



UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

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## Statement of the continued support of the UN Global Compact

Dear Sir or Madam,

Erhard Luttkau GmbH and its management reaffirm its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In the third year of our active support, we have again dealt intensively with the Global Compact guidelines and formalized further operational measures to promote and actively implement the 10 principles within our sphere of influence.

In this annual Communication on Progress, we describe our results achieved and the actions to continually improve the integration of the Global Compact and its principles into our business strategy and daily operations. As well we will implement a culture, where the Ten Principles will have an impact on our business. We are working for the next years to improve our actions in this direction.

We commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Lars Luttkau, CEO



Chief Executive Officer  
Mr Lars Luttkau with his wife  
Mrs Christine Luttkau

## Overview Erhard Luttkau GmbH

Erhard Luttkau GmbH is a specialized trading company for ship and industrial machinery parts located just outside Hamburg.

We are a registered private enterprise and were founded by Engineer Erhard Luttkau in 1983. He was working many years at sea as a marine engineering engineer he decided to help ship-owners by offering his knowledge together with needed spare parts and service.

Since then we're located in Heidgraben and have connections all over the world. Nowadays the company is led by CEO Mr Lars Luttkau and employs 34 motivated and well-qualified professionals.

In 2016 we built a new office building and keep moving forward to our future expectations in doing business with our long-term partners and new customers and suppliers.

Erhard Luttkau GmbH developed an integrated management system certified to the following standards:

- DIN EN ISO 9001:2015 (quality management)
- DIN EN ISO 14001:2015 (environmental management)

We have implemented some other standards for customs as AEO.

The renewal audits we passed successfully every year since 2008 (1996).

Since our last Communication on Progress, we had to face some challenges. Not only have the deaths of the company's founders shaken our company, but also the Covid-19 pandemic had an impact. All this led to new legal issues regarding the heritage of the company, workplace safety and short-time work. Nevertheless, we have always acted following the principles of the UN Global Compact.

The company's entire Code of Conduct refers to the Ten Principles of the UN Global Compact. It will be made available to all stakeholders of the company on our website ([www.luttkau.de](http://www.luttkau.de)).

We will take further steps during our membership and we're developing many tasks that can be established within our company's global work every day.



# Human Rights

## Principle 1

**Businesses should support and respect the protection of internationally proclaimed human rights.**

## Principle 2

**Businesses should make sure they are not complicit in human right abuses.**

As one company with the complete staff and its management board, we are committed to support and protect the International Bill of Human Rights.

We are committed to providing a safe environment and a workplace without any kind of harassment and discrimination. It's further declared that the company's policy neither to permit nor to tolerate but to prevent such behaviour on the grounds of race or ethnic origin, gender, religion or belief, disability, age or sexual orientation.

Within our implemented integrated management system we have reporting procedures as well as a whistleblowing mail address and we enable and encourage all employees to report any non-conformity or complaint.

Also, our Management Board is carrying out a thorough review of the company's policy statement once a year.

Erhard Luttkau GmbH is committed to helping the community, we donate every year to various regional projects at schools, kinder gardens and other public institutions. Following, there are some of the projects that we support:

We are a member of the association "FRIENDS CUP e.V." and have been supporting the association with donations for many years. The Luttkau family also participates in the planning and execution of events. Once a month, friends and partners are invited to a special event together, various types of sports are on the program. The motto is always: "Doing sports together and with the necessary portion of fun!" At each event, donations are collected and the purpose of the donation is decided by the guests together.



Another important project we support is "Mehr als eine warme Mahlzeit" – a Christmas party for homeless people in Hamburg. In 2020 the annual feast could not take place due to the Corona pandemic, however, a distribution of gift bags was organized and our company donated 5,000€ instead of sending Christmas gifts to business partners.

The pandemic influenced the "Hamburg Commercial Bank Run" as well. A part of the team was already registered to run, but it had to be postponed. We are waiting for a new date to support the charity named "children help children" with our team again.

## Labour

### Principle 3

**Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.**

### Principle 4

**Businesses should uphold the elimination of all forms of forced and compulsory labour.**

### Principle 5

**Businesses should uphold the effective abolition of child labour.**

### Principle 6

**Businesses should uphold the elimination of discrimination in respect of employment and occupation.**

We work respecting the International Labour Standards (ILO Conventions).

According to our policy, we monitor a respectful treatment of human beings, equal opportunity rights, forced labour, child labour, working hours of staff, compensation of employees, freedom of association and collective bargaining.

It's declared in the policy of Erhard Luttkau GmbH that all employees shall be treated in a fair, just and correct manner based on international and national rules and rights/regulations and applicable working terms and conditions.

As far as we can influence, we provide our Code of Conduct and our conditions for a working partnership to each supplier.

We are still facing the issue proclaimed in our Code of Conduct and for claims we have our confidential whistleblower contact by mail ([Whistblowing@Luttkau.de](mailto:Whistblowing@Luttkau.de)).

Exactly that means in each point:

### Respectful Treatment

Erhard Luttkau GmbH is committed to providing a safe environment for all its employees, i.e. one that is free from harassment at work including sexual harassment. Erhard Luttkau GmbH will operate a zero-tolerance policy for any form of sexual harassment in the workplace, treat all incidents seriously and promptly investigate all allegations of sexual harassment.

Any person found to have sexually harassed another will face disciplinary action, up to and including the termination of their employment.

All complaints of sexual harassment will be taken seriously and treated with respect and confidence. No one will be victimized for making such a complaint.

### Equal Opportunity Rights

Erhard Luttkau GmbH has zero-tolerance towards the discrimination of any employee or job applicant based on the individual's race, colour, religion, sex, sexual orientation, national origin, age, disability or any attribute protected by national or international laws. This policy applies to all stages of employment.

A confidential reporting system is provided to bring forth issues of discrimination and whistleblowers are protected from retaliation. We organize an email for whistleblowing: [whistleblowing@luttkau.de](mailto:whistleblowing@luttkau.de)

Qualifications, skills, performance and relevant experience are the basic factors for employment decision at our company.

### Forced Labour

Erhard Luttkau GmbH strictly prohibits the use of forced labour and human trafficking in all company operations and our global supply chain.

This document demonstrates a commitment within Erhard Luttkau GmbH to mitigate any risk of slavery or human trafficking in our operations or within the supply chain.

To support honesty and integrity we provide our staff with the opportunity to report any concerns they may have regarding slavery and human trafficking through a confidential whistleblower system by mail to [whistleblowing@luttkau.de](mailto:whistleblowing@luttkau.de).

### Child Labour

Erhard Luttkau GmbH does not employ any person below the legal minimum age. We also have a policy of zero-tolerance against its breach.

Erhard Luttkau GmbH will in no event employ children under 15 years and for hazardous work, no children under 18 years will be employed.

### Working Hours

Erhard Luttkau GmbH will not exceed the maximum hours of work prescribed by law and will compensate overtime appropriately.

Employees will not be required to work more than 40 hours a week, including overtime, except in extraordinary business circumstances with their consent or where the nature of the position requires such work, as for example is the case for employees in executive, managerial or professional positions. In countries where the maximum workweek is shorter, that standard shall apply. Employees should be allowed at least one day off per seven-day week.

## Compensation

Erhard Luttkau GmbH observes the statutory minimum wage set by the government of the country in which it has a local operation. Where this is not sufficient to meet basic needs, Erhard Luttkau GmbH strives to compensate employees with remuneration that ensures an adequate standard of living. Erhard Luttkau maintains a remuneration policy that emphasizes internal equity and external comparability within a defined job market. The key elements within Erhard Luttkau GmbH's pay and reward policy are: pay for responsibility and pay for performance.

Erhard Luttkau GmbH pays minimum wages at least and considers relevant collective agreements.

## Freedom of Association and Collective Bargaining

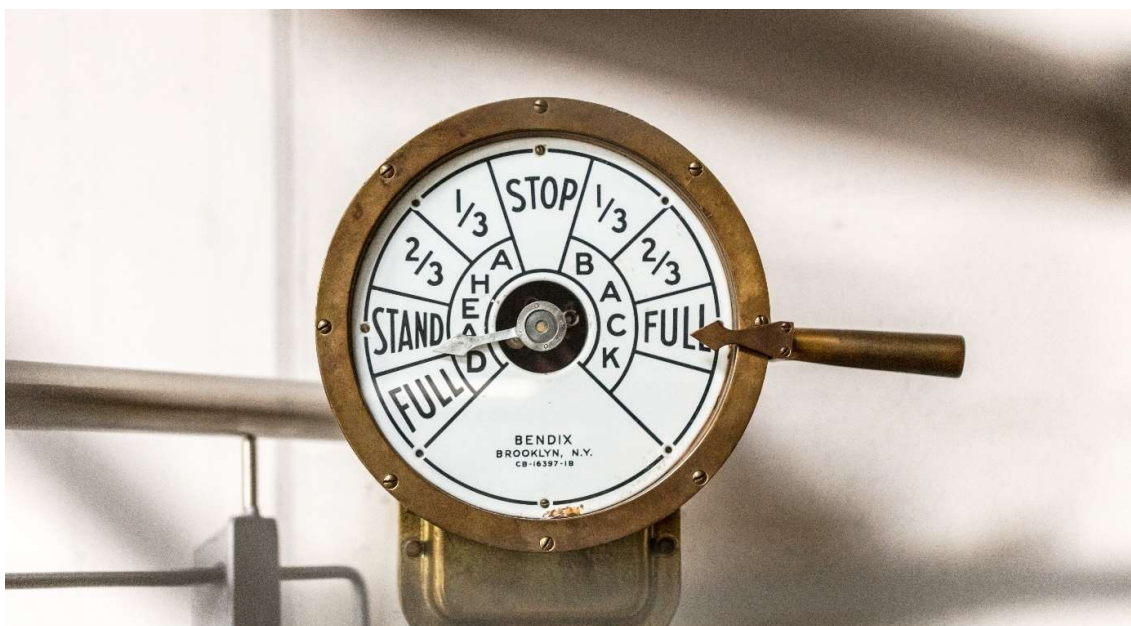
Erhard Luttkau GmbH shall freely allow workers' lawful right to associate with others, from and join (or refrain from joining) organizations of their choice, and bargain collectively, without interference, discrimination retaliation or harassment.

Erhard Luttkau GmbH upholds the freedom of association of its employees and the effective recognition of the right to bargain collectively.

We are a member of the AGA Unternehmensverband, which agrees with the Verdi service trade union on collectively bargained working conditions for wholesale and foreign trade in the Hamburg economic area, Schleswig-Holstein, Niedersachsen and Mecklenburg-Vorpommern.

Although our company is located in Schleswig-Holstein, our employees are paid according to the Hamburg tariffs, as we feel that we belong to the Hamburg economic area. Our managing director also participated in the last negotiations in 2019. The current collective agreement is valid from 01.07.2019 to 01.07.2021. We will follow the next collective negotiations and continue to maintain the collective agreement. By the end of 2021 every employee get a help to cope the risks regarding challenging times.

Since we are not able to work from home so far, we offered all our workers free masks to keep our staff safe from the Corona infection at their workplace before it was obligated by workplace regulations. We have also installed transparent screens for protection between the desks and separated staff that is at higher risk. Also, we implemented first steps to use external possibilities to work at home.





## Environment

### Principle 7

**Businesses should support a precautionary approach to environmental challenges.**

### Principle 8

**Businesses should undertake initiatives to promote greater environmental responsibility.**

### Principle 9

**Businesses should encourage the development and diffusion of environmentally friendly technologies.**

Erhard Luttkau GmbH is committed to protecting the environment.

We are permanently reviewing our company's policy, its relevant procedures and our KPIs within the environmental sector. As proof, we had a successful revision of our integrated norm standard DIN EN ISO 14001:2015 in 2020.

We will prevent pollution, mitigate and adapt the climate change and protect ecosystems.

Our whole team is informed about this policy and every person is trained a minimum of once a year to enhance their skills and abilities to environmental protection.

We use our influence wherever possible to promote good practice and raise awareness, not only among our suppliers and their employees but amongst others along our supply chain as well. We believe that working together in partnership is the best way we can make a positive difference.

A major part of Luttkau philosophy is the protection of the environment and sustainable development. As a goal, we conserve natural resources, develop environmental awareness and ensure quality services as well as safe operations. The environment has to be protected for following generations and compliance with concerning laws and our policy is of fundamental concern.

Our suppliers and subcontractors are expected to implement and maintain a suitable environmental management system like DIN EN ISO 14001 or equivalent to minimize impact and hazards.

Erhard Luttkau GmbH specifically aims to comply with applicable laws and regulations; promote awareness through education and training; maintain proactive emergency preparedness and response and measure and evaluate health and safety performance through regular audits, inspections and internal reporting.

In the following graphs, we have depicted some of our environmental key figures with the annual results since our participation in the UN Global Compact and our goals:

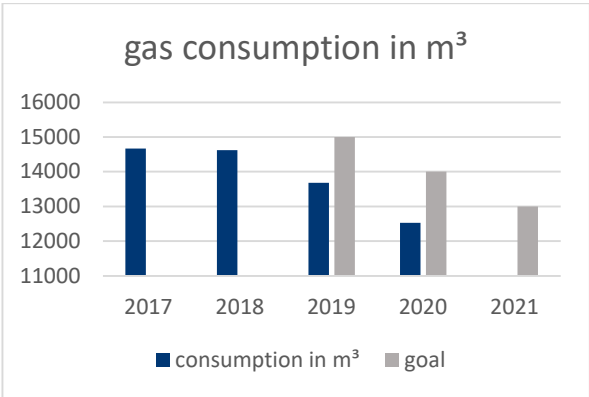


illustration 1- gas consumption 2017-2021

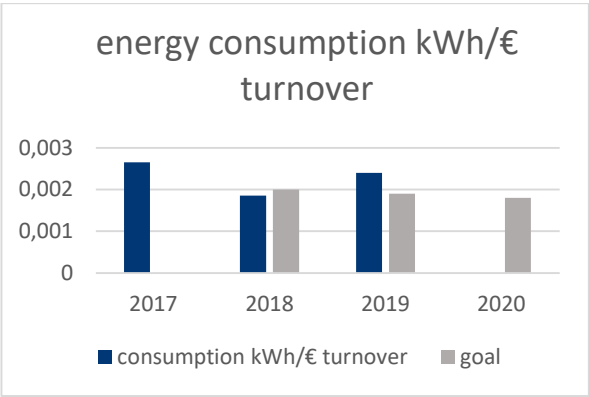


illustration 2- energy consumption 2017-2020

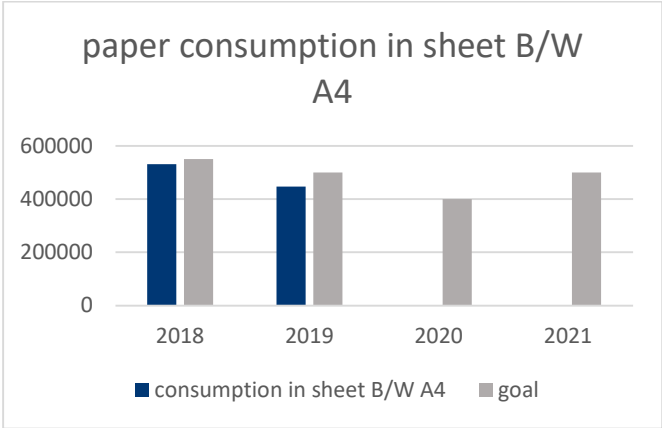


illustration 3- paper consumption 2018-2021

Since the last report, we replaced the old cars with new ones that have lower CO<sup>2</sup> emissions and also one was replaced by an electric car at the beginning of 2021. We will track how the electric car will influence our energy consumption.



## Anti-Corruption

### Principle 10

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

Erhard Luttkau GmbH confirmed its commitment to counteract fraud, extortion and bribery or any other form of corruption within its sphere of influence and to act in line with all relevant rules and regulation e.g. applicable law.

Further contractual rules and regulations are governing the acceptance and granting of presents, corporate hospitality and other invitations and stipulating in which cases employees have to report to the company if such benefits are offered to them by third parties that uphold or are about to enter into business relations with Erhard Luttkau GmbH.

So there is a guidance that Erhard Luttkau GmbH employees are not allowed to request invitations from business partners. As guests of business partners, Luttkau employees are only permitted to accept invitations to events or business lunches if the invitation is voluntary, supports a legitimate business purpose and serves the normal course of business. Besides, it is not allowed that business partners take over any costs for accommodation for Luttkau employees.

Any secondary employment or additional business of employees of Erhard Luttkau GmbH must be reported to the company and is subject to approval to reduce possibilities of contradictions of interest.

The Management Board held regular meetings to discuss topics related to anti-corruption, review the company's policy and revise its guidance to the employees, stakeholders and interested parties.

We have a reporting system as well as a whistleblowing mail address and we enable and encourage all employees to report any non-conformity or complaint. Furthermore, our code of conduct will be published on our website accessible for all our stakeholders.

Since the last CoP, no violations of the Anti-Corruption principles of the UN Global Compact Initiative have been reported to the Erhard Luttkau GmbH.

## Contact

For further questions, remarks and complaint please be so kind and use our **[whistleblowing@luttkau.de](mailto:whistleblowing@luttkau.de)** address or send your notice to

Managing Director Mrs Nadine Hilbert.

Further information will be also available on our website **[www.Luttkau.de](http://www.Luttkau.de)**



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