. By tackling the identified risks that come from this annual assessment, we can create the safest environment for our employees. Management is responsible for the addressing of any critical risks and actions that arise from the assessment. Topics that are covered in this assessment include the following: Fire; Stress; Posture Problems and RSI; Minor Injuries; Eye Problems; Injury from Electrical Equipment; Slipping and Tripping; Noise; Office Temperature; Hygiene and Welfare.

As part of our operations, Staat & Co engages with many suppliers and partners across industries and priorities. As we seek to uphold our own social, environmental and ethical principles, we make sure that the suppliers we work with are aligned with our way of working and our outlook by conducting **supplier audits**. These supplier audits cover health and safety, disciplinary practices, and health and safety for subcontracting arrangements amongst other topics

### Measurable Outcome

- Number of incidents that occurred in the building : 0
- Number of incidents that occurred on location during working hours (e.g., travelling, business fairs, etc.) : 0
- Lost time injuries (number of days missed due to injuries) : 0
- Absentee rate : < 1%
- % of employees who received a health and safety training : 100%

# Labour and Human Rights

## *Customer Health and Safety*

### Targets and Objectives

- Comply with all relevant Dutch and European laws and regulations, such as the Dutch Commodities Act, the EU Regulation No 178/2002/EC, the EU Directive 2001/95/EC on product safety, the EU Directive 2009/48/EC on the safety of toys, and the EU Regulation No 1907/ 2006 on chemical substances;
- Make sure that all products supplied to our clients meet the needs of the final consumer, are safe to use and do not constitute harm to human health;
- Make sure that all our clients are able to access health and safety information regarding our products;
- Maintain the number of yearly recalled products to zero.

### Measures

As part of the production, our products have **product labels** which contain clearly stated information and directions related to their proper use and their potential risks for human health and safety.

In case of any possible health and safety issues in products that have been sold, Staat & Co implements **a recall procedure** where each incident is recorded in a recall file which is used for evaluation and improvement purposes. Relatedly, we make it an absolute priority that all our employees are educated and informed of the necessary customer health and safety measures by providing a specific **customer health and safety awareness training**.

# Labour and Human Rights

## *Customer Health and Safety*

### Measures continued

In order to demonstrate our strict commitment to upholding product safety, we also **endorse the IGC Global Promotions Code of Conduct** which includes measures that allow us to meet industry standards for products and processes to ensure customer safety. In addition, Staat & Co follows the **Platform Promotional Product Hygiëncode**, which is a code that focuses on maintaining a high standard of food safety. The Hygiëncode includes measures on food safety based on HACCP principles of Regulation (EC) No 852/2004.

Staat & Co further demonstrates the importance of customer health and safety by performing product category **risk analyses** on an annual basis, where we assess the different types of possible risks that may be associated with each type of product we offer.

In terms of our supply chain, we make sure to have our suppliers adhere to the same quality and product safety standards that we do. We enforce these expectations by requiring **product safety tests** from suppliers in the case that their conducted risk assessments were classified as medium or high risk. This allows us to guarantee customer safety throughout our operations.

### Measurable Outcomes

- % of products labelled with health and safety information : 25%
- Number of product recalls : 0
- Number of customer complaints : 4



# Labour and Human Rights

## *Discrimination and Harassment*

### Targets and Objectives

- Comply with all relevant local and international laws and regulations concerning discrimination and harassment, such as the Employment Equality Directive 2000/78/EC and the Dutch Equal Treatment Act;
- Raise employee's awareness on discrimination and harassment;
- Ensure employees can report incidents of discrimination and/or harassment;
- Ensure no business decisions are made based on discriminatory factors;
- Ensure transparent reporting on incidents of discrimination and/or harassment;
- Prohibit all acts of discrimination and harassment to all employees;
- Ensure the internal discrimination and harassment incident rate remains 0.

### Measures

By providing our employees with clear rules in our **Code of Conduct** and **Personnel Handbook**, we ensure that they are aware of what is considered discrimination and harassment, the consequences of any such behaviour and how to prevent it. This way we implement our **zero-tolerance policy**.

To educate our employees and prevent the necessity for the enactment of our formal disciplinary measures, we have a **mandatory anti-discrimination and harassment training**. This training ensures that all employees are taught about the concepts of discrimination and harassment, how to avoid them and to communicate and emphasize the sanctions we have in place to address cases of confirmed discrimination and harassment.

# Labour and Human Rights

## *Discrimination and Harassment*

### Measures Continued

To prevent discrimination, we make sure to practice and provide **equal job opportunities embedded throughout both our recruitment and promotion processes**. This means that we treat our employees equally within our business operations and we only consider factors such as experience, skills and motivation when hiring. This has resulted in nearly an equal divide between men and women within our workforce and a diverse age range of employees.

As we seek to uphold our own social, environmental and ethical principles, we make sure that the suppliers we work with are aligned with our way of working and our outlook by conducting **supplier audits**. These supplier audits cover the following relevant topics: Freedom of association, non-discrimination, disciplinary practices and harassment & abuse.

Staat & Co has a **whistleblowing procedure** in place that allows employees to report anonymously on any discrimination and/or harassment incidents that have occurred.

### Measurable outcomes

- Gender ratio : 40% women; 60% men
- Number of reported incidents due to discrimination/harassment : 0
- % of employees who received a training on discrimination and harassment : 100%

# Labour and Human Rights

## *Working Conditions*

### Targets and Objectives

- Comply with all relevant local and international laws and regulations concerning working conditions, such as the International Labour Organization's Declaration on Fundamental Principles and Rights at Work;
- Promote a healthy work-life balance;
- Install flexible working hours.

### Measures

We make sure to continuously **comply with all relevant local and international laws and regulations concerning working conditions**, especially focusing on the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

We promote a healthy work-life balance by allowing employees the flexibility to **work from home** at least once a week even prior to COVID-19. During the pandemic, this has been made to be much more flexible and employees can work at home multiple days in consultation with their manager. Relatedly, **employees can choose their working hours within their contract**, meaning they can work part-time or work any number of hours between 38 and 40 hours in arrangement with management.

While Staat & Co does not encourage working overtime, we recognize that this is occasionally necessary and when an employee does work overtime, we **compensate employee overtime** by providing extra free hours, in which the ratio for extra allocated hours is a minimum of 1:1.

# Labour and Human Rights

## *Working Conditions*

### Measures Continued

Socialization and the mental health of our employees is another focal point for us. To promote an open, friendly and supportive environment, we **organize Friday afternoon drinks every week in the office**. The communication between employees and management are facilitated in a formal manner through allowing employees a dedicated space to voice their feelings and opinions during **annual performance meetings**.

The physical health of our employees is also something we seek to promote by **providing employees with collective insurance** through our contract and collaboration with 'Het Zilveren Kruis' health insurance, meaning that employees get a discounted rate if they take health insurance through our partnered provider.

In order to reduce stress caused from excessive noise we also enacted measures such as **promoting shared breaks among employees** as well as the **availability of sound insulating booths and phone booths** to allow a quiet working environment for those who need to focus. Staat and Co provides **ergonomic office equipment** such as fully adjustable chairs that provide needed support to prevent back pain from extended periods of work, the provision of desk-bikes that allow employees the option to get some exercise while working and promote both movement and work efficiency. All our employees also have **adjustable monitors** that promote good posture and allow for comfortable working.

### Measurable Outcomes

- 100 % of employees with ergonomic work-station
- 100 % of employees with flexible working hours
- 100 % of employees receiving social benefits (e.g. insurance)
- Total number of hours worked : 16392



# Labour and Human Rights

## *Career Management and Training*

### Targets and Objectives

- Stimulate employees to invest in their skill development and follow relevant courses and trainings;
- Yearly assess employees' performances;
- Provide trainings on both function-related and personal subjects;
- Provide equal career progression opportunities to all employees.

### Measures

Staat & Co helps its employees continually grow and develop through the **provision of necessary trainings** related to their job function, for example necessary sales trainings. These trainings are in addition to the **mandatory trainings** regarding health and safety, proper working conditions and discrimination and harassment trainings that are provided annually and within the first week for new employees. We also offer **sustainable procurement trainings** to make sure that our procurement-related processes are conducted in the most sustainable way possible and to help integrate environmental and social considerations into decision-making and collaboration with suppliers.

We also provide employees the option to pursue **personal development trainings, compensation and support for external courses** that allow them to improve on aspects they themselves identify with their manager.

We **conduct regular performance reviews** to provide employees with the opportunity to set and discuss targets and goals, how to best achieve them and how to move forward in promoting their development in the most positive way possible. Using this feedback and engagement assessment, we can more accurately tailor the working environment to match the needs of the employees.

# Labour and Human Rights

## *Career Management and Training*

### Measures Continued:

We value our employees and believe in providing them with opportunities to grow within the company,. Based on this, we always seek to **look internally for suitable candidates first before hiring externally** for a vacant position.

To further facilitate the growth of our employees and to promote opportunities for external exposure and keep up with industry trends, we make sure to **send our employees to industry fairs** whenever possible.

### Measurable Outcomes

- % of employees that receives any form of compensation for personal development and/or schooling : 40%
- Average number of hours of skill development training per employee : 4
- Average number of performance reviews per employee : 2
- Average number of internal trainings per employee : 5



# Environment

# Environment

## *Our Commitment*

Staat & Co is committed to protecting the environment it operates in through environmentally friendly practices and integration of the UNGC principles and the SDGs. The related principles that we adhere to and respect are as follows:

- **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.

We are committed to conducting all business in a manner that respects and protects the environment, seeking to specifically reduce our energy and waste production, carbon footprint and resource consumption. We seek to ensure that our products are produced in the most environmentally friendly way as possible and that our partners and consumers both have the needed information and instructions to join us in this undertaking. We strive to achieve a minimal impact on the environment throughout all our operations with comprehensive policies, measures and the integration of environmental considerations in our production.



*With these initiatives, we actively contribute specifically towards SDG 12, Responsible Consumption & Production, SDG 13 Climate Action and SDG 15 Life on Land.*





# Environment

## *Our Policies*

### **Approach**

The environmental effects of our operations in terms of energy consumption and GHG emissions, waste, customer health and safety and promoting sustainable consumption are pivotal in how Staat & Co does business. In order to facilitate an environmentally friendly and sustainable approach as part of our business vision, we have created the following policies to ensure we uphold these ideals and exercise our commitment to Principles 7, 8 and 9 of the UNGC.

### **Environmental Policy**

Within the Staat & Co Policy Handbook implemented in 2020, Staat&Co provides employees with policies and specific objectives to minimize our negative impact on the environment focusing our efforts on energy consumption, CO2 emissions and waste production. Staat&Co. also aims to promote these beliefs through transparent communication with our supply chain, where we strive for high standards of customer safety and sustainable consumption throughout our procurement processes and with our customers.

### **Internal Code of Conduct**

Our 2020 Code of Conduct provides all employees with ethical guidelines which are to be upheld throughout day-to-day operations and business decisions. The Code of Conduct includes provisions around environmental topics such as carbon footprint minimization, using renewable energy, waste reduction and promoting sustainable consumption patterns.



# Environment

## *Our Policies Continued*

### **Sustainable Procurement Policy**

Through our Sustainable Procurement policy, created in 2020, we aim to actively contribute towards a responsible supply chain and ensure that our production partners meet our environmental commitments. In order to achieve this, we implement various environmental and social selection criteria when choosing our suppliers and business partners. We also make sure that our suppliers adhere to all relevant local and international rules and regulations in terms of procurement such as REACH for example.

### **Supplier Code of Conduct**

Implemented since 2019, our Supplier Code of Conduct plays an important role in involving our suppliers in our effort to have an environmentally conscious supply chain. Within our Supplier Code of Conduct, we require suppliers to not only adhere to local and international laws and regulations but also integrate sustainability into their operations and we check the environmental and sustainability related measures they have in place to reduce negative impact such as practicing energy reduction for example. We require our suppliers to sign the Supplier Code of Conduct to prove their commitment and compliance.

# Environment

## *Energy Consumption and GHG Emissions*

### Targets and Objectives

- Comply with all relevant Dutch and European laws and regulations, such as the Dutch Government's Energy Agenda, the Directive 2012/27/EU on Energy Efficiency, the EU Regulation 426/2014, and the Decision No 406/2009/EC on Greenhouse Gas Emissions;
- Develop appropriate systems to monitor and review its energy consumption and CO2 emissions;
- Monitor and review work practices in order to reduce its electricity consumption and CO2 emissions;
- Reduce the consumption of electricity by 10% by 2030;
- Reduce CO2 emissions by 50% by 2030;
- Maintain the percentage of used electricity that comes from renewable sources to 100%.

### Measures

Within Staat & Co, we believe education and awareness to be vital for our employees to integrate environmentally aware principles into their work. To realise this, we organise **environmental awareness trainings** for our employees about the importance of reducing energy consumption and greenhouse gas emissions.

To further promote an environmentally friendly and sustainable mindset, we implemented office guidelines, described in our **employee handbook** available to all employees, that cover topics including how to reduce of energy consumption in the office through small actions such as turning off and plugging out electronic equipment that is not being used.



# Environment

## *Energy Consumption and GHG Emissions*

### Measures Continued

In relation to office equipment, we strictly only purchase and use equipment that has an **energy efficiency label** higher than a "B" rating corresponding to EU Regulation 2017/1369. This includes our screens, printers, light bulbs and other electronic equipment.

At Staat & Co, we proudly use sustainable and renewable energy produced by the **solar panels** located on our office building. In addition, we also make use of measures such as **smart lighting** that switches off when there are no employees moving in the office to save on electricity and reduce energy waste. Whenever we need to travel for business purposes, we use our **company-owned electric vehicle** to reduce our transportation emissions.

We also believe that the measurement and year on year comparison of our CO2 emissions is an important exercise for continuous improvement. For this reason, Staat & Co **monitors and reports on its electricity consumption and CO2** emissions on an annual basis. As part of our yearly measurement and tracking of our own performance in terms of environmental aspects of our operations, we will also install a **yearly review mechanism** to assess our suppliers on key CSR issues. These environmental and social CSR issues that suppliers need to adhere to are reflected through **CSR clauses** integrated into supplier contracts and thus are mandatory.

### Measurable Outcomes

- Electricity consumption: 2153 KWh
- Water consumption: 977 liter
- Gas consumption: 1057 m<sup>3</sup>
- Fuel consumption: 3515 liter
- CO2 emissions : 9422 (fully compensated)
- % of employees trained on environmental issues : 100%
- % of suppliers assessed on CSR issues , including environmental ones : 100%
- % contracts containing CSR clauses, including environmental clauses : 100%



# Environment

## *Sustainable Consumption*

### Targets and Objectives

- Comply with all applicable laws and regulations concerning the responsible production and consumption in the private sector such as the EU Sustainable Development Strategy, and the EU Sustainable Consumption and Production Plan COM 2008/397;
- Communicate relevant information internally and externally to ensure that our employees and customers have access to knowledge concerning sustainable consumption;
- Provide our customers with a wide variety of sustainable products to choose from;
- Always include at least one sustainable product in the offers we make to our customers;
- Strive to increase the percentage of sustainable alternatives available to our customers each year by 5%;
- Encourage our customers to dispose of our products in a proper manner, avoiding to cause harm to the environment.

# Environment

## *Sustainable Consumption*

### Measures

In order to promote transparent communication and sustainable consumption of our products, Staat & Co provides its products with **labels regarding their sustainability** aspects, such as Bio based or PEFC Chain of Custody. As part of this approach, we make sure to provide all our products with labels that properly inform customers on the correct disposal method to avoid the creation of unnecessary waste and pollution.

Staat & Co engages in a yearly monitoring and review of the number and proportion of sustainable products that it offers. This means that the product must have either **an ecolabel and/or sustainable features** as part of its production. We ensure that our sustainable products are clearly identifiable and that customers are aware of the sustainability related features and aspects that the product may have. When engaging with clients we seek to emphasize our sustainable product ranges that are made from **recycled materials**, and we offer products that **do not emit CO2 emissions** and do **not require any non-sustainable energy usage**, such as products with solar powered chargers for example.

As part of our procurement measures, we also request results of regularly conducted **quality control tests** to ensure products are maintaining a high-quality standard for our clients.

### Measurable Outcomes

- % of eco-friendly products sold: 16%
- % of sustainable products from the total range of products : 20%

# Environment

## *Waste Management*

### Targets and Objectives

- Comply with all relevant Dutch and European requirements, laws and regulations, in the area of waste management, such as the EU Directive 2015/720, the Dutch Packaging Decree and the Dutch Framework Agreement for Packaging;
- Spread awareness among its employees about the importance of recycling office waste;
- Reduce the volume of waste produced within business operations by making product catalogues available online, by taking phone and email orders, and by using electronic invoices;
- Recycle or ensure appropriate disposal of waste;
- Reduce production of office waste by 10% by 2030;
- Recycle 100% of the glass waste produced in the office;
- Recycle 100% of the paper and cardboard waste produced in the office;
- Recycle 100% of the plastic waste produced in the office.

### Measures

As part of our educational approach to raising awareness about the importance of environmental considerations throughout our operations, we provide all employees with extensive **information on the recycling process** and the importance thereof. We also provide employees with the supporting infrastructure to **recycle all office waste** produced within our working environment such as plastic, paper, cardboard and glass.

# Environment

## *Waste Management*

### Measures Continued

In order to avoid the further generation of waste through our production, we provide unused **product samples to charities** when possible. This ensures that even our unused products have a longer lifecycle and time of use and do not end up being discarded.

As part of our business model and operations, we reduce the volume of our waste production by embracing digital ways of working through making our **product catalogues available online**, using **electronic invoices** and by dealing with client orders through phone, email and video conferencing communication.

Staat & Co also communicates among employees how to **reduce waste in the office**. For example, employees are encouraged to reduce unnecessary printing or making sure to print double sided and in black and white only.

Paper and plastics are collected separately to allow full recycling.

### Measurable Outcomes

- None





# Ethics & Compliance

# Ethics & Compliance

## *Our commitment*

Staat & Co is committed to conducting all business in the most ethical manner and integrating the related Compliance UNGC principles and the SDGs. As such, we adhere to the following principles:

- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

We are committed to conducting all business in an ethical manner and safeguarding a zero-tolerance approach to all forms of corruption and bribery. Our measures are aligned with the principles embedded in the UN's Convention Against Corruption (UNCAC). We strive to ensure fair and transparent business processes throughout all our operations with comprehensive policies, measures and code of conducts. To ensure these standards are met throughout our supply chain as well, we engage with our suppliers to support them in conducting fair business as well.



*With these initiatives, we actively contribute specifically towards SDG 12, Responsible Consumption and Production.*

# Ethics & Compliance

## *Our policies*

### Approach

Fair and transparent business practice, ethical supply chain and information security is of utmost importance for Staat & Co. In order to ensure that these standards are met across all our operations, we have created policies to set objectives and targets towards our commitment to Principle 10.

### **Business Ethics Policy**

Our Business Ethics policy was created in 2020 and provides employees with policies and specific objectives to uphold our ethical standards and adhere to relevant local and international regulations. The Business Ethics Policy's objectives are aimed at preventing any unethical practices and spreading awareness among employees.

### **Sustainable Procurement Policy**

Through our Sustainable Procurement policy, created in 2020, we aim to actively contribute towards a responsible supply chain and ensure that our production partners meet our ethical commitments. Apart from ensuring compliance with relevant regulations, we have a rigorous supplier selection process and a proper due diligence screening, to ensure that our suppliers adhere to our ethical standards.

### **Information Security Policy**

The Information Security Policy is in place to ensure that strong measures are in place to protect both business and personal data of employees and clients. The policy outlines how we monitor and improve our internal processes.

# Ethics & Compliance

## *Our policies*

### **Sanctions policy**

To ensure that employees comply with the rules set in our policies, we installed a sanctions policy in 2020. The policy sets out clear instructions on how to deal with instances of misconduct and/or non-compliance.

### **Internal Code of Conduct**

Our 2020 Code of Conduct provides all employees with ethical guidelines which are to be upheld throughout day-to-day operations and business decisions. The Code of Conduct includes provisions around bribery, corruption, fraud and confidentiality.

### **Supplier Code of Conduct**

Implemented since 2019, our Supplier Code of Conduct plays an important role in involving our suppliers in our effort to have an ethical supply chain. The Code of Conduct sets minimum standards for our suppliers with regards to bribery, corruption and fraud.



# Ethics & Compliance

## *Business Ethics*

### **Targets:**

- Comply with local & international laws and regulations such as the Directive 2008/801/EC on Corruption and Dutch Civil Code;
- Prevent any unethical practices taking place within our business operations;
- Spread awareness among our employees regarding internal unethical practices and sustainable procurement;
- Act in a transparent, and honest manner within all our business operations;
- Keeping fraudulent related incidents at 0;
- Keeping bribery/corruption related incidents at 0;
- Set high standards for responsible and sustainable supplier selection to deliver commitment to sustainable growth
- Ensure that 100% of our suppliers sign our code of conduct, or provide an acceptable own CoC by 2022;
- Strive for 50% sustainable products sold, in regards to the total amount of products sold by 2025.

# Ethics & Compliance

## *Business Ethics*

### Measures

Our ethical guidelines in the **Internal and External Code of Conducts** includes sections that specifically describe prohibited, unethical behaviour. This ensures that all employees are aware of how to uphold our values at work and that all supplier are informed about our minimum standards for conducting business in an ethical manner.

We undergo a yearly **financial audit** by a third party to assess whether we abide by necessary laws and identifies any potential cases of corruption and fraud. The **Sensitive Transactions procedure** is designed to increase the transparency of gift giving and receiving to reduce risks of bribery occurring.

Any unethical business exchanges, along with other fraudulent or unethical incidents, should be report via our **Whistle-blowing procedure**. The procedure describes the reporting process and ensures that no repercussions for the whistleblower happen. Lastly, to increase awareness of topics such as corruption, fraud and money laundering all our employees receive an **ethics training**.

To ensure that our suppliers meet our basic ethical standards, we have several measures in place. All suppliers must sign our **supplier Code of Conduct** and provide **certificates or third-party audits** (e.g. BSCI, SEDEX or ISO) before we sign a contract with them. To reinforce our contracts, we have included **CSR conditions**, including ethical business conduct, in our supplier contracts. We will also install a **yearly review procedure** to assess ethical behaviour of our key suppliers.

# Ethics & Compliance

## *Business Ethics*

### **Measurement of outcomes**

- # of reported incidents due to corruption : 0
- # of reported incidents due to anti-competitive practices : 0
- % of employees trained on business ethics : 100 %
- Amount of fines paid due to compliance issues : 0
- % of suppliers assessed on CSR issues, including ethical conduct : 100%
- % of suppliers having signed Supplier CSR code of conduct, which includes ethical clauses : 100%
- % of buyers trained on CSR issues, including ethics : 100%
- % contracts containing CSR clauses, including ethical clauses : 100%

# Ethics & Compliance

## *Sanctions*

### Targets:

- Comply with relevant international and/or local rules and regulations, such as the Dutch Civil Code of Conduct;
- Ensure incidents of misconduct or non-compliance are handled in a fair and effective way;
- Safeguard its business operations and employees from unfair business practices;
- Raise employee's awareness regarding the sanctions on misconduct or non-compliance;
- Encourage employees to follow the whistle-blower procedure whenever they notice a misconduct of another employee or external stakeholder.

### Measures

We have a **disciplinary procedure** in place which, depending on the severity of a breach or misconduct, outlines the disciplinary action imposed. The procedure is based on the general principles of natural justice, fairness, confidentiality and equal opportunities. The different levels of actions are: verbal notification; counselling and corrective action plan; official written warning; official meeting with a management representative; final written warning; and dismissal statement. Any unethical business exchanges, along with other fraudulent or unethical incidents, should be report via our **Whistle-blowing procedure**. The procedure describes the reporting process and ensures that no repercussions for the whistleblower happen.



# Ethics & Compliance

## *Sanctions*

### **Measurement of outcomes:**

- # of policy breach incidents : 0
- # of whistleblower complaints filed : 0

# Afterword

Staat & Co is committed to continue to adhere to the 10 principles of the UNGC and continuously improve our internal policies and processes. In addition to submitting the Communications on Progress report on a yearly basis, we will continue to conduct our Annual EcoVadis assessment, renew our sustainability certifications and conduct audits to ensure compliance.

We also plan to help our fellow distributors in becoming more sustainable by taking a leading role in the board of the sustainability committee of our branch organization. Together with other front-runner companies we will set a path for the industry to become more sustainable within 5 years' time.

We will actively promote to our customers to use less PVC, more FSC audited paper and more Fair-Trade certified products. We will also encourage our clients to use Recycled PET over normal polyester fabric.

Suppliers that don't meet the standards as described in the ILO conventions will be blacklisted and where-ever possible will be educated to transform their business model.

*- mission statement from sales : to become the most sustainable distributor in the field by 2026*

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