



**BECKMANN**

NORWAY 1946

## **Beckmann AS - Norwegian Transparency Act statement 2022**

### **1. Introduction**

The Transparency Act introduces new obligations on larger Norwegian enterprises with respect to its impact on human rights and decent working conditions in their own operations and in their value chains. The act requires the enterprises to be transparent about how they work to safeguard these rights when providing their products and services.

Beckmann is Scandinavia's leading school backpack brand, aiming to be a good and safe companion throughout the child's schooling. When providing products to children, trust in the society is fundamental if we are going to achieve our purpose and reach our goals. It is therefore important to us that we have a positive impact on all those who are affected by our business.

In this statement we account for our work to ensure compliance with fundamental human rights and decent working conditions within our own organization, with our business partners and in our supply chains. The structure of the statement is based on section 5 of the transparency act. In the first part we will provide a general description of the company's structure, area of operations, and relevant guidelines and procedures. We will then account for actual adverse impacts and significant risks of adverse impacts that we have identified. Finally, we will describe the measures that have been implemented or that we are planning to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts.

### **2. About the Beckmann Group**

Beckmann was established in 1946 and has since then developed schoolbags for children and youth. Today Beckmann is Scandinavia's leading school backpack brand and a clear market leader in the primary school backpack market in Norway. Our head office is located in Kristiansand, Norway. The company has experienced significant international growth in recent years and our school backpacks are now sold in approximately 30 countries. Different countries have different cultures, education systems and school routes – but the need and desire for an ergonomic school backpack that is fun for children is the same across markets.

Beckmann is indirectly owned by the large and well-known Chinese stationery company Shanghai M&G Stationery Inc. Beckmann has four wholly owned subsidiaries in the United States, Germany, Austria, and Denmark respectively. The subsidiaries are mainly involved with sales. The entire group has 28 employees.

## **2.1. Organizations and roles**

In Beckmann, the work to ensure a responsible business conduct is embedded with the top-management and throughout the organization. The main functions in this work lays with the following positions:

- The board and the CEO
- Head of Operations
- Procurement, CSR, and Quality manager
- Supply Management Manager

## **2.2. Values**

Beckmann aims to be a good companion throughout the child's schooling. To and from school, every day, for many years. One you can rely on, one that stays with you and takes care of your things – and your back. Manufacturing school backpacks that are ergonomically shaped and loved by children lies at the very core of everything that Beckmann does. Since the beginning we've focused on manufacturing backpacks that are comfortable to wear and adapted to the child in the best way possible. We aim to be loved by children, trusted by parents.

In Beckmann, we shall conduct our business responsibly. As a company we are committed to act in an ethical and sustainable manner. We strive to be transparent, honest and conduct our business with integrity and in compliance with all laws, regulations, and industry standards.

To uphold these values, and to comply with the transparency act, we have embedded our work on this specific matter in Beckmann Responsible Business Conduct. This governing document sets out values and general principles for our work.

Beckmann has a long tradition of focusing on human rights and decent working conditions. The industry we operate in and the geographical areas we source our products from, generally involves a high risk. However, Beckmann does neither tolerate negative impact on human rights or decent working conditions, and we are therefore firm on implementing measures to reduce the risk to a minimum. We expect all our business partners and suppliers to act in accordance with our values and respect human rights and decent working conditions.

## **2.3. Guidelines and routines**

In order to ensure that our values are respected in our operations we must integrate them into our day-to-day work, and into our guidelines and routines. This entails a need for a document expressing our expectations to conduct both internally and externally, that human rights and decent working conditions are on the agenda when considering new suppliers and that we assess the risk of a negative impact continuously. The most important guidelines and routines in Beckmann are:

- Beckmann Responsible Business Conduct
- Beckmann's Code of conduct
- Beckmann Whistle-blowing policy
- Beckmann Anti-corruption policy
- Beckmann Sourcing Plan

- Template manufacturing agreement with general terms and conditions
- Fair Wear membership
- The Fair Wear code of Labour Practices
- Fair Wear Brand Performance Check

### **3. Identified actual adverse impacts and significant risks**

#### **3.1. Actual adverse impacts**

Beckmann has not identified negative impacts on human rights or decent working conditions within our own organisation.

With regards to our value chains Beckmann regularly monitors that the working conditions of all personnel are decent and in line with applicable laws and regulations. Adverse impacts have however been identified for one of our suppliers in relation to remuneration of factory personnel. All factory personnel are paid at least minimum wage requirements, but this does not necessarily equal a living wage.

A living wage is a wage paid for a standard working week that meets the basic needs of workers and their families and provides some discretionary income. “Basic needs” includes costs like housing, nutrition, clothing, healthcare, education, drinking water, childcare, transport, and savings. Living wages are a human right, as emphasized by the UN in UN’s Universal Declaration of Human Rights.

In a previous audit of one of our suppliers it was identified improvement areas on working hour registration and a gap between minimum wage and living wage. In cooperation with both Fair Wear and the supplier in question we implemented an action plan involving, among other, Fair Wear training during 2022 in order to increase awareness and compliance of the Fair Wear Code of Labour Practices. We visited the supplier during 2022 and monitored status on the agreed action plan, emphasizing the importance of correct documentation and registration. We have also had periodic digital follow up meetings. Additionally, we’ve raised this issue with the supplier in hand when we visited the factories in May 2023.

No other adverse impacts have been identified in our value chains.

#### **3.2. Significant risks**

We assess the risks relating to adverse impacts on human rights and decent working conditions internally in Beckmann as low. The risk is therefore mainly related to our value- and supply chains.

The value chain risks are mainly related to geography and product.

##### **Geography**

Almost all backpacks and related accessories are produced in China. China has been selected due to competence, experience, and supply of raw materials. Additionally, we source some small quantities from India.

Both China and India are considered high risk countries with regards to human rights violations and working conditions. Over many years several public reports and media articles document excessive overtime, crowded and unsafe working and living conditions, underage workers and child labour, and unpaid wages. On many Chinese sites workers do not have the right to organize into independent unions. There have also been reports of severe mistreatment of indigenous people. The same concerns apply to India.

### **Product and raw materials**

The textile industry is traditionally associated with high risk of human rights violations and poor working conditions, a risk that is highly connected with the geographical location of production and the raw materials incorporated into textile products. The high degree of competitiveness in the industry has led to companies all over the world using suppliers and production facilities in countries where the production costs are low, which both China and India are examples of.

The risks related to the production of our products are therefore largely the same as described above for geographical risk: payment below the living wage, excessive overtime hours, workplace abuse and gender discrimination, repression of trade unions, unsafe working conditions, forced and child labour, and abuse of migrant workers and indigenous people.

In the face of the increased risks caused by these geographical and product related factors Beckmann has decided to implement a range of measures in order to mitigate the risks to a level which is acceptable to Beckmann.

## **4. Measures**

### **4.1. Implemented measures**

Responsible business conduct has been an area of focus in Beckmann for a long time. We have already implemented several measures to mitigate or reduce any actual adverse impacts and significant risks of adverse impact on human rights and decent working conditions. We have inter alia:

- embedded a responsible business conduct with the top management.
- adopted a set of governing documents which clearly express Beckmann's expectations to both employees, customers, and suppliers to act in an ethical and responsible manner, i.e., Beckmann Responsible Business Conduct, Beckmann's Code of conduct, Anti-corruption policy;
- adopted a set of documents and policies to ensure that our values are implemented in the day-to-day operations, i.e., Sourcing Plan, Whistle-blowing policy, standard form agreement with terms addressing relevant issues; and
- become a member of Fair Wear Foundation.

As further elaborated in section 3 above, Beckmann's highest risk of having an adverse impact on human rights and decent working conditions is found in the supply chain of our backpack suppliers. The textile industry and the geographical place of production in China and India in general entail a high risk.

A basic prerequisite for reducing this risk is to put human rights and decent working conditions on the agenda when selecting our suppliers. The selection is based on six pre-defined criteria's, of which 50 % are related to ensuring a responsible business conduct:

- Chemical compliance and sustainable materials
- Social and work ethics: adherence to legal requirements and Code of Labour practices
- Partnership candidates: Long-term supplier, working mode, references.

Having many suppliers with complex supply chains is associated with large risks with regards to human rights and decent working conditions. In order to mitigate this Beckmann has implemented a focused sourcing approach where we strive to work with a very narrow and selected number of suppliers strategically over a long period of time. This increases our possibilities to monitor our suppliers closely. We are also firm on requiring that the main material suppliers of our suppliers shall be nominated by us. We therefore have a good overview of the parties involved in the input factors necessary to produce our products.

We spend significant time on developing, training, and onboarding our suppliers. To assist us with monitoring, on-site visits and training, we have an agreement with a local Chinese from our mother company, who among others has assisted us with on-site visits in a period with significant international travel restrictions.

Becoming an official Fair Wear member in 2020 was a significant step towards ensuring a tighter follow-up of and cooperation with our suppliers which we are confident will improve the working conditions for the employees of our suppliers. Fair Wear Foundation is an independent multi-stakeholder organisation that works with garment brands, garment workers and industry influencers to improve labour conditions in garment factories. Fair Wear has three important tasks for us: (i) auditing our suppliers; (ii) training of labour union representatives; and (iii) auditing Beckmann.

The audits of our suppliers provide us with useful insight in the working conditions. Based on the findings we can identify areas of improvement and make a corrective action plan to focus our work around.

Fair Wear's audit of Beckmann is called the Brand Performance Check (BPC). The BPC is a tool to evaluate and report on the activities of Fair Wear's member companies. The Checks examine how member company management systems support Fair Wear's Code of Labour Practices. They evaluate the parts of member company supply chains where Beckmann products are assembled. This is the most labour-intensive part of garment supply chains, and where brands can have the most influence over working conditions.

As a Fair Wear member with a benchmarking score of 63, Beckmann is placed in the "Good" category. This category implies that Beckmann exercises serious efforts to implement the Fair Wear Code of Labour Practices as well as doing more than the average clothing company and have allowed our internal process to be examined and publicly reported on by an independent NGO. Beckmann's Brand Performance Check is publicly available on Fair Wear's web pages (<https://www.fairwear.org/brands/beckmannnorway>).

Beckmann's indirect owner, Shanghai M&G Stationery Inc, is a large and well known Chinese stationary group company. Though its new owner Beckmann has gained further local insight

and access to additional local support resources. Further, having a Chinese national as our CSR and sourcing manager gives us a strong understanding of the country-specific risks.

## **4.2. Planned measures**

Although Beckmann is strongly committed to mitigating the risk of adverse impact on human rights and decent working conditions, we acknowledge that there will always be room for improvement. We have therefore decided to implement the following measures to further improve Beckmann's impact on our stakeholders:

- Adopt a whistle-blowing scheme for third parties.
- An online contact form for general enquiries from the public regarding Beckmann's work to ensure human rights and decent working conditions.
- Update and embed our Responsible Business Conduct with the BoD.

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