

# COMMUNICATION ON PROGRESS

April 2021 - April 2022

METZ A/S



“My greatest goal as a leader,  
is to make sure that my employees  
enjoy coming to work every day.  
In other words, each employee should  
feel important and valued.”



## STATEMENT OF CONTINUED SUPPORT

Back in 1990, 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. This is now history. But still ongoing and expresses the philosophy which has always been the corner stone at our company, and 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.

### LEADING AND LARGEST SUPPLIER IN OUR INDUSTRY

Always aiming to do better and embracing new challenges, we have continuously been growing. Since 2011 we have been the leading and largest supplier of promotional products, company clothing and Christmas gifts in Denmark.

### OUR MISSION

Our mission is to provide high quality products while also influencing conditions relating to labour rights, human rights and the environment in our supply chain.

We are dedicated to continuously improving our influence on the environment and look at new ways to optimize and improve our products, to minimize the environmental impact.

Our mission sets out in sustainable development goals 8 & 12, which are our biggest impact area.

### OUR CSR JOURNEY

We started working with CSR and our supply chain back in 2008. To get an internationally recognized framework for structuring and reporting on our Corporate Social Responsibility (CSR) efforts, we signed up to the UN Global Compact in 2013. Since then, it has taken off, each year we have new exciting projects and initiatives

### ALIGNING WITH THE GLOBAL ANNUAL EMISSIONS REDUCTION RATE

This year we focused on our internal carbon emission. To make our impact on limiting the global warming, we have aligned with the global annual emissions reduction rate, that requires to meet 1,5 degrees target towards 2030. In April 2022 our target was approved by the Science-Based Targets initiative (SBTi).

### CONTINUED SUPPORT

It is and always will be the companies of the world that drive globalization. And it will only be through a global fellowship and collaboration that we can ensure progress for the benefit of the world's economies, societies and the environment.

This report is our eighth Communication on Progress and it is still my pleasure to inform you that Metz reaffirms our support to the United Nations Global Compact and its 10 principles as well as the sustainable development goals.

Yours sincerely,  
Claus Hedegaard  
CEO



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# INTRODUCTION TO METZ

Last year, Metz and Baxx Promotion merged, and we are now one organization with 74 employees, and with an annual turnover of more than EUR 40 mill.

We have two office locations and logistics centres. One placed north of Copenhagen and one placed in Kolding.

Being the largest 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 Metz and Baxx Promotion, so we can further target our efforts and fulfil our ambition to be the leading driving force in CSR and sustainability in our industry.

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



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

Metz was established in 1993 with 3 employees. Today 47 dedicated people work in the office and warehouse North of Copenhagen, Denmark. Metz signed up to UN Global Compact in 2013.

## OFFICE LOCATION, SHOWROOM, WEB SHOP & LOGISTICS CENTER IN KOLDING

In the late 90s, Baxx Promotion delivered their first order. Today 27 dedicated people work at the office and warehouse in Kolding, Denmark. Baxx Promotion signed up to UN Global compact in 2013.

- Danish supplier 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 is 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 since 2013.



# OUR EMPLOYEES

►► 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 74 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.

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.

**RESPECT. COMMITMENT. SUPPORT ACTIVITIES**



## 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

We 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.).

In 2020 all social activities were cancelled due to the corona pandemic (COVID-19), but in 2021 it was possible for us to arrange two social events, a summer get together and a teambuilding. The purpose of the teambuilding was to unite our two organizations in different team activities.

## EDUCATION

Throughout the year, we held several sessions to educate our employees, e.g. within new environmental initiatives, new legislation or simply within our employees' areas of work. We also participated in lectures that can give inspiration in the daily work.





## 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.

### ▶ EXAMPLES OF PROMOTION PRODUCTS

NOTEBOOKS, PENS, KEY  
HANGERS, DRINKING  
BOTTLES, MUGS, UMBRELLAS,  
CAPS, AND BAGS.

### FSC CERTIFIED WOOD & PAPER PURCHASES

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 in the FSC certification database, to verify that the certificate is still valid and has not been cancelled. This way we can also control that no wood or paper comes from cancelled certifications.

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

### WHY IS FSC CERTIFIED FOREST ALSO IMPORTANT FOR BIODIVERSITY

Forests provide society with a wide range of benefits, from reliable flows of clean water to productive soil and carbon sequestration. In FSC certified forests, valuable ecosystem services are protected. In 2018, FSC introduced a procedure to demonstrate and communicate about the positive impact of responsible forest management on ecosystem services. These verified positive impacts aim to facilitate payments for ecosystem services and provide access to other benefits, thereby adding business value for those who responsibly manage forests and those who take action to preserve forest ecosystem services

Metz have a trademark license for FSC® certified products. FSC-N001788.



## BUSINESS AREA PROFILE CLOTHING

PLAY VIDEO



### 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 quality clothing for larger Danish companies. Both special production with the opportunities this provides and standard clothing from stock.

A thorough needs analysis, followed up with design suggestions on colour, quality, fit and style enable our customers to make the right choice.





FOCUSING ON WASTE REDUCTION

BUSINESS AREA  
JUST-IN-TIME  
NO RISK CLOTHING

OUR JUST-IN-TIME CONCEPT SAVES 15-20% WASTE

WEB SHOP PRODUCT RANGE WITH FOCUS  
ON REDUCING WASTE

We handle web shop solutions for our biggest clients. Here we 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 100 different textiles and bags.



FOCUSING ON WASTE REDUCTION

BUSINESS AREA  
PRE-ORDER  
& BUNDLE

PRE-ORDER WEB SHOP

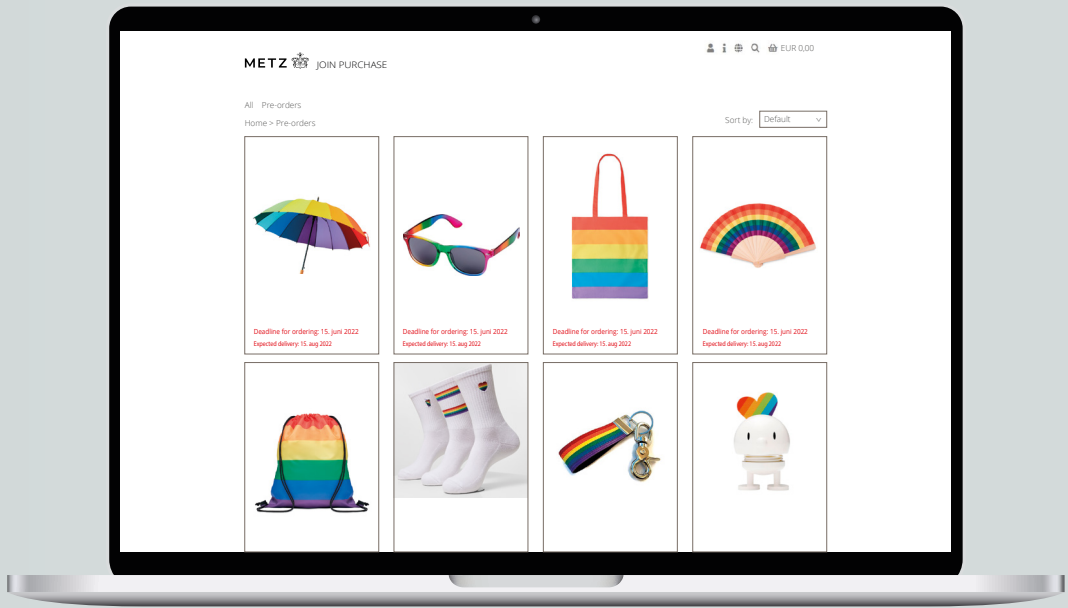
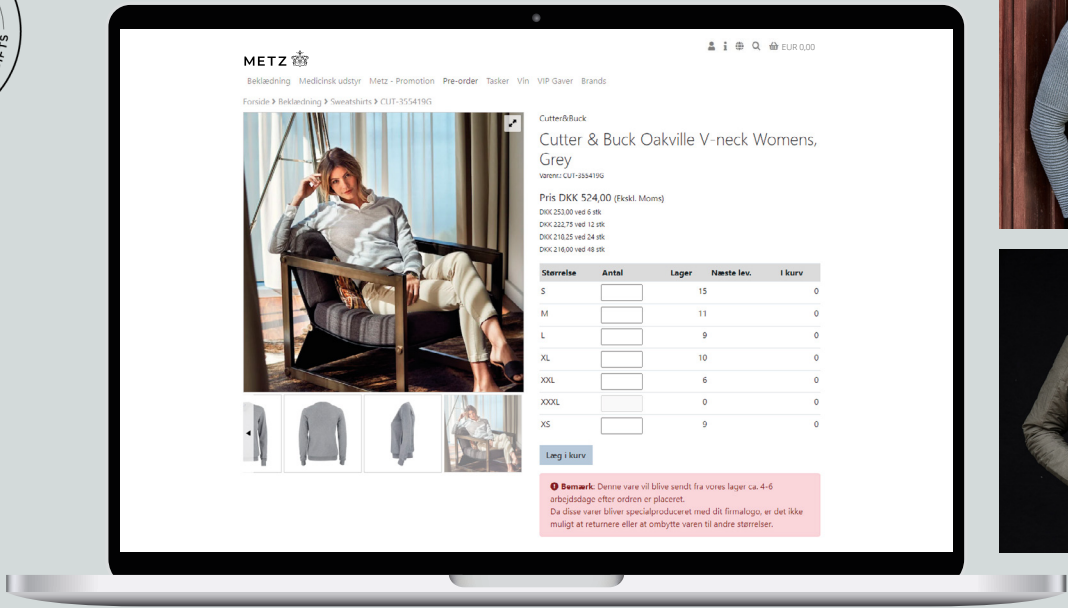
We can use our web shop solution to combine a pre-defined product across countries and brand teams.

The products are produced on demand and delivered accordingly to the orders placed worldwide, meaning that there will not be produced more than needed.

BUNDLE ORDER WEB SHOP

Bundling orders across customers is something we have done for many years in our Christmas range. But now we have developed a system to also bundle promotion orders across our customers.

The system is focusing on adding volume to the purchases and reducing the footprint, by minimizing small productions and single freights.





## BUSINESS AREA CORPORATE GIFTS

LIMITED ONLY BY IMAGINATION.

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

THE CORPORATE GIFTS AREA  
IS DIVIDED IN TO FOUR GROUPS.

- ▶ Predefined employee anniversary web shop
- ▶ Corporate anniversary gifts
- ▶ Company employee gifts e.g. summer gifts
- ▶ Special designed gift items

### Business case:

#### FROM ZERO TO FIVE HUNDRED CONSULTANTS.

Our customer wanted to celebrate that they now had 500 consultants on contract. The assignment was to come up with an idea that had the number 500 included. The result was a cocktail book with a signature drink made in our customers logo color. The cocktail book included 500 different cocktails, with just the right ingredients. Ingredients that are all important.

#### THE COMPANY WROTE IN THEIR STATEMENT;

“Not two cocktails are alike - they are all unique - just like each consultant”.



Cocktail book frontpage.

## BUSINESS AREA CHRISTMAS GIFTS

VERIFIED  
MATERIAL

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 24 different gifts within each budget.

As a standard one of the 24 gifts is a donation gift. In 2021 year we had a collaboration with the organisation “Plant a tree”. By choosing the donation gift on the Christmas gift shop, our customers employees have donated kr. 19.125,00 to the organisation. The amount contributes to both tree planting and to the distribution of free fruit tree plantations in Denmark. The organization has since 1988 planted more than 1.5 million trees in Denmark.



UGO stool by Piet Hein, made in FSC-certified oak veneer and matt black powder-coated recyclable steel. The product is produced in Denmark.



GrowON, made in FSC-certified ash. The product is produced in EU.

### ▶ SPONSORSHIP WITH PLASTIC CHANGE

We actively want to reduce single use plastic. That is why we both in 2019 and again in 2021 entered a sponsor partnership with “Plastic Change”.

On our Christmas web shops, we have made it possible to deselect plastic gift card and receive electronic gift codes instead. For each deselected gift card, a donation of kr. 5,00 per card is made to Plastic Change by Metz

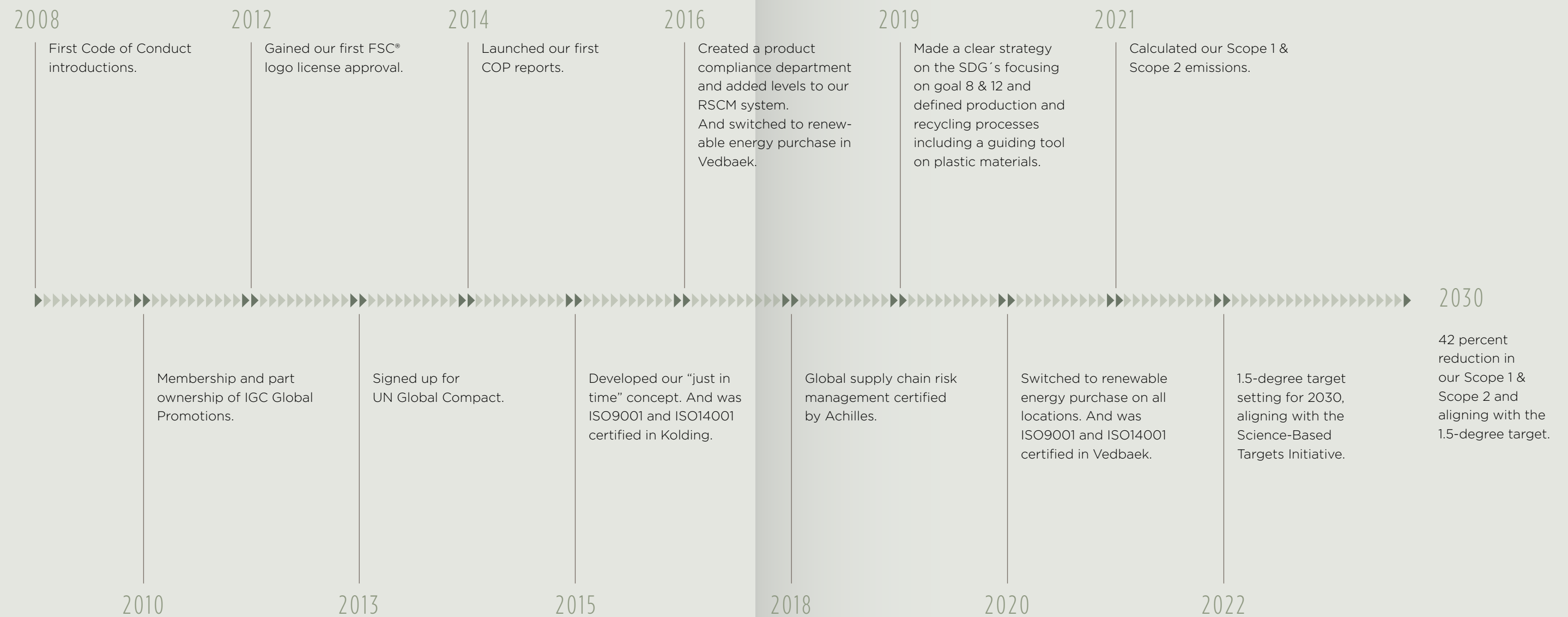
Together with our customers, the deselection of plastic gift cards has in 2021 resulted in a donation to Plastic Change of total DKK kr. 42.005,00 and a reduction of 8401 pcs single use plastic cards.

plastic change

In 2020, we decided to move away from the physical gift catalogues, and only make an online version instead. We have therefore in 2020 & 2021, saved more than 160.000 gift catalogues and thereby reduced 31 tons of paper.



# OUR CSR JOURNEY BEGAN IN 2008





# CSR ACTIVITY 2021

## CUSTOMERS

Over the last five 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.

Last 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.

This year there is an increasing demand for CO2 reduction action plans from our larger customers. We believe that the larger companies demands will trickle down the supply chain in a few years.

## CUSTOMER SPARRING AND COLLABORATION

We feel it as an obligation to share our knowledge with our customers. To support their business, we make an effort in being the best partner.. That is why we constantly keep up to date in areas like; greenwashing, consumption patterns, materials, supply chain management and now also in CO2 reduction.

## SUPPLY CHAIN

Collaborating with our suppliers is an important step in our supplier strategy.

Driven by our ambition to make a positive change, we support our suppliers' ongoing sustainability integration.

This year we have focused on mapping the used energy on the factories that we use in our productions.

# Respect Collaboration Trust

It is important that our suppliers have a responsibility towards CSR and towards us, and 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.



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 Sustainable Development Goals in our daily work.

**Camilla Feldschau Petersen**  
csr@metz.dk

Employed at Metz since 2005  
CSR Manager since 2014



► 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."



OUR APPROACH TO CSR

The backbone of our CSR strategy is shaped by the ten principles of the UN Global Compact and the sustainable development goals.

Our approach builds on our ambition to make a positive difference, to establish responsible processes for the products we sell while system- atizing and strengthen our supplier risk management. We do this by assessing the products we sell and by collaborating proac- tively with our suppliers in order to strengthen their compliance with internationally proclaimed principles for Human Rights and Labour Standards, Environment and Anti-corruption.

WORKING WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Our mission is to provide high-quality products, while also influencing and strengthening the compliance with internationally proclaimed prin- ciples for Human Rights and Labour Standards, Environment and Anti-corruption in our supply chain.

We don't have an impact on all 17 goals and their underlying targets. But we focus our effort on our internal energy consumption and on the goals that are related to our business areas. By this ambition we are committed to working with SDG 7, 8, 12 and 13 as our primary goals.

QUALITY & ENVIRONMENT MANAGEMENT SYSTEM

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 pro- cesses and policies to ensure that products are produced in socially and environmentally responsible ways. 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.

Primary Sustainable Development Goals

| SUSTAINABLE DEVELOPMENT GOALS  | COMMITMENT   | PAGE                 | TARGETS  |  |  |
|--|--|----------------------|--|--|--|
|   | The use of renewable energy, is an important action to REDUCE our daily impact.  | 22                   |   |  |  |
| <br> | 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 internation- ally proclaimed principles for Human Rights and Labour Standards, in our supply chain. As we are a sales and purchase organisation, we can make a real impact in the product that we sell and facto- ries that we work with. | 22, 23, 24<br>25, 26 | <br> | <br> | <br> |
|   | We have set a 1.5 degrees target for 2030 in our Scope 1 & Scope 2, aligning with the Sci- ence-Based Targets Initiative.  | 22                   |   |  |  |

►► 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.
- We want to proactively expand our portfolio of sustainable products in a balanced way that reflects the changing customer demands we are experiencing.
- We know that responsible business conduct provides sustainable, long-term business results, and that responsibility is a prerequisite for retaining our customers' trust and confi- dence.
- Addressing and working with the Sustainable Development Goals (SDG´s) gives our compa- ny an important voice.
- Joining forces with suppliers, industries and NGO´s create great business opportunities.

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

The Global Compact encompasses ten princi- ples which at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.

THE 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.

# RESPONSIBLE SUPPLY CHAIN MANAGEMENT

## Responsible business behaviour certified

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<sup>(1)</sup>. 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

Insurances; public liability, workers compensation, product liability

Responsible Supply Chain Management assessment

Health & Safety Management; verification on manual and factory certifications

Corporate Social Responsibility; assessment of our Corporate Social Responsibility Management

Financials, review and statement of records for the latest 3 years.

Quality Management; verification on manual and factory certifications

Environmental Management; verification on manual and factory certifications

Management team identification

Company information and profile

Data Protection

► <sup>(1)</sup>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.

### ► 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 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.



## SUPPLIER LEVELS

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.

### SINCE 2018 WE HAVE ONLY USED LEVEL 1 FACTORIES FOR OUR STANDARD ITEMS PRODUCTION LIKE;

notebooks, pens, key hangers,  
drinking bottles, mugs, umbrellas,  
caps, textiles and bags

This is the result of the supplier  
management system that we  
launched back in 2016.



## RESPONSIBLE SUPPLY CHAIN MANAGEMENT

In 2021, we have reviewed 95 different kinds of audit reports.

### ► 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.



# ASSESSMENT AND REVIEW OF SOCIAL AUDIT REPORTS

## FROM HIGH RISK AREA FACTORIES STEP 2 (ASSESSMENT)

### AUDIT REPORT REVIEW

Looking back, we can see that it is 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 and on Freedom of association. In these two areas missing policies have caused the finding and following action plan.



## 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             |  | 2019                       | 2020 | 2021 |  |   |
| 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 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    | 1%   | 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.   | 4%                         | 2%   | 4%   | 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.   | 10%                        | 8%   | 5%   | 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           | <div>Where your activities involve an environmental risk, you must implement an effective system to identify and minimize potential hazards to the environment.</div> <div><div>- relating to your energy consumption,</div><div>- emissions to air and land and water,</div><div>- management of hazardous materials and waste</div></div> <div>The system must be appropriate to the size, nature and risks of your operations and work towards continuous improvement in managing these risks.</div> <div>The system should be based on internationally recognized environmental management principles and applicable laws.</div> | 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<br>12 RESPONSIBLE CONSUMPTION AND PRODUCTION<br>14 LIFE BELOW WATER<br>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   |



# WORKING WITH THE PRINCIPLES IN REDUCE REUSE RECYCLE IN OUR DAILY ACTIVITIES

We are committed in taking responsibility for the environment in our daily activities. Both internally and externally.

Our commitment sets out in our primary SDG target. It reflects 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 one of our primary Sustainable development goals.

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. But it also reflects on the things we can change in our daily operation internally.

## INTERNAL

- 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.

## 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.



## Our environmental commitment PROCESS & TARGETS

| REDUCE | SUMMARY OF ACTIONS   | PAGE           | SDG | TARGET  |
|--------|--|----------------|-----|---|
|        | 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.   |                |     |   |
|        | <ul style="list-style-type: none"><li>We developed a no printing system that saves around 20-25000 pcs A4 papers a year.</li><li>When we need to print we only use FSC paper.</li><li>In our Chinese productions we only use FSC certified paper or similar.</li><li>We will no longer send out our physical Christmas gift catalogues. The catalogue will only be sent as an online version</li></ul>   | 10, 15         |     | 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. 15.2.1 (works as a secondary). Progress towards sustainable forest management).   |
|        | We will reduce the product packaging where possible without having any impact on the condition of the product.   |                |     |   |
|        | <ul style="list-style-type: none"><li>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.</li><li>Focus on the individual packing, like minimizing single polybags, use of recycled materials etc.</li></ul>  | 32, 33         |     | 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.   |
|        | We will reduce pre-produced products and focus on combining productions to minimize the footprint of the single product.   |                |     |   |
|        | <ul style="list-style-type: none"><li>We will keep expanding our “Just in time” range offered in our web shop solutions.</li><li>We have developed a system to bundle orders across customers, business units and countries.</li><li>We have developed a pre-order system.The systems are focusing on minimizing waste, only ordering what is needed.</li></ul>  | 12             |     | 12.2 By 2030, achieve the sustainable management and efficient use of natural resources.  |
|        | We will work to promote, the textile with lower impact.  |                |     |   |
|        | <ul style="list-style-type: none"><li>We have 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 toll.</li></ul>   | 42             |     | 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.   |
|        | We will promote the use of renewable energy, through own operations, to help reducing the negative environmental impacts, the use of energy has.   |                |     |   |
|        | <ul style="list-style-type: none"><li>We have updated our supplier compliance database, so we can keep track of the suppliers that use renewable energy in their productions.</li></ul>  | 34             |     | 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix. 13.2 Integrate climate change measures into national policies, strategies and planning to climate related hazards and natural disasters in all countries. |
|        | We want to reduce our internal consumption.  |                |     |   |
|        | <ul style="list-style-type: none"><li>We have started to track our internal consumption in Scope 1 &amp; 2 and set actions towards 2030</li><li>Our purchased energy comes from renewable energy purchase.</li><li>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.</li><li>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.</li></ul> | 34, 35, 36, 37 |     |   |

| REUSE | SUMMARY OF ACTIONS   | PAGE  | SDG | TARGET  |
|-------|--|-------|-----|---|
|       | We will promote the durable alternatives through function, designs, materials, and quality.  |       |     |   |
|       | <ul style="list-style-type: none"><li>We will keep organizing different projects and courses to support our sales and purchase departments so they can give the right advises to our customers.</li></ul>  | 9, 30 |     | 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. |
|       | We will reduce the use of new material in our shipments by reusing received boxes, air pillows etc. for our own shipments.   |       |     |   |
|       | <ul style="list-style-type: none"><li>We have investigated in several other alternatives to the present used packaging on our warehouse. And changed, where we found better solutions to minimize our shipments impact. We also created a packing policy focusing on reducing.</li></ul> | 32    |     |   |

| RECYCLE | SUMMARY OF ACTIONS  | PAGE | SDG | TARGET   |
|---------|---|------|-----|--|
|         | We want to promote the use of materials suited for recycling or made from recycled materials.   |      |     |  |
|         | <ul style="list-style-type: none"><li>We have 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. This will be updated frequently when new materials occurs.</li></ul> | 43   |     | 12.4 By 2020, achieve environmentally sound management of chemicals and all wastes throughout their life cycle in accordance with agreed international frameworks. |
|         | We will collect our discarded materials and samples for recycling and collect the company's defective equipment for responsible disposal at the recycling stations.   |      |     |  |
|         | <ul style="list-style-type: none"><li>Products are separated into material containers for correct disposal.</li><li>Products that are still working, is sorted separate so that these can be given to different organisations.</li></ul>  | 32   |     |  |

## FOCUSING ON REDUCE, REUSE, RECYCLE IN OUR WAREHOUSE

### WAREHOUSE PACKING SOLUTION

We are continuously focusing on the packaging used in our warehouse. From previously investigation we have chosen the below packaging.

#### PP Acrylic tape with water-based adhesive

We have chosen this version as it in our test was the most durable and still with a lower overall impact compared to other alternatives.

#### Export boxes made of 70% recycled material

From our investigation, we found that boxes made from 100% recycled cardboard was not as durable and would therefore need to be thicker to give the same result as the one made from 70% recycled material.

Protection air pillows in 35my, instead of our earlier used 44my. The air pillows in 35my had the same protection effect as our earlier in 44my, we therefore changed to a lower quality to reduce the used material. The airbags we use are made of 55% bio-PE (residual product from sugar cane production) and can be recycled on an equal basis with PE plastic.

#### REUSING INCOMING PACKAGING

To lower the use of new packaging, we reuse incoming boxes and air pillows. This results in both a reduction in our waste and in our consumption of new packaging.

### WASTE MANAGEMENT SUMMARY

Most waste in our warehouse comes from cardboard and plastic foil. We focus on the following priority:

- ▶ Reduce (prevention of possible waste)
- ▶ Reuse (minimizing the use of new packaging)
- ▶ Recycling disposal (packaging that cannot be used again, but which can be recycled)
- ▶ Other disposals (packaging that cannot be used again and that cannot be recycled)

*Waste bins and recycling bins are clearly marked to avoid wrong sorting.*

## FOCUSING ON REDUCE IN OUR SHIPMENTS

### SHIPMENT FROM OUR WAREHOUSE

- ▶ We avoid sending air and taking up too much space in the cars, we therefore combine shipments to same addresses to minimize single shipments.
- ▶ We always use the smallest possible packaging.

### SHIPMENTS FROM FACTORIES

- ▶ If the delivery time allow it, shipments from same factories should be combined.
- ▶ Samples from the factories should always be combined, to lower the number of single shipments.

## FOCUSING ON REDUCE IN OUR PRODUCT PACKAGING

### PRODUCT POLYBAGS

The packaging of the goods can most often be a greater waste load than the product itself. Therefore, we are focused on reducing packaging, by switching from single packaging to multi-packaging, if it will not have an effect on product quality.

### PRODUCT PACKING FROM FACTORIES

Products are packed in units, with the quantity they are sold in, in our web shops. This is to reduce single packaging but also to reduce the use of new packaging when shipping from our warehouse.



CLICK TO PLAY  
OUR WAREHOUSE  
VIDEO ▶



# USING RENEWABLE ENERGY, IS AN IMPORTANT ACTION TO REDUCE OUR DAILY IMPACT

For many years we had SDG 7 as a secondary goal, by using renewable energy in our office location in Vedbaek and by creating awareness on our consumption through internal policies, procedures, and activities. In 2021 we decided to change to renewable energy purchases in all our locations with the ambition of making a larger impact.

Now we have taken it one step further by measuring our internal Scope 1 & 2 emissions and setting targets. By this, we are now taking on SDG 7 and SDG13 as primary goals.

## NEW UPDATE IN OUR SUPPLIER COMPLIANCE DATABASE

As we want to make a positive impact and influence our supply chain, we have added a question in our supplier compliance sheet about their used energy.

This has also been added in our supplier database, so we can keep track of the suppliers who use renewable energy in their productions.

From our questionnaire, we can see that the used energy in our supply chain comes from different powerplants. Not all renewable energy purchases can be supported by declarations.

**In Denmark and Europe the use of e.g. wind power can be verified by declarations.**

**In China it has not yet been possible for us to get declarations on the renewable energy use.**





## SCOPE 1 & SCOPE 2 EMISSIONS

Committed to REDUCE our impact

### 1.5 degrees aligned target for 2030 in our Scope 1 & Scope 2

Our emissions reduction target is aligned with the Science-Based Targets Initiative pathway, that requires to meet the 1,5 degrees target in 2030.

We have chosen 2020 as our base year and target year in 2030. To align with the 1.5 degrees target, we should reduce our internal Scope 1 & Scope 2 with 42 percent in a 10-year period.

#### SCOPE 1 - DIRECT EMISSIONS

Included is company vehicle and natural gas heating form.

#### SCOPE 2 - INDIRECT EMISSIONS

Included is electricity and heat from district heating.

#### SCOPE 3 - INDIRECT EMISSIONS

We recognize, by not having our own production, we have a large footprint in our Scope 3. Our focus over the next years, will therefore be to put in place a management system that enforces the monitoring of our Scope 3 tCO<sub>2</sub>e.

*In the upstream indirect emissions, we will start by focusing on the waste generated and employee commuting. In the downstream indirect emissions, we will start by focusing on the transportation and use of sold products.*

## SCOPE 1 & SCOPE 2 EMISSIONS

Evaluation 2020 & 2021

During the Corona pandemic in 2020 and 2021, we were still working in the office. Therefore, we have not experienced a reduction in our energy consumption in this period.

The heating period was longer in 2021, and we can therefore see an increase in the total Scope 1 from 2020-2021.

To make our target a public commitment we applied for Science-Based Targets Initiative (SBTi) review in March 2022, the target was approved in April 2022.

The numbers in the figure are split between our different locations and there are therefore different emissions factors in our Scope 1 and Scope 2, depending on the location and the heating form. To calculate we have used the market-based approach.

The location that had heating pumps installed, had a reduction in scope 1, but this change resulted in a negative impact on our Scope 2 emission (electricity). However, our total Scope 2 emission decreased in 2021 due to our switch to renewable energy purchase.

## REDUCTION OF 10 tCO<sub>2</sub>e FROM 2020-2021

### Vedbaek & Nivaa & Kolding

| SCOPE 1                                   | tCO <sub>2</sub> e |      |                     |
|---|--------------------|------|---------------------|
|   | BASE YEAR<br>2020  | 2021 | TARGET YEAR<br>2030 |
| Company vehicles                          | 40                 | 37   |                     |
| Heating form - Natural gas                | 68                 | 84   |                     |
| Total tCO <sub>2</sub> e emmision scope 1 | 108                | 121  | 63                  |

| SCOPE 2                                   | tCO <sub>2</sub> e |      |                     |
|---|--------------------|------|---------------------|
|   | BASE YEAR<br>2020  | 2021 | TARGET YEAR<br>2030 |
| Electricity                               | 79                 | 54   |                     |
| Heating form - District heating           | 10                 | 12   |                     |
| Total tCO <sub>2</sub> e emmision scope 2 | 89                 | 66   | 52                  |

|   | 2020 | 2021 | 2030 |
|---|------|------|------|
| Total tCO <sub>2</sub> e emmision scope 1&2 | 197  | 187  | 115  |

#### tCO<sub>2</sub>e emissions per employee and per owned building area

|                                 |     |     |
|---------------------------------|-----|-----|
| Number of employees             | 74  | 74  |
| tCO <sub>2</sub> e per employee | 2,7 | 2,5 |

#### Owned building area m<sup>2</sup>

|                                       |        |        |
|---------------------------------------|--------|--------|
| Vedbaek                               | 4342   | 4342   |
| Nivaa                                 | 4715   | 4715   |
| Kolding                               | 2130   | 2130   |
| Total building area m <sup>2</sup>    | 11187  | 11187  |
| tCO <sub>2</sub> e per m <sup>2</sup> | 0,0176 | 0,0167 |

### REDUCE

### SUMMARY OF ACTIONS

|              |   |
|--------------|---|
| Heating      | <ul style="list-style-type: none"><li>In 2020, we began the changing our heating source in one of our office buildings from gas to heat pumps, this was finished during 2021.</li><li>End of 2021, we expanded our warehouse with 1200 m<sup>2</sup>, which we expect to be ready for use in 2022. The heating source in the new building will be heat pumps instead of gas.</li><li>We will during 2022-2023 investigate if we can also change the heating source to heat pumps in our other locations</li></ul> |
| Electricity  | <ul style="list-style-type: none"><li>In 2021, we changed to renewable energy purchases on all locations. During the next years we will look at solutions to reduce our used electricity.</li></ul>   |
| Company cars | <ul style="list-style-type: none"><li>One way to reduce our emission is to look at the use of company cars. There has already been a reduction by the switch to online meetings, but we will look at how to further reduce.</li></ul>   |

### SCIENCE-BASED TARGETS INITIATIVE (SBTi)

Science-based targets provide companies with a clearly-defined path to reduce emissions in line with the Paris Agreement goals. More than 2,000 businesses around the world are already working with the Science Based Targets initiative (SBTi).





# 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 of our product compliance management along with product marks e.g. CE marks or material marks.

## OUR APPROACH TO RECYCLED CLAIMS, CO2 NEUTRAL ETC.

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 products produced in e.g. recycled materials or products claiming to be CO2 neutral 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 prevent greenwashing.

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



## 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.

VERIFIED MATERIAL





## PREVENTING GREENWASHING

### CAN YOU CALL A PRODUCT “GREEN”, “ENVIRONMENTALLY FRIENDLY”, “CLIMATE FRIENDLY” OR SIMILAR ?

Example, how do you measure if a product is “green”? The simple answer is that you can’t.

In Denmark a product cannot be called “green” or “environmentally friendly” according to the Danish marketing act. You can say that an item could be a better choice, than other alternatives, but it needs to be described and verified through documentation.

When looking at the better choice, it is important to look at the whole picture, what can be documented and does the product in its form make sense.

### WHY IS COMPLIANCE AN IMPORTANT STEP IN OUR PROCEDURE?

By looking at a product, you cannot tell if it is made from e.g. recycled or virgin materials or if harmful chemicals have been used.

It is therefore important to have the material documented and certified by recognised standards.

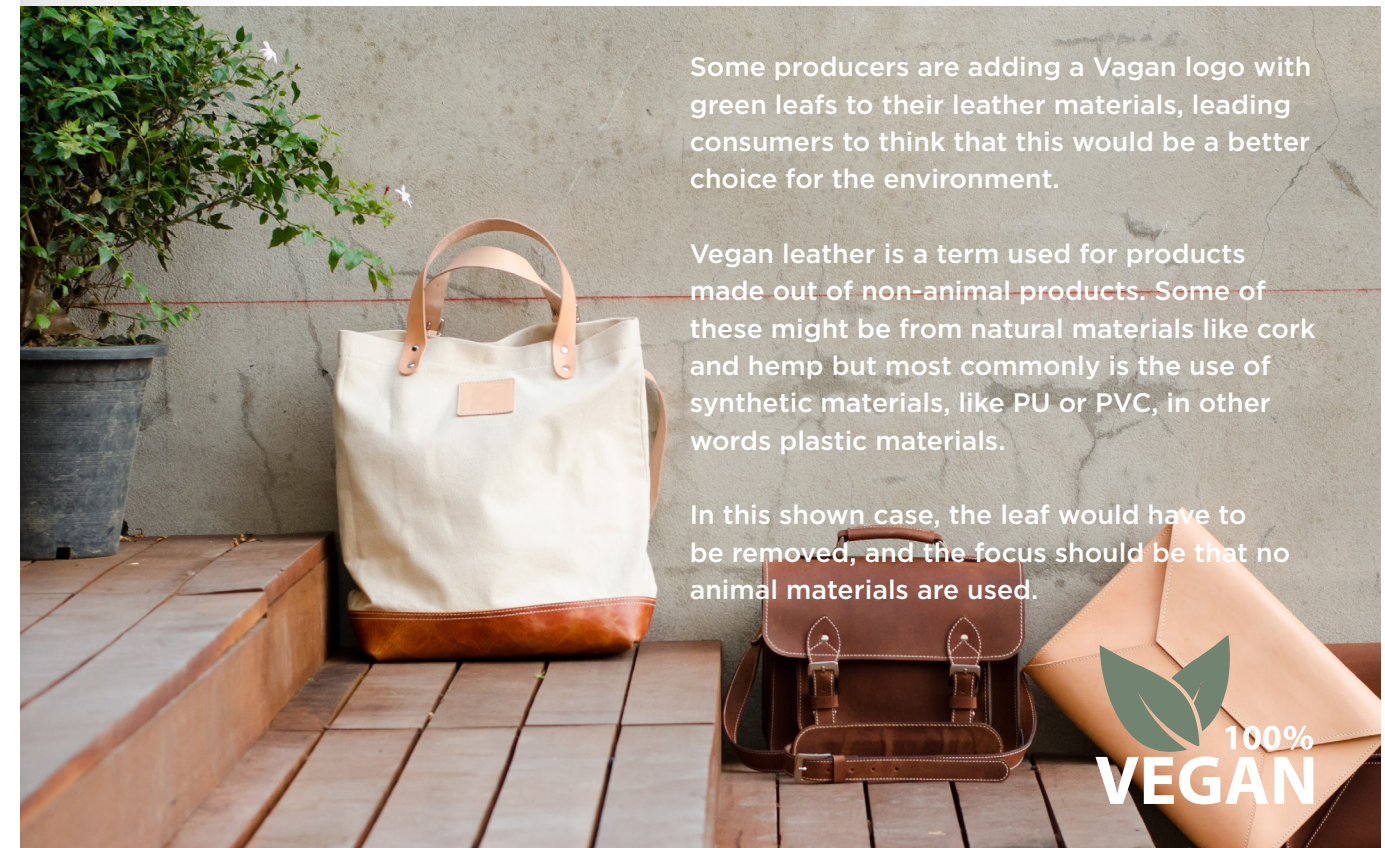
However, that a material is certified, makes no guarantee that the material is used in the final product. Therefore, many of the standards use transaction certificates for verification of the final product. We always cross check the certificate / licence number, to verify that the certificate is still 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. Almost every month we get introduced to new materials and products, claiming to be the better choice.

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

## EXAMPLES ON MISLEADING STATEMENTS





## TEXTILE STANDARDS

The markets demands are these years increasing on textiles with environmental focus e.g., recycled materials and organic cotton. 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.

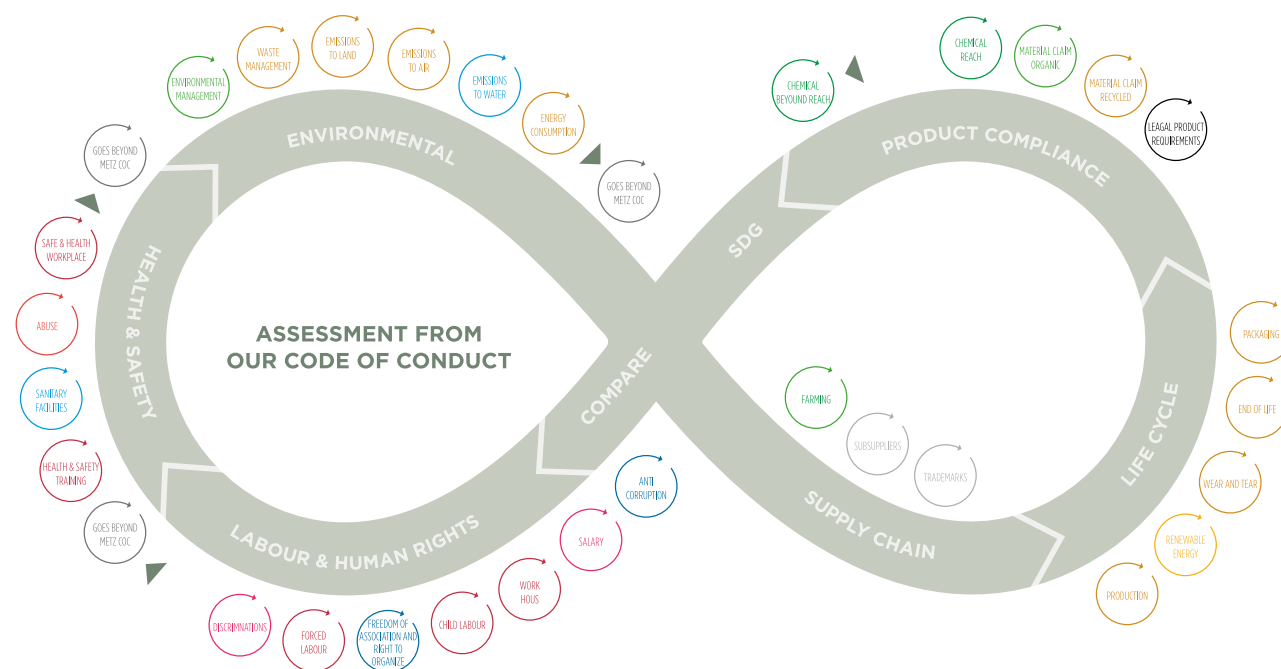
### OUR INTERNAL SYSTEM INCLUDES BELOW ELEVEN STANDARDS



### GUIDING TOOLS FROM OUR LEVELS SYSTEM

We have rated the standards according to same procedure as our supplier level system.

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.

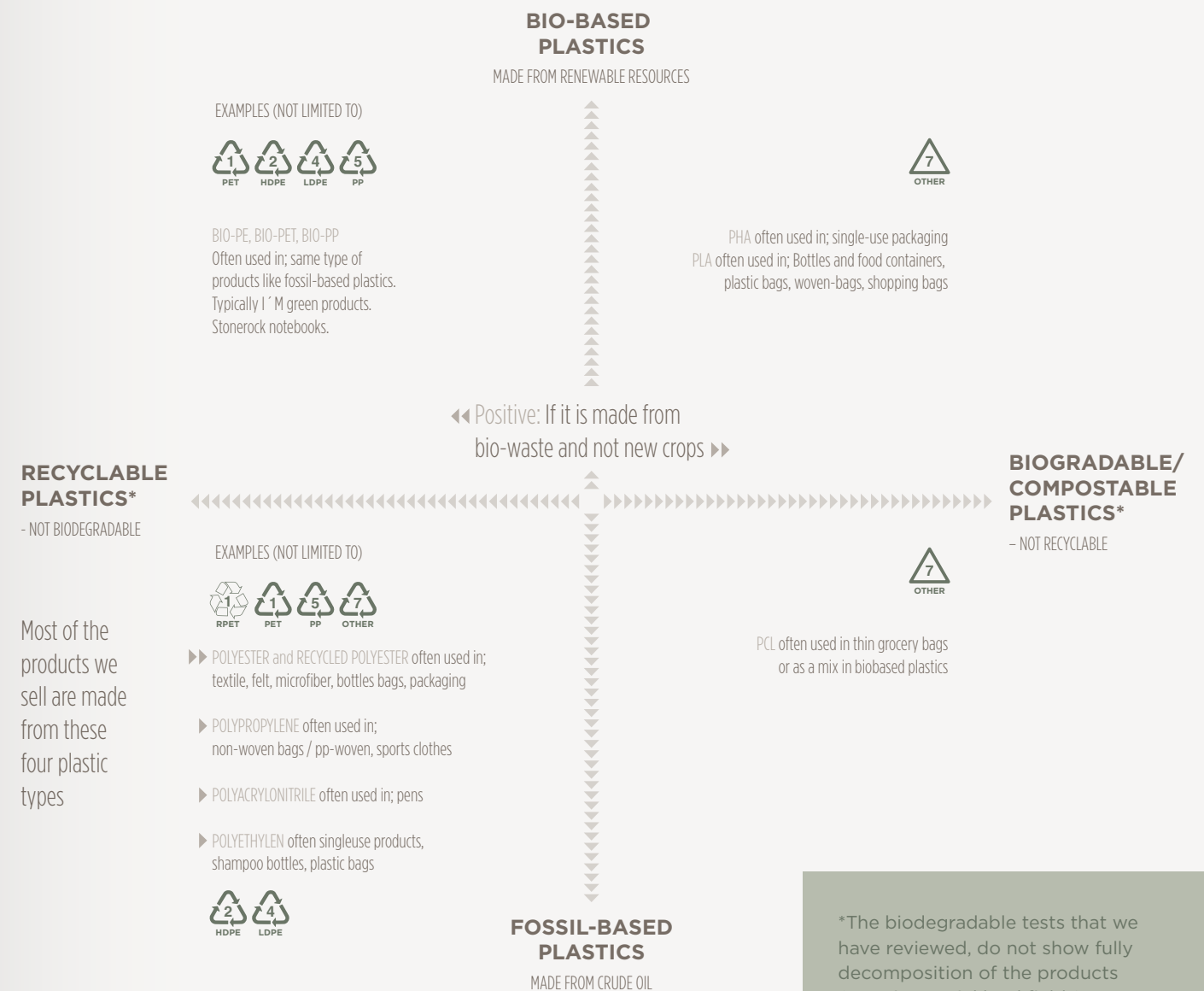


## PLASTIC MATERIALS

Plastic is in everything, clothes, bags, household items, pens etc. and it is represented in many of our product groups.

To identify the different plastic types and different phrases, we developed a system to prevent misleading or greenwashing products to enter the market through us.

### OUR INTERNAL PLASTIC IDENTIFICATION SYSTEM SETS OUT IN THE BELOW MODEL



\*The biodegradable tests that we have reviewed, do not show fully decomposition of the products (even in special land fields).

\* Materials can be recycled if they are not a mix of materials that can not be separated.

APPENDIX

CSR POLICY

REDUCE POLICY

PRODUCT COMPLIANCE POLICY

MARKETING COMMUNICATION POLICY

▶▶ METZ CSR POLICY

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

ETHICAL BUSINESS PRACTICES  
IN OUR ACTIVITIES:

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.

HUMAN AND LABOUR  
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.

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.

ENVIRONMENT PRINCIPLES  
IN OUR ACTIVITIES:

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.

OUR RESPONSIBILITY TOWARDS  
INTERNAL CONSUMPTION:

We will constant focus on reducing our internal consumption.

- Included but not limited to:
- Energy use.
  - Heating use.
  - The use of company cars
  - Generated waste
  - Purchased goods.
  - Chosen freight form.
  - Business travels.

METZ PRODUCT  
COMPLIANCE POLICY  
WE ARE COMMITTED TO:

Ensuring compliance with the laws on product safety and the laws on chemical substances.

- Included but not limited to:
- Documented components included in the product and packaging
  - Documented used materials
  - Documented chemical substances in the product and packaging.

METZ PRODUCT MARKETING  
COMMUNICATION POLICY  
WE ARE COMMITTED TO:

Avoid greenwashing in our marketing of products.

- Examples of greenwashing:
- Products with misleading statements.
  - Inaccurate statements where the products form does not live up to the purpose of use.
  - Highlighting of legal requirements in a product, making the product sounds better than similar products on the market.





Skelstedet 9-11, 2950 Vedbæk · Marsvej 26, 6000 Kolding · [csr@metz.dk](mailto:csr@metz.dk) · [metz.dk](http://metz.dk)