

General

Period covered by your Communication on Progress (COP)

From: 01-01-2014 To: 31-12-2014

07-09-2015

To our stakeholders:

I am pleased to confirm that Beter Bed Holding (BBH) reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also share this information with our stakeholders using our primary channels of communication, our Annual Report and corporate website www.BeterBedHolding.com.

BBH is listed on the Amsterdam Stock Exchange (in the Small Cap Index AScX). Our core activity is the retail trade in the market for sleeping comfort operating in 7 countries in Western Europe. Across all of our formulas and the countries in which we operate, we offer high-quality products that we sell to consumers for the best possible 'deal' based on advice that is better than that of the competitors.

BBH is an organisation in which a large number of stakeholders are involved: our suppliers, our employees, and the people who purchase our products. In addition, there are our shareholders, our business associates, governments, competitors and any other parties affected by our work, from the start of the manufacturing process through to the use of the products in our customers' bedrooms. We feel it is important to maintain long-term relationships with each of these partners.

However, such long-term relationships create responsibilities. The manner in which working conditions are organised is just as important to us as the fact that our products do not damage the health of end users and are safe to the environment, humans and animals.

Accordingly, our vision the 10 principles of the Global Compact serves as a guideline for our business operations, containing as it does the core values that determine our day-to-day conduct. In addition, it serves as a blueprint for the future, for our continuous quest for sustainability, as we are aware that there is always room for improvement. Therefore

the foundation of our values for doing business is based on the 10 principles of the Global Compact.

For the internal operations we have installed an internal code of conduct in 2011. All employees working for the several store formulas' of Beter Bed have been informed and instructed how to apply the code.

To ensure the right execution of the code in the daily routines at work, employees can anonymously report violations with our whistle-blower facilities, which are implemented companywide.

In 2011 we renewed our suppliers code of conduct by including the 10 principles of the Global Compact. We have provided our suppliers a two-year period to adhere to our supplier code of conduct, or to raise a signal when they face problems living up to our standards.

Since 2013 all our first tier suppliers have signed our supplier code of conduct that demands from our suppliers to respect the human rights. Therefore we recognise limited risk of violations of human rights at our direct suppliers. In 2014 we have 4 new suppliers that have not signed the code yet.

In 2014 we have conducted an in debt stakeholder dialogue. Our stakeholders appreciate the actions we have taken, so far. However they advise us to put more effort in securing our supply chain and the assortment of the products sold. In 2015 we will install a team to implement improvisations based on the dialogue and to set new goals.

When it comes to responsible and sustainable business, we set the bar high. We believe growth is about more than investing in order to increase revenue – it is also about building an organisation that respects people, animals and the earth.

Using this vision as a foundation, we can all make a contribution. We firmly believe that this both enhances our reputation and increases our work satisfaction.

Sincerely yours,

Ton Anbeek

CEO Beter Bed Holding

Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses

BBH operates in countries part of the European Union, that all signed the OECD Guidelines. Therefore we consider the risk of violations of the Human Rights in our operations as extremely limited.

Nevertheless BBH has explicitly included the protection of internationally proclaimed human rights into both the

- internal code of conduct;
- supplier code of conduct.

For the status of both codes we refer to the first chapter of this Communication on Progress: General.

To ensure the right execution of the code in the daily routines at work, employees can anonymously report violations with our whistle-blower facilities, which are implemented companywide.

More information: http://2014.griindexbeterbedholding.com/G4-HR-01_09.html

BBH internal code of conduct: <http://bit.ly/1mq40qe>

BBH supplier code of conduct: <http://bit.ly/OQX730>

BBH whistle-blower policy: <http://bit.ly/1KMEmdA>

Labour Principles

Principle3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle6: the elimination of discrimination in respect of employment and occupation

BBH in countries part of the European Union, that all signed the OECD Guidelines. Therefore we consider the risk of violations of the Labour Principles as extremely limited.

Nevertheless BBH has explicitly included the Labour rights into both the

- internal code of conduct;
- supplier code of conduct.

For the status of both codes we refer to the first chapter of this Communication on Progress: General.

BBH intends to be a preferred employer, and therefore invests in the relationship with our employees. Therefore we regularly perform employee satisfaction surveys and invest generously in health and safety programmes and procedures.

More information: http://2014.griindexbeterbedholding.com/G4-LA-05_08.html

We fully support the freedom of association and the right to collective bargaining. To effectively manage and formalise consultation with our employees we have installed an employees council.

We consider forced and child labour as an extremely low risk within the boundaries of our company, as we operate in Western Europe only. To avoid these misconducts in our supply chain, these issues are included in our supplier code of conduct.

Discrimination is a problem that we do not tolerate at BBH and can be reported anonymously with help of the whistle-blower procedure.

We consider it a best practice to have a diverse workforce and management. Diversity in the composition of management and other teams is a major ambition pursued by BBH.

In Beter Bed Holding's view, women tend to have the final say in decisions on purchases. The efforts in this area have led to an increase in the number of women in management positions from 19 to 28 in 2013. The number of women in management positions decreased by one overall in 2014. While two female top managers were appointed in the Netherlands: the Purchasing Director and the Customer Satisfaction Manager, two female region leaders in Germany and one in Switzerland left the organisation. In 2015, additional attention will be given to recruiting new female managers. BBH signed the Charter 'Talent to the Top' in 2014. This initiative is a code with clear agreements and a public commitment for achieving diversity at the top of the company.

More information: http://2014.griindexbeterbedholding.com/G4-LA-12_13.html

Environmental Principles

Principle7: Businesses should support a precautionary approach to environmental challenges;

Principle8: undertake initiatives to promote greater environmental responsibility; and

Principle9: encourage the development and diffusion of environmentally friendly technologies

BBH is active in the retail trade in the market for sleeping comfort. We consider the environmental risk of our industry as extremely limited. Obviously we have an obligation and possibilities to enlighten our pressure on the environment. Our main goals are to:

- reduce our environmental footprint;
- increase the percentage waste recycled.

Nevertheless BBH has explicitly included the protection of the environment into both the

- internal code of conduct;
- supplier code of conduct.

For the status of both codes we refer to the first chapter of this Communication on Progress: General.

Our efforts to reduce our environmental footprint

In order to reduce our environmental footprint, we have invited our employees to come forward with ideas to improve our processes. Over 2014 we can report the following improvements:

- deploying energy meters to take location-specific measures;
- using led-lighting in illuminated advertising signs at stores;
- the acquisition of new trucks based on the highest Euro standard (Euro6).

Electricity consumption per square meter retail space has been reduced by 14% since 2010.

More information: http://2014.griindexbeterbedholding.com/G4-EN-03_07.html

The carbon footprint per square meter retail space has lowered over the last 3 years from consequently from 57 to 54 kg.

The carbon footprint per FTE has lowered over the last 3 years from consequently from 10,051 to 9,363 kg.

More information: http://2014.griindexbeterbedholding.com/G4-EN-15_21.html

Our efforts to increase the percentage waste recycled

In most countries our customers themselves are transporting our goods. This does not give us the opportunity to manage the waste recycled.

However in The Netherlands we deliver and install the goods we sell. Our goal is to take back packaging materials from all home-delivery customers in the Netherlands and segregate and reuse them. This goal, which will benefit both our customers and the environment, was fully met in 2014.

Our efforts to reduce environmental risks in the supply chain

The ultimate goal for 2016 is to ensure that 80% of the range of mattresses and across all Beter Bed Holding formulas is tested and certified. In 2014 this goal was achieved, 82% of the revenue in mattresses was tested for hazardous substances and certified. This percentage is calculated on the basis of the revenue of the group as a whole.

More information: http://2014.griindexbeterbedholding.com/G4-PR-01_02.html

Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Beter Bed operates in countries part of the European Union, that all signed the OECD Guidelines. Therefore we consider the risk of violations of the Anti-Corruption Principles as limited.

Nevertheless Beter Bed has explicitly included the Anti-corruption principles into both the

- internal code of conduct;
- supplier code of conduct.

For the status of both codes we refer to the first chapter of this Communication on Progress: General.

BBH assumes that competitors operate in a similarly honest and ethical manner. Accordingly, employees of BBH are not permitted to discredit competitors or disadvantage them by illegal means. The organisation does not abuse any economic power position it might enjoy, nor does it make (secret) arrangements with third parties that violate the applicable competition laws.

BBH has long term relationships with most of its business partners, reducing the chance of being corrupted. Nevertheless we understand that corruption is a problem that occurs worldwide.

We strongly condemn both corruption in business and the practices to persuade government to change its politics into our favour.

More information: http://2014.griindexbeterbedholding.com/G4-SO-03_07.html