

OUR COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY

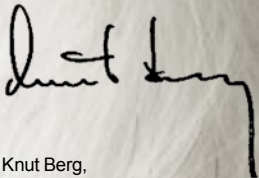
SAGA GROUP

Finnish Fur Sales – Oslo Fur Auctions – Saga Furs



“ We understand our moral obligation to operate in a socially responsible and environmentally sustainable fashion. ”

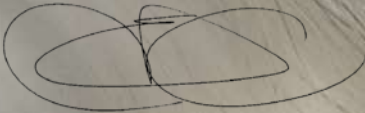
SAGA FURS
ROYAL



Knut Berg,
Managing Director Oslo Fur Auctions



Pertti Fallenius,
Managing Director Finnish Fur Sales



Jan Erik Carlson,
Managing Director SAGA Furs

Dear Reader,

The management team of the Saga Group cordially invites you to review what we achieved last year and hope you share our enthusiasm in broadening CSR ambitions in the years to come. Fur is a timeless material and corporate social responsibility is an ongoing commitment.

The Saga Group applies to the highest standards of excellence in corporate social responsibility as well as quality furs. Behind the Saga Furs® label stand three companies that operate ethically as individuals to create the integrity of the Saga Group.

We became the spearhead of positive change in the fur industry by challenging the status quo to usher in improvement. Last year the members of the Saga Group integrated CSR policy into their respective organizational cultures and collectively projected these values. Our CSR policy puts us in a better position to develop our business and address new challenges.

Our achievements in improving sustainability have been praised by our partners. Many of the efforts we have made to conserve resources, improve working conditions and promote ethical practices are already in place. Further efforts will be introduced in the future. Commitment to the core values of the Saga Group generates value for our partners in every link of the fur chain.

In the past year we made great advances in our Farm Certification Programme to raise standards above those found in current legislation. We also signed on to support the United Nations Global Compact, the world's largest voluntary CSR initiative. Due to the Saga Group's strong CSR policy, we have increased the number of loyal partners we have among textile, fashion



Pertti Fallenius, Knut Berg and Jan Erik Carlson

and retail companies as well as within the fur trade.

Saga Furs® remains the most widely recognized trademark in the fur industry. We earned this distinction by winning the position as world leader in fur innovation, which we share with the top designers around the world.

The Saga Group also intends to remain the industry leader in corporate social responsibility. Each of the three companies in the Saga Group tends to its specific areas of responsibility and as a unit we proudly reflect the philosophy stated in our brochure.



Bertran Trane Skadsem
Chairman of the Norwegian
Fur Breeders' Association

Ulf Enroth
Chairman of the Finnish
Fur Breeders' Association

FUR FARMING IS OUR RESPONSIBILITY

Being the pioneer in ethical fur farming is part of our heritage. The Saga Group can look back with pride at our accomplishments while we move ahead with a commitment to remain the leader in responsible fur breeding.

Quality research

Our investment in finding the very best farming conditions has raised global ethics and has led to sustainable methods having virtually no negative impact on the environment. European fur breeders' associations affiliated with the Saga Group provide veterinary, research and laboratory services that lead to even further improvements in fur farming.

Raising standards of excellence

Europe has the highest standards of animal husbandry in the world. We work closely with European authorities to promote legislation and adopt practices based on the Council of Europe's "Convention for the protection of animals kept for farming purposes." The Saga Group goes beyond compliance and has created its own standards for farms that supply Saga Furs from Finland, Norway and other parts of Europe.

Leading and protecting

The Saga Group intends to remain the industry model when it comes to pioneering best practices in responsible fur. The breeding of fur-bearing animals provides a livelihood for 60,000 people and their families in rural areas of Europe where employment opportunities are often scarce. Our investment in improving standards safeguards their jobs. When we make a breakthrough, we share our knowledge to the benefit of all. It's part of our heritage.



“ Transparency is the key value the Saga Group uses to assure the fur and fashion industry and the consumer that the Saga Furs® label stands for responsible fur. ”



SAGA TRACEABILITY SYSTEM

– Back to the responsible source

The Saga Traceability System (STS) is our unique way to deliver assurances you can count on. A barcode lets you trace every pelt bearing the Saga Furs® label back to the farm of origin. STS provides added value to our partners in the production chain and the consumer by confirming the Saga Group's statements about animal welfare, ethical practices and responsible fur.

The Saga Group is the only marketing organization in the world to offer a comprehensive means of documenting the integrity of its product.

Origin gives peace of mind

We launched the OA™ (Origin Assured) programme with the International Fur Trade Federation. OA™ on all Saga Furs labels guarantees the fox, mink or finnraccoon comes from a country enforcing all fur-animal welfare legislation. All Saga Furs originate from closely monitored farms in the EU or Norway.

We take a step further

The Farm Certification Programme established by the Finnish Fur Breeders' Association and its interest groups goes beyond animal welfare and environmental legislation. Certified farmers commit themselves to continuous documentation of the highest standards and practices. Regular external and internal monitoring of all operations to ensure all criteria have been fulfilled demands total commitment from farmers.

Saga Furs® - a sense of trust

Our ongoing efforts and the Saga Group heritage have won the trust of those who choose us. Saga Furs is "The Designer's Choice," but for a very good reason it is also the choice of buyers at Finnish Fur Sales auctions, manufacturers, distributors and retailers of fur. The Saga Furs label provides true peace of mind. That's a promise the Saga Furs label will continue to keep.

“Running a certified farm means added responsibility but it also means added value for my business.

Peace of mind is the end result because I have a responsible organization supporting me and a greater sense of pride in the products I send to market. ”

Jouni Mäkipelto, Lehtimäki, Finland
Owner of a Certified Farm



EFFORTS BEYOND BUSINESS



A cornerstone of the Saga Group's CSR policy is generating activities outside our immediate areas of maintaining and improving responsible fur production. We take extra steps that benefit society in general.

Protecting the Baltic

Much of the history of the European fur trade has taken place around the Baltic Sea. The Saga Group supports a number of efforts to reduce pollution, including our continuing support to the John Nurminen Foundation for protection of the Baltic Sea.

Reducing waste

Saga Group offices have routine practices to minimize solid waste and to recycle. This applies on company levels and employees are urged to do as much as they can to reduce waste.

Global respect

Cultural pluralism and respect for differences remain a tenet of the Saga Group, as we operate all around the globe. Respect for individuals, their differences and cultural values, is a cornerstone of our CSR policy.

Activating integration

We strive to promote social integration and assimilation of immigrants through our various workplaces. Finnish Fur Sales alone employs staff from more than 20 countries. Other Saga Group members employ a proportional diversity of people.

Nurturing agriculture

The Saga Group has created programmes to help maintain employment in rural areas. European fur farming employs around 60,000 people who help support peripheral regional jobs and businesses further afield.

Charity projects

We help underprivileged persons in society. Just one example—which has gained great support from the fashion industry—is how we donate Saga Furs® to be made into pieces of fashion that are auctioned off for charity.



“When you work for a company that has a solid corporate social responsibility programme, it's more than just a job. You feel a sense of duty as part of a team that can make a difference.”

Makeda Yohannes
Finnish Fur Sales Employee

SAGA GROUP SUPPORTS UN GLOBAL COMPACT

The Saga Group became the first in the fur trade to support the United Nations Global Compact, the world's largest voluntary CSR constellation. The Global Compact provides a unique strategy for corporate participants collectively to inspire each other and measure CSR commitments. We are proud to adhere to the Global Compact's mission of "helping to build a more sustainable and inclusive global economy."

The Saga Group is committed to reaching the organization's two objectives:

1. Mainstream the ten principles in business activities around the world.
2. Catalyze actions in support of broader UN goals, including the Millennium Development Goals (MDGs).



The Ten Global Compact Principles

The Environment

- Businesses should support a precautionary approach to environmental challenges.
- Businesses should undertake initiatives to promote greater environmental responsibility.
- Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Businesses should work against all forms of corruption, including extortion and bribery.

Human Rights

- Businesses should support and respect the protection of internationally proclaimed human rights.
- Businesses should make sure that they are not complicit in human rights abuses.

Labour Standards

- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Businesses should uphold the elimination of all forms of forced and compulsory labour.
- Businesses should uphold the effective abolition of child labour.
- Businesses should uphold the elimination of discrimination in respect of employment and occupation.





SAGA FURS

Responsible Luxury

The Saga Group is a strategic alliance of: Finnish Fur Sales, a publicly listed fur auction house based in Vantaa, Finland; the Norwegian fur farmers' cooperative Oslo Fur Auctions; and, Saga Furs, a marketing company based in Vedbaek, Denmark and owned by the Finnish Fur Breeders' Association and the Norwegian Fur Breeders' Association.

Contact us at:
csr@sagafurs.com
www.sagafurs.com