

EGMONT

UN GLOBAL COMPACT

Communication on Progress / 2015 Report



We bring stories to life

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1. Statement from the CEO



Egmont supports the UN Global Compact principles. Responsible behaviour is essential in being a strong and trusted media group.

In 2013, Egmont signed up to the UN Global Compact, and the present report is the third of its kind. The UN Global Compact is the formal framework within which Egmont expresses its fundamental position and conduct in relation to corporate social responsibility. However, our commitment to being a responsible and socially engaged business dates back to 1878 when Egmont was established.

During 2015, we continued to set standards of excellence in our business throughout the world to demonstrate responsible conduct in our operations – and to respect the rights of the individual, protect the environment and fight corruption and bribery.

This report includes Egmont's mandatory CSR report in accordance with article 99a and Egmont's report on targets and policy with respect to the underrepresented gender in accordance with article 99b of the Danish Financial Statements Act (Årsregnskabsloven). You can find the report [here](#).

Steffen Kragh,
President & CEO of Egmont

2. Group Overview

Founded in 1878, Egmont is a leading media group in the Nordic countries with activities in more than 30 countries and 6,600 employees.¹ Our media world spans four divisions: Nordisk Film, TV 2 Norway, Egmont Publishing and Egmont Books.

Nordisk Film develops, produces and markets films and TV drama across the Nordic region. The company operates the leading cinema chain in Denmark and Norway. And is also behind new digital businesses. In addition, Nordisk Film distributes and markets PlayStation in the Nordic and Baltic countries.

TV 2 is a privately owned public service broadcaster in Norway. TV 2 offers news, sports and entertainment content on seven TV channels and Norway's fastest growing commercial news site for web and mobile apps. TV 2 runs Norway's leading streaming service TV 2 Sumo.

Egmont Publishing is a leading publisher in the Nordic region and also has market-leading positions in a number of its 28 other markets. Egmont Publishing is behind more than 800 weekly and monthly magazine titles as well as hundreds of children's books and digital services.

Egmont Books comprises Norway's leading publishing house, Cappelen Damm, and Lindhardt og Ringhof, Denmark's second largest publisher. Cappelen Damm publishes more than 1,500 titles annually, Lindhardt og Ringhof publishes more than 600 titles annually. Their activities include general literature, education, book clubs and e-commerce.

Egmont is a commercial foundation that in 2015 generated revenue amounting to 1,575,804 EURK. Egmont donated EUR 11.3m to help improve the lives of children and young people.

The present report covers the entire group and portrays initiatives from several divisions.



¹) Number of employees in wholly owned and partly owned companies.

3. How Egmont Works with CSR

Egmont began working with corporate social responsibility (CSR) more than 100 years ago. Egmont's founder Egmont Harald Petersen came from humble beginnings, and he made his family promise that they would donate a portion of the company's profit to disadvantaged children and young people. These charitable activities still shape Egmont's identity and commercial foundation.

In addition, the commitment to CSR has evolved and Egmont has identified five key areas, which highlight our commitment. The five areas for 2013-2016 are:

Egmont Social Compliance Programme

UN Global Compact

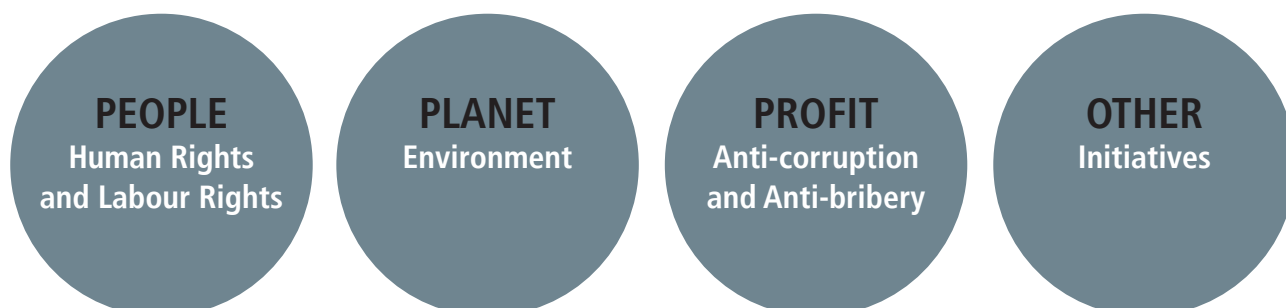
Anti-corruption and anti-bribery

Environment incl. PREPS

Safe Internet

These five areas have been chosen based on their importance for sustaining Egmont's business and our long-term success. Egmont's work with CSR in the operational part of the business is founded on compliance. This means that our practices are guided by compliance with Egmont's Code of Conduct (CoC). The CoC sets requirements that both employees and external manufacturers must comply with. The UN Global Compact principles and our CoC are aligned and, as a consequence of our commitment to the UN Global Compact principles, we seek to sustain our commitment to each principle on an ongoing basis.

In the following chapters, we describe our commitment to safeguarding human rights and labour rights, our approach to the environmental principles and outline our commitment to anti-corruption and anti-bribery. The last chapter of the report presents the initiatives that go beyond the UN Global Compact principles.



4. UN Global Compact Principles 1-6

HUMAN RIGHTS AND LABOUR RIGHTS

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
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4	The elimination of all forms of forced and compulsory labour;
Principle 5	The effective abolition of child labour; and
Principle 6	The elimination of discrimination in respect of employment and occupation.

Egmont takes its responsibility to respect human rights and labour rights seriously, and the efforts are directed both internally and externally. Since 2005, Egmont has established and implemented policies and programmes to support these rights at third-party, first tier/core manufacturers via Egmont's Social Compliance Programme. The internal focus covers employees in the Group.

4.1. Responsible Supply Chain Management

For more than 10 years, Egmont has worked with and developed its Social Compliance Programme. The programme has a dual focus on social compliance at manufacturing facilities and product safety and quality. The aim of the programme is to ensure that third-party, first tier/core manufacturers comply with Egmont's Code of Conduct (CoC). The reasoning behind focusing on first tier/core manufacturers of physical products rests on the fact that Egmont can perform the most leverage on these manufacturers and engage in dialogue to develop their understanding of the focus areas. Based on the CoC the Egmont Social Compliance Programme states four zero tolerance issues for manufacturing that should not be found at the facilities:

No child labour

No forced labour

No severe health and safety findings with the risk of workers losing life or limb

Compliance with legal, minimum salary

At the beginning of 2015, the CoC was revised to specify the anti-corruption and anti-bribery policy and to clarify the term 'business partner'.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT EGMONT'S SOCIAL COMPLIANCE PROGRAMME:

- Mapping of manufacturers across Egmont entities as per risk evaluation
- Social auditing of manufacturers against the Egmont Code of Conduct including human rights, labour rights, environment and anti-corruption
- Product safety and quality tests and assessments
- Ensuring compliance with licensor/retailer requirements on social compliance
- If required, remediation plans implemented at manufacturers

4.1.1. Scope of the Social Compliance Programme

Up until 2014, Egmont's Social Compliance Programme primarily focused on manufacturers of children's products. That area was prioritised due to the global risk level of countries of manufacture of such products. From the beginning of 2015, Egmont Printing Service (EPS) was included in the programme. EPS is responsible for the sourcing and printing of magazines, weeklies and soon also books, for the Publishing division. The introduction of EPS to the Social Compliance Programme highlights the continued focus on responsible supply chain management. The effort to develop and systematise the Social Compliance Programme was one of our goals for 2015 and was reached by integrating EPS in the programme.

4.1.2. Country Risk Analysis

The country risk parameters were updated in 2015. The manufacturing countries are now divided into three groups. Group One has the highest risk level and manufacturers in these countries are required to be audited once every 12 months. The manufacturers in Group Two have a medium risk level and are audited every 18-24 months. In Group Three the manufacturers have the lowest risk and are audited on an ad hoc basis.

The country risk parameters are based on several acknowledged tools and analyses and take into account licensors' requirements. This is to ensure an aligned process for relevant suppliers working with Egmont.



4.1.3. Audits

Manufacturers are selected for pre-production audits based on the country risk analysis and are audited against Egmont's CoC.

In 2015, Egmont carried out close to 90 audits across the world. In addition to audits based on the Egmont CoC, we also reviewed more than 259 external audits. The audits are performed and evaluated before approving new suppliers and in order to secure evaluation of on-going compliance levels at existing manufacturers. The number of audits differs from year to year and depends on the risk profiles of the manufacturers, the size of the supplier pool, and findings from previous years' auditing.

A snapshot of the non-conformities findings from manufacturers in Group One in 2015 reveals that the prevailing non-conformities are Health and Safety findings. Findings of this type are often easy to correct while others may require a longer period of remediation.

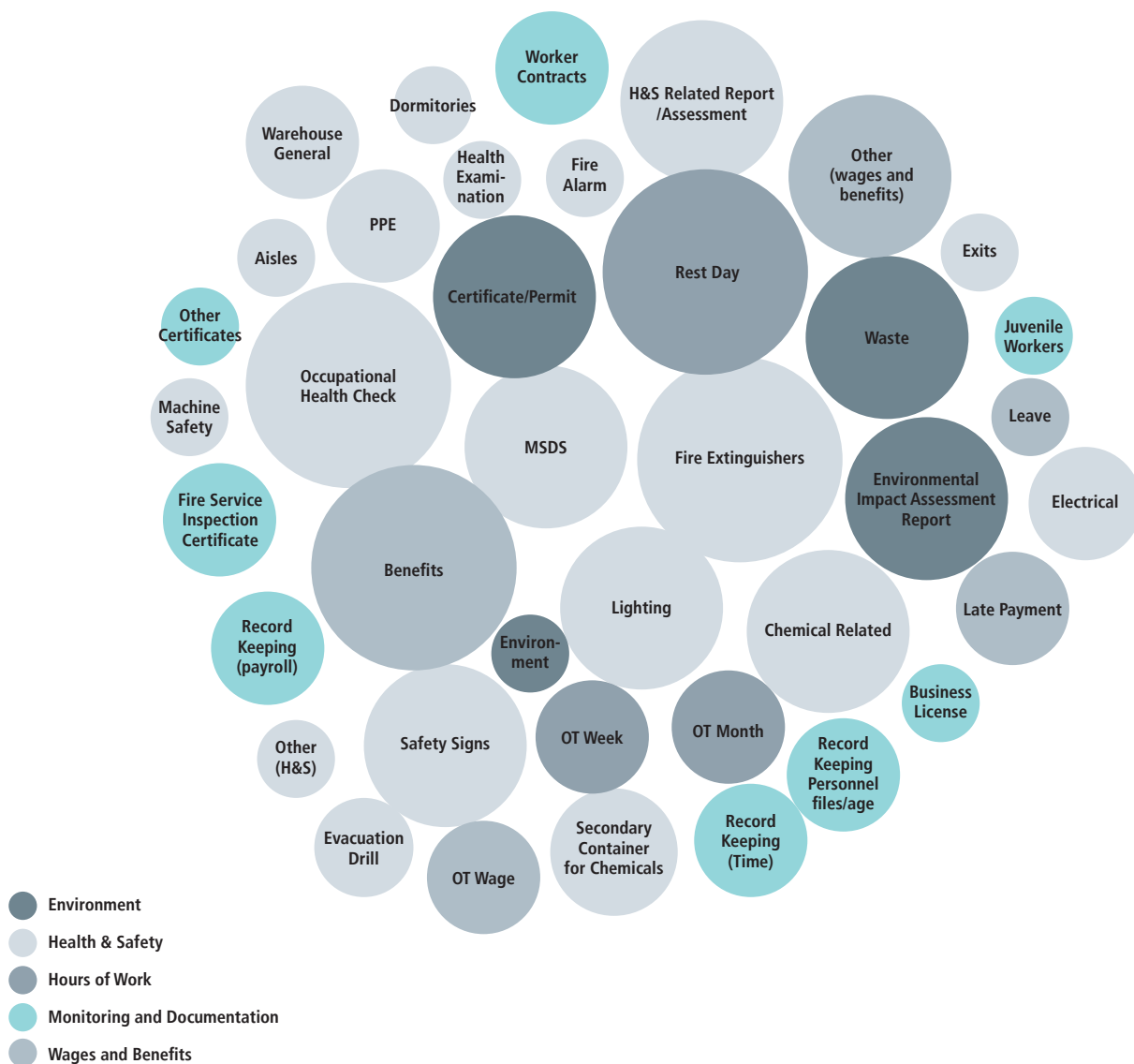


Figure 1. Copyright Elevate Global Limited 2015.

When a zero tolerance is found at a manufacturer, Egmont immediately engages with the facility to solve the issue(s). Subsequently, the manufacturer is under surveillance and is required to document remediation and receive follow-up audits. The audit results for the pool of manufacturers show that Egmont has experienced three instances of violations of Egmont's zero tolerances in 2015: one case of child labour i.e. one person below national age requirements, potential bonded labour and non-compliance with minimum salary. For each incident, we engaged in dialogue with the manufacturer to remediate the issue(s) and make sure that the issue(s) would not reoccur. In each case we experienced that the manufacturer complied with our demand(s).

In 2015, Egmont was made aware that one of our manufacturers had attempted to improperly influence an auditor during an audit. Despite the fact that this incident did not take place during an Egmont audit - but due to the serious nature of the instance - we carried out a risk assessment and on that basis engaged with the manufacturer to implement a mitigating plan. The implementation of the mitigating plan - which contained stricter requirements on the part of the manufacturer - led Egmont to continue the business relationship with the manufacturer in question. We decided not to terminate the relationship because we believe in long-term capacity building and learning, and because it was clear from the risk assessment that it was proper to continue the relationship provided that certain stricter procedures were implemented.





CASE PAGE: SUPPLIER TRAINING – FOSTERING ENHANCED EFFORTS

With three supplier training sessions in China in 2014 and 2015 Egmont sustains the range of tools used to ensure suppliers' compliance with the Egmont CoC.

Egmont's Social Compliance Programme focuses on workplace conditions at manufacturers of Egmont products. Over the years, experiences have been gathered on responsible supply chain management and social auditing and, as a consequence, the methods of ensuring sustainable remediation and compliance at core first tier suppliers are refined on a continuous basis. Egmont seeks to use this knowledge actively in the process of elevating manufacturers and their knowledge of proper workplace conditions.

For the past two years, Egmont Social Compliance has hosted and facilitated supplier training in China for covermount factories. In 2015, the one-day training took place in Shenzhen, China. The topics were product safety and quality, social auditing as well as product development and logistics. Moreover, the training also touched upon anti-corruption and anti-bribery practices in relation to Egmont's audit requirements. The focus areas were chosen based on recurring challenges among these manufacturers and manufacturers' wishes.

The feedback Egmont received both in 2014 and 2015 shows that the participants value the opportunity to engage in dialogue and learn from each other during the training day and to learn more about Egmont's requirements in detail. Moreover, workshops on specific subjects will be organised in 2016 to support the manufacturers in ensuring compliance with Egmont's Code of Conduct.

The training sessions support Egmont's commitment to the UN Global Compact.



FACTS ON TRAINING DAY IN 2015

- 44 supplier participants
- Participants were Egmont's suppliers of covermounts
- Focus on product safety and quality and anti-corruption
- Participants were trained in doing risk analyses throughout the value chain

Training day ratings:

Excellent	Very Good	Good	Satisfied
42%	42%	3%	6%

4.2. Product Safety

Egmont focuses on product safety on an ongoing basis to ensure that all Egmont products are safe to use. This is especially crucial for products aimed at children – such as books, toys (covermounts) and other products distributed together with our magazines.

Via membership of relevant industry associations and continuous dialogue with both major test institutes, experts within toy safety standardisation and national and European authorities, we are constantly kept up to date on the most recent developments within safety requirements and regulations. Egmont's product safety requirements are defined in a comprehensive safety manual which has been updated twice in 2015.

Product safety assessment and testing is done for all toys and covermounts prior to production. The products will be amended if safety concerns are identified.

4.2.1. Inspections

To ensure quality and product safety, Egmont is highly dependent on its suppliers. In 2015, we have conducted additional quality and safety inspections of 667 orders for toys distributed together with our magazines. This is an increase compared to 2014 where 561 orders were inspected. Supplier capabilities are monitored via technical assessments and continuous follow-up visits to the factories that manufacture covermounts.

In July 2015, the Turkish authorities tested two products as part of their customs inspections. Both products had components with a higher content of phthalates than accepted for toys. One of the items had passed our pre-production test, but the supplier had modified the material composition and delivered non-compliant products. Actions have been taken both in relation to this specific supplier and also in general as more chemical testing will apply for high risk products. The other product was a packaging component which the Turkish authorities classified as part of the toy and the phthalates requirements were claimed to apply for this component. None of the products in question were placed on the Turkish market.

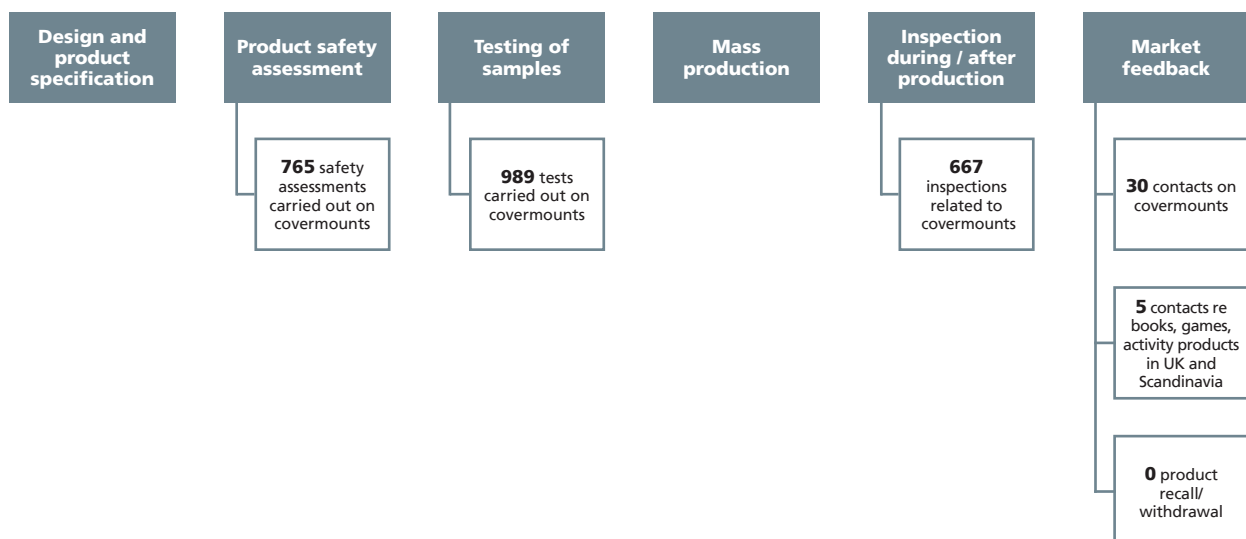


4.2.2. Stakeholder Contact

Egmont sources approx. 120 million covermounts a year. In 2015, 30 consumers have contacted Egmont with product safety queries related to 14 different covermounts. In relation to 11 of the covermounts we were only contacted by one consumer per product. Within the Nordic and UK markets, we have received five consumer queries regarding safety aspects connected with books and activity products. All queries have been analysed and follow-up action has been taken, including dialogue with our suppliers.

Egmont has been approached on the use of parabens as preservatives in cosmetics by a few consumers and a Danish non-governmental consumer organisation as part of their campaign against parabens. Their posting on Facebook and Twitter resulted in activity on social media for a short period of time. Egmont sees parabens as important and effective preservatives with well-known properties in relation to the users' health. This is based on the view from the European Scientific Committee on Consumer Safety (SCCS). Only parabens deemed safe by SCCS are allowed in our products.

A small number of consumers have contacted us with questions related to use or content of certain chemical substances, e.g. preservatives, flame retardants, and radioactive substances. Our responses have been that the products are safe for the users and in compliance with all relevant requirements.



4.3. Goals for 2016

In 2016, we will continue to strengthen the Social Compliance Programme. The goal is to maintain the high standard of auditing and engage in dialogue with key suppliers. In 2016, we will strive to meet these goals:

Aim for no zero tolerance incidents in the supply chain

Continue training on social compliance and sustainability

Update the supplier training

No serious product safety incidents, no non-compliance incidents or recalls due to safety aspects.

4.4. Egmont's Workforce - Selected Areas

Egmont is going through a wide and deep digital transformation, with extensive impact on its workforce. The current HR strategy, which was developed in 2011, seeks to address the transformation of the workforce by focusing on three core areas: Performance, Digital Egmont and Vital Organisation. In addition, a core value in Egmont's HR strategy is that our employees have an attractive working life, with plenty of development opportunities.

Rightsizing, engaging and developing the workforce is crucial to Egmont. When it comes to rightsizing, we continuously work on optimising our workforce to the market conditions we operate under, through structural adjustments.

The transformation of the workforce requires strong leadership skills, provided through a combination of strong leaders groomed in Egmont or recruited from relevant parts of the external market. Furthermore, we encourage all leaders to complete a standard General Leadership Training (GLT) so that all leaders are aware of the general leadership principles in Egmont. Our leadership programmes are highly rated by the participants.

When it comes to broader development of the workforce, we believe in a combination of sourcing experts through new hires or acquisitions of new companies, and focused development initiatives for the current workforce.



4.4.1. Gender Diversity

4.4.1.1. General Management Levels

In 2015, Egmont's workforce has not changed significantly. From an overall gender perspective our workforce is fairly diverse, cf. Table 2:

Table 2. Egmont's workforce continues to reflect an overall fairly balanced gender composition.

Unit	TOTAL			MANAGERS		
	Gender	count	% of gender	Gender	count	% of Gender
Egmont	Male	1564	46%	Male	328	53%
	Female	1850	54%	Female	296	47%
DK managers	Male	441	45%	Male	111	57%
DK managers	Female	540	55%	Female	85	43%
Lindhardt og Ringhof Forlag A/S	Male	60	31%	Male	10	43%
Lindhardt og Ringhof Forlag A/S	Female	132	69%	Female	13	57%
TV 2 Norway	Male	510	62%	Male	54	68%
TV 2 Norway	Female	319	38%	Female	26	33%
Egmont Publishing	Male	589	35%	Male	150	43%
Egmont Publishing	Female	1085	65%	Female	196	57%
Nordisk Film	Male	333	56%	Male	101	67%
Nordisk Film	Female	260	44%	Female	49	33%
Headquarter functions	Male	66	55%	Male	7	39%
Headquarter functions	Female	53	45%	Female	11	61%

The gender split of the workforce is close to balance with 46%/54% (male/female – total workforce), and 53%/47% (male/female – manager population). From a gender diversity perspective, these numbers are very satisfactory and on a group basis both overall and for Denmark alone Egmont has an equal split of male and female managers, i.e. no gender is underrepresented in the general management levels.

The variations across divisions are believed to be fairly reflective of the available talent pool.

EGMONT'S POLICY ON GENDER COMPOSITION IN MANAGEMENT

- *Egmont does not discriminate based on gender, age and handicap, ethnic or religious background*
- *Egmont wants to always employ the best-qualified person, irrespective of gender*
- *Egmont aims to have a diverse set of competencies. Diversity is not a matter of gender only but can also include educational background, functional experience, age, cultural background, etc.*
- *When recruiting or promoting people Egmont demands that both male and female candidates are identified.*

Egmont aims at being an attractive workplace for both female and male managers where they both consider that they have equal and fair opportunities for promotions, and where their competences can be used best possibly irrespective of gender. During 2016, Egmont will consider the impact of the current policy and consider if additional diversity initiatives are required in relation to gender and beyond.

4.4.1.2. The Board of Trustees / Supervisory Boards

The Board of Trustees believes that its members should be chosen for their overall competences but also recognises the benefits of a diverse Board in terms of experience, cultural and educational background and gender. The Board of Trustees has on that basis set the following target for the underrepresented gender on the Board:

Egmont aims to have one female member elected to the Board of Trustees no later than 2018.

According to the Charter of the Egmont Foundation, election to the Board of Trustees takes place when a member's election period expires.

Egmont uses external help to identify candidates to the Board of Trustees of the Egmont Foundation. Both male and female candidates are identified.

The members of the Board of Trustees elected on the basis of the Charter are currently all men, and the target has therefore not yet been met. During 2015, the Board of Trustees has not elected any new members on the basis of the Charter. The Board of Trustees of the Egmont Foundation is elected for up to three ordinary periods of four years and may be elected for up to two further periods of two years.

The target applies to all Egmont's Danish companies that are required under Danish law to set such target. The companies are: Egmont International Holding A/S, Egmont Publishing A/S, Lindhardt and Ringhof Forlag A/S, Nordisk Film A/S, Nordisk Film Distribution A/S, Nordisk Film Biografer A/S and GoGift.com A/S. All these companies, except Egmont International Holding A/S, and Nordisk Film Biografer A/S have equal representation on the Supervisory Board. In Egmont International Holding A/S, which has a Board that consists of the same members as the Egmont Foundation, the target has not been met and no new members were elected to the Board in 2015. In Nordisk Film Biografer A/S, all three board members elected by the general meeting are men and no new members were elected to the board in 2015. Therefore, the target is not currently met.

	TARGET MET	EQUAL REPRESENTATION
Egmont International Holding A/S	X	X
Egmont Publishing A/S	✓	✓
Lindhardt og Ringhof Forlag A/S	✓	✓
Nordisk Film A/S	✓	✓
Nordisk Film Distribution A/S	✓	✓
Nordisk Film Biografer A/S	X	X
GoGift.com A/S	✓	✓

4.4.2. People Survey 2015

In 2015, we conducted a People Survey in Egmont for the 11th time, and we continue to experience overall great results across divisions, both in terms of progress on engagement and on leadership. We came out with very good results, at a higher level than last year and above external benchmarks on all parameters.

Close to half of our manager population were perceived by their staff as "sterling managers" (i.e. with very high ratings on both professional and leadership qualifications) whereas only a small sample of the population were perceived as "weak managers" (i.e. low scores for both professional and leadership qualifications) in both cases our managers came out better than the external benchmark.

Judging from the People Survey, the overall strength of our leaders continues to improve. One of the ways we aim for good leadership is through our mandatory General Leadership Training (GLT) cf. section 4.4 above.



5. UN Global Compact Principles 7-9:

ENVIRONMENT

Principle 7	Businesses should support a precautionary approach to environmental challenges;
Principle 8	Undertake initiatives to promote greater environmental responsibility; and
Principle 9	Encourage the development and diffusion of environmentally friendly technologies

The Egmont CoC states: "Egmont companies and their business partners shall comply with all applicable laws and regulations" and along with our commitment to the UN Global Compact, Egmont has underlined its engagement in protecting the environment. Our baseline is to be in compliance with local law, and the same requirement applies to our third party manufacturers. To verify that the latter is enforced, we have included environmental questions in the checklist for our social auditing. These questions primarily focus on the handling of waste and chemicals related to the manufacture of our products.

The Egmont business activities and geographical reach are varied and widespread. The environmental impact of providing great content, whether it is related to our premises, products or production process, varies considerably depending on whether we are producing films, broadcasting a programme or publishing books and magazines. This means that it is a very complex task to establish an environmental policy that covers the entire Egmont Group.

We have held the first workshop with dedicated contributors from across each business division in June 2015. During the workshop several approaches were discussed, and the importance and impact of various environmental issues were presented by each division. The workshop resulted in an agreement on five core areas to be covered in the environmental policy.

Following this, the drafting of a specific policy focusing on these suggested five areas is currently at the initial stage with the aim to present the outcome to the management and various divisions in Q2 2016. The process is slightly delayed as we also see this as an opportunity to evaluate the governance structure for this area as part of very early preparations for the 2018 CSR reporting requirements covering this area.

CASE: ENVIRONMENTAL INITIATIVE

Recyclable Plastic Bottles in Nordisk Film Norway

The Norwegian filmgoers prefer to get their beverages in plastic bottles when going to the cinema and Nordisk Film Norway is committed to making the used bottles count. Therefore, Nordisk Film Norway works together with Coca-Cola on the plastic bottle named PlantBottle™. The PlantBottle™ is developed by Coca-Cola and is composed of 25% plant-based materials, 25% recycled plastic, and 50% new plastic in Norway. The composition of the PlantBottle™ ensures a possibility of recycling up to 50% per bottle. To maximize the potential of recycling, the Norwegian cinemas have installed bottle collectors to sort the plastic bottles from the general litter.

The cinemas have recycled a total of 1,339,576 plastic bottles in 2015.



Image: Coca-Cola

CASE PAGE: SUSTAINABLE PAPER SOURCING

• Egmont Printing Service

Acknowledging that Egmont's primary environmental footprint comes from the sourcing of paper used for both our books and our magazines, Egmont maintains the ambition of sourcing paper from sustainable forestry. A key function of EPS (Egmont Printing Service A/S) is to be more involved in the actual sourcing of paper, which applies to both books and magazines. In 2013, EPS standardised all magazines and weeklies in Scandinavia except for kids magazines. The standardisation has made the production of printed matters more efficient and made it possible for EPS to have tighter control over paper usage. Only papers that meet Egmont's requirements and are sourced from sustainably managed forests are used. In 2015, a similar standardisation programme for kids' magazines and pocket books was initialised, and in 2016 the task of standardising book formats across Egmont Publishing will be started. It is anticipated that this process of standardisation will increase manufacturing efficiency and provide EPS with even greater control of paper options and consumption.

Different entities within the Egmont Group have worked with PREPS (Publishers' Database for Responsible Environmental Paper Sourcing) during recent years. Whether EPS will continue with PREPS will be evaluated in 2016. The ongoing evaluation of paper sourcing also includes dialogue with NGOs – specifically Rainforest Foundation Norway to begin with, as this area also brings up dilemmas such as recycled papers vs. no pulp from rainforests.

• Lindhardt og Ringhof

Egmont's publishing house Lindhardt og Ringhof (L&R) is the second largest publishing house in Denmark and produces roughly 3.5 million books a year. 90% of the productions are produced with 60 different standard paper qualities. L&R is committed to sourcing sustainable paper and, consequently, the standard paper qualities all have grade 3 or 5 in the PREPS system. Grade 3 means that the forest material comes from low-risk countries and does not originate from a WWF-defined Ecoregion. Grade 5 forest material is certified by either FSC or PEFC or the material is made from 100% recycled material.

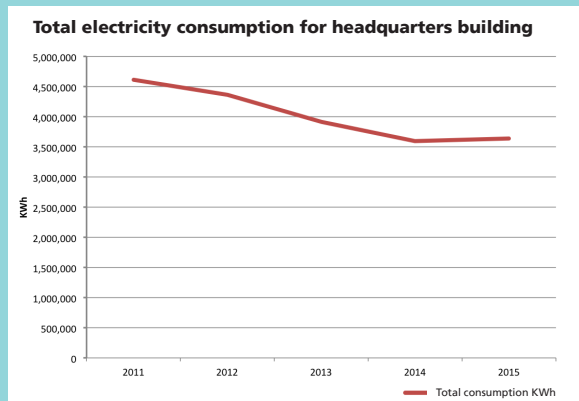
• Egmont VGS Cologne

Another part of the Group, which works with sustainable sourcing of paper in a structured and committed manner is Egmont VGS Cologne. Since 2014, the division has been committed to 100% FSC certified paper and reached approx. 99% in 2015. The remaining 1% is due to rare circumstances in relation to co-editions. In 2010, Egmont VGS Cologne implemented random tests of fibres to verify their origin into their production procedure.

CASE PAGE: ENVIRONMENTAL INITIATIVES

Headquarters Building

At Egmont's headquarters in Copenhagen our Property Administration has a long-term focus on efficient energy consumption. This shows e.g. in the supervision of electricity consumption. In 2015, we saw an increase in the electricity consumption due to an increase of tenants in the headquarter building. The level of occupancy in 2015 was 1,543 m² higher than in 2014, and we estimate that had we not been able to attract new tenants, we would have seen a decrease again in 2015.



New Green Roof

At the headquarters in central Copenhagen, one of the roofs has got a new look. When it was time to renew the roofing felt, it was decided that instead of going for a conventional roof, the new roofing should be covered with plants. The benefits of a green roof are many:

- Better city climate – the plants filter the air for particle pollution and reduce noise
- Rain water evaporates – the green roof reduces the run-off from rain water by 50% or more. This lowers the risk of drain overflow.
- Insulation – the green roof insulates the building. It insulates against overheating in the summer and, to a lesser extent, against cooling in the winter. The indoors climate becomes more stable and pleasant.

Because of the many positive aspects of the green roof - both environmentally and financially – we are looking into the possibility of installing another green roof at the headquarters in the coming years.

GERMAN EFFICIENCY

The German business of Egmont Publishing has engaged in a project to reduce waste in the magazine supply chain. This project will realise positive environmental impact in 2016:

- Reduction of CO₂ emissions via transportation**
- Reduction of waste (paper and covermount materials)**

6. UN Global Compact Principle 10:

ANTI-CORRUPTION

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

6.1. Anti-corruption and Whistle-blowing

In 2013, Egmont implemented an anti-corruption policy and a whistle-blowing policy. The policies apply to all of the fully owned companies as well as many partly owned companies. Both policies are available in Danish, German, Swedish, Polish, English, Norwegian, Turkish and Russian.

In 2015, no reports were submitted in Egmont's whistle-blowing system.

We will continue to run the e-learning programme on anti-corruption. The e-learning is mandatory for all new employees and we follow-up until the training module has been completed. Further, we will review and possibly adjust the policy and related training for all employees in 2016.



7. Initiatives



7.1. The Egmont Foundation

The charitable activities of the Egmont Foundation are aimed at children and young people, but place a special focus on the most vulnerable of them. The vision for the charitable activities is a good life for children and young people. We work for children and young people to build up their capacity and strengthen their potential so that, ultimately, they will be able to create good lives for themselves. The majority of donations are made in Denmark. However, support is also provided in Norway in areas where the Egmont Foundation is able to create synergy between activities in the two countries.

In 2015, the Egmont Foundation donated EUR 11.3m to actions aimed at vulnerable children and young people. The activities were focused within these areas:

CARE: Helping children and young people cope with life crises

LEARNING: Strengthening the desire to learn

A HELPING HAND: Donations to children and young people who are vulnerable in relation to economic, social or health issues

7.1.1. Highlights 2015

LEARNING

In 2015, the Egmont Foundation made a great effort of advocating for children affected by learning disabilities or social challenges in school. One of the means was the Egmont Report that put the value of and need for intensive learning courses on the political agenda. It also highlighted the Egmont Foundation's experience with supporting children with learning disabilities or highly gifted children with social difficulties through intensive learning courses. The Egmont Foundation's signature project "Learn for Life" is one of the key examples of how to support very vulnerable children through intensive learning courses. The aim of "Learn for Life" is, over a period of ten years, to enable 1,000 children placed in care to accomplish an upper secondary education.

DIVORCE

The Egmont Foundation's partnership with Børns Vilkår (Children's Welfare) served as a launch pad for great political and public awareness of the well-being of children, whose parents are divorced. Through conferences, debates, reports and exposure in the media, efforts were made to place focus on the children's needs rather than on the parents' needs – in the legislative and political framework and in the homes of divorced families. In 2015, the Egmont Foundation also supported the development of concrete tools and counselling initiatives to strengthen the collaboration of the parents during a divorce.

A HELPING HAND

In 2015, the Egmont Foundation distributed around EUR 1.2m to children who are vulnerable in relation to economic, social or health issues. The grants were distributed through five partners: the Danish Red Cross, Mødrehjælpen (The National Association for the Unmarried Mother and Her Child), Landsorganisation af kvindekrisecentre (National Organisation of Women's Shelters in Denmark), Børnehjælpsdagen (The Children's Aid Foundation) and Norske Kvinners Sanitetsforening (Norwegian Women's Sanitary Association). The grants from the Egmont Foundation do not only cover the families' urgent needs but are followed by development aid such as counselling or network groups.

CHILD PARTICIPATION

In 2015, the Egmont Foundation adopted a strategy for the participation of children and young people. The vision of the strategy is that participation strengthens children and young people - it promotes their life skills and develops their learning potential. The objective is that the strategy should help achieve more and better child participation, through investments in gathering and disseminating knowledge about participation; skills – for children the skills to participate, for adults the skills to ensure participation and channels to support participation. Furthermore, the Foundation will exclusively support initiatives that take into account the participation of vulnerable children and young people and always ensure participation of children and young people in the Foundation's own initiatives.



7.2. Online Safety – Safe Internet

A substantial part of Egmont's business is digital, and this requires us to consider our digital impact and how we can facilitate responsible use of our digital products especially aimed at children. The Online Child Safety project focuses both on our conduct and content aimed at children and also offers user guidelines for our digital products. In 2015, a tool was developed to ensure that Egmont employees who work with digital products are equipped with information on safety elements which must be considered when creating digital products aimed at children. The safety assessment tool contains 10 elements, which are important to consider when launching a digital product aimed at children. Upon completion of the safety assessment, the tool generates a risk analysis and informs the product owner of the safety elements that should be considered for the specific product. Being one of Egmont's current CSR focus areas for 2013-2016, we are now ready to fully implement this tool into our business within the set deadline.



END OF REPORT

EGMONT

We bring stories to life

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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.

For more information on Egmont and our performance, please visit www.egmont.com.

Questions or comments related to this report, please contact Social Compliance Director Charlotte Damgaard at damgaard@egmont.com

Photos: Martin Bubandt (page 1, 7, 9, 11, 13, 19, 22), Steen Brogaard (page 3), Anne Prytz Schaldemose (page 20,21), Ricky Lau (page 10)