

Stockholm, May 2012

H. E. Ban Ki-moon
Secretary-General
United Nations
New York, NY 10017
USA

Communication on Progress

Dear Mr. Secretary-General,

I am very pleased that Fabège last year decided to support United Nations Global Compact Initiative and equally pleased to be able to inform you that our efforts to implement the ten principles during the last year have been very positive. We hereby reconfirm our support of the initiative and our commitment to the ten principles with respect to human rights, labour, environment and anti-corruption. Our commitment also implies a continuous evaluation of our efforts regarding the implementation of the principles.

One of the results of our work the past year has been that we wish to reach as many of our stakeholders as possible with our Communication on Progress. Thus we have decided to submit our Communication on Progress as an integrated part of our most important yearly publication, the Annual Report (enclosed). You will find the sustainability report, where we report in accordance with level C, GRI version 3.0, on page 54 in the Annual Report. More information about our work regarding Responsible Enterprise can be found on the previous pages, starting on page 42.

I would here like to emphasize our sustainable highlights in 2011:

- Fabège joined the UN Global Compact.
- Focus on business ethics increased. For example all employees attended a lecture on bribery legislation and group seminars on the same theme. Fabèges entire management team held internal discussions on ethics and a council for ethical issues was established.
- Environmental classification became the standard in new productions and major redevelopments.

- Green leases were introduced.
- Energy consumption was further reduced and carbon emissions have been reduced by 90 percent since 2002.
- Fabeges heating consumption in 2011 was 50 percent below the sector average.
- A new purchasing organisation was established for increased control and more effective purchasing. Suppliers now receive a clearer description of Faberge's values and are asked to sign the company's Code of Conduct. Faberge's business is entirely Swedish, where human rights and labour matters are strictly regulated by law. With the help of an effective purchasing organisation we aim to secure similar conditions for employees with any subcontractors in other countries.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Christian Hermelin".

Christian Hermelin

CEO Faberge AB (publ)