



CSR report 2014 - 2020

Key Merchandise BV is an all-round supplier of customized Merchandise - and Point Of Sale materials. The headquarters is established in The Hague.

In addition, we have our own Purchasing Organization in China and an extensive specialist network of manufacturers in Europe and the Far East.

With our own design studio in the Netherlands and Purchasing Organization in China, we organize each project from A to Z.

Key Merchandise stands for quality, expertise, creativity, customer focus and attention to detail.

## How we look at the world

Change in how we interact with each other and our planet is essential.

Consumers and their buying behavior are the main drivers of change in the world. They ensure that businesses, large and small, are reminded of their responsibilities to bring products and services to the market that are produced, used and disposed with consideration of people and nature.

The world is rapidly becoming more open and transparent. This is the reason why major challenges like climate change, the depletion of fossil resources, resource scarcity and human rights issues are themes that affect us all and where everyone has some kind of control over.

This also applies to Key Merchandise. We can also make our contribution to cleaner, more economical, safer and more pleasant living environments.

That is our Corporate Social Responsibility.

# are you in?

## What we want to achieve?

From our sphere of influence, we see four main issues and challenges where we can positively contribute to the world in which we live and work:



### **1. Material use & sustainable alternatives**

in 2020 we have sustainable alternatives for all the products we offer

### **2. Labour & human rights**

from 2016 we are Gold certified according to the European Promotional Products Association (EPPA) and we audit all the factories we work with

### **3. Packaging, labeling & transport**

we reduce packaging materials where possible, we take care of detailed information on the label and strive to transport our products as sustainable as possible

### **4. Internal operations**

a responsible employer, community involvement, sustainable procurement and the lowest possible impact on the environment are leading topics in our internal operations

Based on the above challenges and goals, we at Key Merchandise aim to continuously improve our CSR performance to make ourselves, our clients and the world a little more beautiful and clean.

***CHANGE IS ESSENTIAL: CHANGE IS KEY!***

## CSR Policy

*In this document Key Merchandise sets out its plans for the four CSR challenges we are facing. For each of these challenges, we outline where we are, what we want to achieve and what actions we take to achieve our goals.*

# 1: MATERIALS AND SUSTAINABLE ALTERNATIVES

## Where do we stand?

Key Merchandise products consist of a wide variety of materials.

The main materials we use are:

Coatings - Print, Plastic - Rubber - (use of PVC),  
Glass - Enamel - Pottery, Wood, Paper - Cardboard,  
Glue, Textile - Polyester - Cotton, Metal -  
Stainless Steel - Aluminium - Metal alloys, Leather,  
Electric Components - Led Lighting



Our products are manufactured in a wide variety of manufacturers in Europe and the Far East, through our purchasing organizations in Europe (Key Merchandise the Netherlands) and China (Keyme Trading).

The materials used in our products are purchased from an open global market. Key Merchandise has a limited understanding of the origin of these materials.

Materials such as glass, metal and wood (provided that they are responsibly won) are by itself sustainable products; because of their recyclability. For other materials such as textiles and PVC sustainable alternatives or processes exist.

## What we want to achieve?

Who pays, decides.

That does not mean that we should not offer our clients a sustainable alternative.

Therefore, we set ourselves the goal that in 2020, where necessary, we offer a sustainable alternative in every offer (at 100% of the submitted tenders). We strictly follow the laws and regulations in order to ensure that all our products are safe.

## What actions will we take to achieve this?

Offering a sustainable alternative means that we have to map out which sustainable alternative of every type of material is available, where we can source this from and what the costs for this sustainable alternative are. This overview we want to complete in the first quarter of 2015. From 2015 we also set ourselves the goal that:

- \* 2015: 20% of our deals get a sustainable alternative
- \* 2016: 40% of our deals get a sustainable alternative
- \* 2017: 60% of our deals get a sustainable alternative
- \* 2018: 80% of our deals get a sustainable alternative
- \* 2019: 90% of our deals get a sustainable alternative
- \* 2020: 100% of our offers get a sustainable alternative



## 2: WORK ENVIRONMENT & HUMAN RIGHTS

Our products are designed in the Netherlands, and produced by factories in Europe or the Far East.

Every factory that produces for us has to comply to our Code of Conduct. Each factory that works for us is visited by the relevant Key Merchandise purchasing organization and reviewed through a quality control; a so called Factory Audit.

Topics that are covered in the Factory Audit are: labor, human rights (child labor, forced labor, living wage), safety, business ethics and environmental protection. Besides this, we also ask each factory which management systems and associated certifications they apply to ensure these topics.

### What we want to achieve ?

We only want to do business with factories that have their procedures in order and where the working environment is safe and well taken care of. Therefore we will continue to optimize and formalize our Factory Audit and periodically review this according to our Code of Conduct guidelines.

Besides this we will keep a database of what factories applies which management system and what certifications they have in their possession.

In this database, we will place the findings of the Factory Audit in which the results are indicated in Green / Orange / Red. Orange meaning improvement should be made within an agreed timeline. Red meaning we will not work with this factory anymore and where necessary reporting abuses to the competent authority.

## 2. Code of Conduct

Key Merchandise works with a strict Code of Conduct to ensure quality, working conditions and human rights at its suppliers. From 2015 Key Merchandise will integrate its Code of Conduct Code with the EPPA Code of Conduct.

Trade association EPPA - European Promotional Products Association - has a certification program for the implementation of CSR.

Key Merchandise wants to enter level Silver in 2015 to reach the Gold level of the EPPA in 2017.

## What actions will we take to achieve this?

### 1. Factory Audit

- \* 2014: optimize and formalize Factory Audit
- \* 1st half of 2015: complete inventory and database construction certifications factories
- \* 2015: 60% of all the factories we work with are audited every 2 years
- \* 2016: 100% of all the factories we work with are audited every 2 years

### 2. Code of Conduct / EPPA certification

- \* 1st half of 2015: Implementation EPPA Code of Conduct and EPPA Silver certification
- \* 2016: further development to reach the EPPA Gold certification level
- \* 2017: EPPA Gold certification



## 3: PACKAGING, LABELING & TRANSPORT

### Where do we stand?

#### Packaging

To supply our products to the customer in the required condition, we are dependent on packaging materials.

How much packaging materials we need varies per product and the risk of damage.

That does not mean that we do not critically examine the amount of packaging materials required. Whether each product must be packaged individually is a question that we ask ourselves, the manufacturer, and also check with the customer.

#### Labelling

All our products come with a label/tag that at least list the materials used and the country of manufacture.

#### Transportation

Our products are sent directly from the factory to the customer, all over the world. This is facilitated by our purchasing organizations that are responsible for the product quality control before these leave the factory. The direct supply reduces transportation. As far as possible the shipments are grouped to lower costs and environmental impact. We only work with demonstrably sustainable carriers who have an eye for safety, quality and reduce CO<sub>2</sub> emissions.



## **What we want to achieve and how we will achieve this**

### **Packaging**

We strive to use less packaging materials and to find sustainable alternatives when packing materials are proven to be necessary.

In cooperation with our purchasing organizations and factories, we are constantly working on finding a balance between secure packaging with minimal packaging materials.

### **Labelling**

We will provide all of our label/tags with more detailed information, focusing on the best method to dispose the product and educating the consumers on disposal, recycling and re-use of the product.

### **Transportation**

We only work with certified, demonstrably sustainable transportation companies and continuously look for the right balance between delivery time, price and durability.

Where possible, items are grouped, railed or water transported instead of by road or air transport.

## 4: A RESPONSIBLE BUSINESS

## What we want to achieve?

Corporate Social Responsibility (CSR) and sustainability in our operations is found in many aspects. It effects every part of what we do.

Therefore, we break it down into the following topics:

- \* Customers & Quality
- \* Correct employment
- \* Environmental
- \* Sustainable procurement
- \* Community Involvement

### Customers & Quality

In 2015 we formalize our Product Recall Procedure.



### Correct employment

We want to be a responsible and committed employer. Our organization is characterized by an open and safe culture where everyone is allowed to speak their mind.

## **Environmental management**

The main environmental impacts of Key Merchandise are described in the previously mentioned topics and measurements.

However, we realize that our activities bring a certain degree of environmental pressure.

We are located in a typical industrial building which, since 2005, serves as an office building for various creative enterprises. As one of the many tenants we ourselves do not buy energy but it is included in the service charges. At the office we are forced to keep to the interior decorations and choices of the landlord. Where possible, we do buy energy efficient appliances, lighting and transportation needs.

## **Sustainable procurement**

The small amount of waste we produce (this because we do not hold stock) is collected separately, a facility provided by the landlord. Where possible, we buy sustainable products. This ranges from coffee and tea to paper and equipment.

## Social Commitment

We find it very important that, together with all colleagues, we are involved in our local society. Therefore, we annually take part in 'NL Doet', a day in which we demonstrate our commitment to the community by volunteering at various jobs that need to be done.



We also annually support various social organizations by donating a percentage of our profits. Both in the Netherlands and abroad, like in the Philippines.



## Implementation of CSR

Corporate Social Responsibility affects all of us. That does not mean that no one should carry the responsibility to inspire colleagues, customers and suppliers.

Therefore Michael Moen and Juriaan Houdijk both director and owner at Key Merchandise are responsible for CSR, environment, supplier issues and Human Resource Management.

CSR is not just informing how we look at the world and what we do to make our world a better place but it is also meeting expectations of colleagues, clients and suppliers.

Therefore do not hesitate to address your expectations.

You can contact us at: [info@keyme.eu](mailto:info@keyme.eu)



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