

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS REPORT

POMPdeLUX APS 2015



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.



THE NATURE OF OUR BUSINESS

POMPdeLUX ApS is a Danish fashion house founded in 2006 in Aarhus, Denmark by two women, Marianne Hoffmann Dyrbøl and Pia Holmen Møller. Since June 2015, Marianne Hoffmann Dyrbøl became sole owner of the company.

Our vision is to be the preferred kids brand, which sells everyday luxury inspired by the latest trends.

Besides the high quality demand it has always been our goal to deliver a unique style, which emphasizes children's personality. Therefore we design and produce everything ourselves – from buttons to fabric and prints. We have a vision to always develop when it comes to design, quality, price and customer satisfaction. All products are designed in Denmark and produced by our suppliers in Turkey, China and India. In order to keep the clothes at a low price, we made a decision not to sell through traditional shops, but via Social Shopping events, in our Online shop, outlets and POP-UP shops.

In 2015 we implemented our new CSR-strategy 2015–2018 which supports us achieving our company goals. The strategy contains the 10 UN Global Compact principles. We are pleased to introduce our CSR-programme on our website.

ABOUT US

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COMPANY INFORMATION

Company name: POMPdeLUX
CVR number: 29622035
Address: Omega 3, 8382 Hinnerup, Denmark
Sector: Textile
Employees: 75
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HUMAN RIGHTS PRINCIPLES

PRINCIPLE 1

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

PRINCIPLE 2

Business should ensure that they are not complicit in human rights abuses

PROMISES

POMPdeLUX takes its responsibility to respect human rights seriously. It is a key corner in our company set-up that we uphold the international declared human rights and discrimination against any person on grounds of race, religion, gender, age or disability. We will promise to take the UN Guiding Principles into account, and we are committed to ensure influence on human rights and working conditions in our supply chain. We demand our suppliers to secure proper labor standards in the factories where our clothes are produced, and we endeavor to improve our social performance in a valid and trustworthy way. We keep on working on our responsible supplier program, Business Social Compliant Initiative and the progress we have achieved in the last five years makes us very proud.

It is an obligation for us in Denmark always to comply with all national laws relevant to human rights issues as well as the collective agreements we follow.

ACTIVITIES

Our CSR-policy is covering all human rights issues and we have a policy of diversity and equality. According to our policy we have a zero tolerance against discrimination and we encourage everyone to inform their leader if discrimination is observed.

According to our policy all employees and all suppliers to POMPdeLUX must always respect and protect the internationally proclaimed human rights and national legislation. In Denmark, we also respect two collective agreements and we follow a third one on a voluntary basis.

We strive to create a workplace where everyone is giving opportunities regardless to gender or nationality, and endeavor to give men and women equal opportunities for promotion, career and a good family life.

We are convinced that our company is successful also because we have a multicultural culture and welcome all nationalities.

We continue our whistleblower system for the staff to handle any complaints or suspicious observations. Our Whistleblower is a key source to innovative information.

POMPdeLUX Aps joined the European Initiative BSCI (Business Social Compliance

WE STRIVE
TO CREATE A
WORKPLACE
WHERE EVERY-
ONE IS GIVING
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REGARDLESS TO
GENDER OR
NATIONALITY

Initiative) in 2010 and through this concept we are obliged to respect human rights and basic labour standards in our supply chain and to have the factories audited through third part auditors. Through BSCI our suppliers are being audited by third party.

We mainly operate in long terms relationships with a group of core suppliers with whom we have been doing business with for a longer time. We have influenced our core suppliers by upholding a constant pressure and demand for complying with the basic human rights principles.

Through our membership and all the working tools we have gained access to, we have implemented the BSCI Code of Conduct successfully in our supply chain. We visit a range of our suppliers at least ones a year and the rest of our factories are visited by our local agents. With the BSCI concept we are also able to measure our progress year by year. We assist suppliers with working tools, awareness training and make sure that all health and safety issues are understood and implemented.

WE MAINLY
OPERATE IN
LONG TERMS
RELATIONSHIPS
WITH A GROUP
OF CORE
SUPPLIERS

EFFECT FROM ACTIVITIES

- POMPdeLUX Aps comply with Danish labor legislation and thus we are confident that we have no violation of human rights.
- In 2015 we received very few claims and all requests were solved.
- In 2015 92 % of all employees are covered by a collective agreement.
- In 2015 66 % of employees on management level or in a position of trust were women.
- In 2015 15 % of all employees are bilingual.
- In 2012 we have implemented a whistleblower for the staff to have an anonymously place to put forward claims or suspicious observations. In 2015 we received very few suggestions and all claims were solved.
- Our targets for 2015 succeed while 76 % of our suppliers had first audit, and 61 % achieved the result GOOD or IMPROVEMENT NEEDED according to the BSCI rating system. All suppliers have signed the BSCI Code of Conduct.

LABOUR PRINCIPLES

PRINCIPLE 3

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

PRINCIPLE 4

Business should support the elimination of all forms of forced and compulsory labour.

PRINCIPLE 5

Business should support the effective abolition of child labour.

PRINCIPLE 6

Business should support the elimination of discrimination in respect of employment and occupation.

PROMISES

Our CSR-policy is covering all international labor principles and we regulate our staff according to Danish legislation and the collective agreements in our area of business. We strive to create a safe and sound workplace for permanent workers as well as all our temporary workers, and we uphold the right to collective bargaining and the freedom of association.

ACTIVITIES

We have an occupational health and safety policy and we have worked with our working environment for several years in our Occupational Health and Safety committee. According to Danish legislation standards we assess any labor related risks or accidents at POMPdeLUX Aps professionally, and we have 4 meeting every year in the OHS committee. All employee are introduced to basic Health & Safety topics upon recruitment, and they all have a company paid pension.

Compensation and overtime payment meet the Danish minimum standard or the relevant collective agreement. For monthly paid workers flexible working hours is a possibility. We have a health insurance covering all permanent employees. We have 6 weeks of vacation and paid sick leave. We enjoy daily lunch facilities in our canteen at favorable prices and get free coffee and fruit. Two times a month our personal hairdresser and masseur is in-house and the employees have the possibility during the working day to use their services against own payment.

All permanent workers have a great possibility to buy clothes for their children at favorable prices.

WE STRIVE
TO CREATE A
SAFE AND SOUND
WORKPLACE
FOR PERMANENT
WORKERS
AS WELL AS
ALL OUR
TEMPORARY
WORKERS

We focus on a good cooperation with the staff by educating our staff in leading positions always to involve human understanding in all decisions. We focus on a good cooperation and helpfulness among colleagues by valuing the ability to cooperate and work in teams. We show humanity towards our staff whenever they have an unfortunate private situation and we are confident that they will pay us back in their own way.

We continue our whistleblower system for the staff. It gives an anonymously place to put forward claims or suspicious observations.

POMPdeLUX are committed to ensure influence on human rights and working conditions in our supply chain and we endeavor to improve our social performance in the supply chain in a valid and trustworthy way.

Through our membership in BSCI we have implemented their policies and Code of Conduct in our supply chain. Since 2010 to third of our suppliers have had a first audit in their factories.

Additionally we try to help our suppliers with working tools, awareness training courses, and management manuals and make sure that all health and safety issues are understood. We visit our suppliers at least once a year.

EFFECT FROM ACTIVITIES

- POMPdeLUX Aps comply with Danish labor legislation and thus we are confident that we have no violation of working environment laws, basic working rules or the right to freedom of association.
- In 2015 92 % of all employees are regulated according to collective agreements.
- In 2015 100 % of all employees have a private health insurance and a company paid pension
- In 2015 we did not offer first aid training but will continue in the next year.
- In 2015 76 % of our suppliers had first audit, and 61 % achieved the result GOOD or IMPROVEMENT NEEDED according to the BSCI rating system. All suppliers have signed the BSCI Code of Conduct.

THROUGH OUR
MEMBERSHIP IN
BSCI WE HAVE
IMPLEMENTED
THEIR POLICIES
AND CODE OF
CONDUCT IN
OUR SUPPLY
CHAIN

ENVIRONMENTAL PRINCIPLES

PRINCIPLE 7

Business should support a precautionary approach to environmental challenges.

PRINCIPLE 8

Business should undertake initiatives to promote greater environmental responsibility.

PRINCIPLE 9

Business should encourage the development and diffusion of environmentally friendly technologies.

PROMISES

We strive to reduce the impact we have worldwide from running our business.

We are committed to up-hold the EC restricted chemicals legislation in REACH as a minimum. Furthermore suppliers are requested to follow REACH for all products. Our effort on restricted chemicals has contributed to a general higher awareness of avoiding harmful chemicals in our clothes. We promise to test chemical test by a third part institute. We are committed to offer our customers as many products as possible with Oeko-Tex standard 100 label and the organic label, GOTS.

ACTIVITIES

We uncover our resources on essential and relevant areas and strive to reduce our consumption pr. employee. An area of focus is our recycling of cardboard which we increase year by year. In 2012 we developed relevant KPI's for our environmental effort.

Our position on transportation is clear and demands us to prevent from flying clothes to Denmark unless absolutely necessary. Good preparation is the key to the solution in that respect and we endeavor to influence our suppliers to have the same attitude. We have experienced a minor decline in that respect.

We strive to have as much of our clothes labeled with the health label, Oeko-Tex 100 to create confidence for our consumers. We also support the organic clothing industry by using the GOTS label on as much organic cotton products as possible. We have an organic collection of underwear/nightwear produced according to the international global standard GOTS.

WE ARE
COMMITTED TO
UP-HOLD THE EC
RESTRICTED
CHEMICALS
LEGISLATION IN
REACH AS A
MINIMUM

Through our membership in BSCI we have implemented our policies, restricted chemicals program and the BSCI Code of Conduct in our supply chain. Additionally we try to help our suppliers with working tools, awareness training courses, management manual and make sure that all health and safety issues are understood.

We have 100 % signed commitments to our restricted chemicals program from suppliers and all our core suppliers have obtained a higher awareness on environmental challenges in general. We perform testing on a random and specific basis.

EFFECT FROM ACTIVITIES

POMPdeLUX Aps comply with Danish environmental legislation and thus we are confident that we have no violation of environmental laws in Denmark.

In 2015 our measurements of water, heating, electricity and waste are the following:

| (Pr. worker) | 2014 | 2015 |
|-------------------------------------|-----------|-----------|
| Water in m3 | 6,8 | 6,9 |
| Waste in KG | 207 | 337 |
| Cardboard for recycling in KG | 1185 | 995 |
| Heating in MWh og m3 | 4,0/175 | 7,3/238 |
| Electricity in kWh | 4390 | 4200 |
| Transportation by ship/ air/truck | 82/10/8 % | 76/13/11% |
| % of BV with Oeko-Tex 100 | 27 % | 25,5 % |
| % of BV is cotton according to GOTS | 5 % | 6 % |

- In 2015 we had the following grouping of transportation ways:
Ship 76 % / air 13 %/ truck 11 % – the increase of air transportation is caused by suppliers due to not reaching agreed delivery dates by sea. We place more orders in Turkey and it explains the increase of truck transportation.
- The changes in our measurements of water, heating, electricity and waste pr. employee, are very satisfying for us because we expect a very big increase due to establishment of a new warehouse.
- In 2015 we have 100 % signed commitments to our restricted chemicals program from suppliers.
- In 2015 25 % of our products are with Oeko-Tex 100 label. The figure has decreased due to replacement of our softwaresupplier who produce GOTS only where as our old supplier had both GOTS and Oeko-Tex.
- In 2015 6 % of our products are organic cotton fabric with the GOTS label.

WE HAVE
100 % SIGNED
COMMITMENTS TO
OUR RESTRICTED
CHEMICALS
PROGRAM FROM
SUPPLIERS AND
ALL OUR CORE
SUPPLIERS HAVE
OBTAINED A
HIGHER
AWARENESS ON
ENVIRONMENTAL
CHALLENGES IN
GENERAL

ANTI-CORRUPTION

PRINCIPLE 10

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

PROMISES

At POMPdeLUX corruption is not acceptable and we strongly distance ourselves from using bribery or corruption where ever we do business.

We strive to influence our suppliers that corruption should be avoided everywhere in their own range of influence.

ACTIVITIES

We have a clear and ambiguous anti-corruption policy. Our policy is covering bribery, corruption, gifts and other facility payments. We expect all employees to work active to prevent all forms of corruption.

We have implemented our policy in our organization and we strive to influence our suppliers and business partners that corruption should be avoided everywhere in their own range of influence.

Through our membership of BSCI we have implemented our policies and Code of Conduct in our supply chain. We try to help our suppliers with working tools, awareness training courses, management manual and make sure that all terms are understood.

POMPdeLUX also have a whistleblower system for the staff to have an anonymously place to put forward claims or suspicious observations. Our Whistleblower is a key source to innovative information and we will focus on this topic in the future.

EFFECT FROM ACTIVITIES

Bribery and corruption is very rare in Denmark due to tradition and strict legislation. We are confident that POMPdeLUX ApS complies with Danish bribery and anti-corruption legislation and thus we have no violation of national laws in our headquarters in Denmark. We believe that our effort on anti-corruption and bribery have raised awareness among our staff. Until now we have never been involved in a legal dispute regarding corruption.

In 2015 we had no cases regarding bribery or anti-corruption from the whistleblower scheme, and the few claims we had were solved.

OUR POLICY IS
COVERING
BRIBERY,
CORRUPTION,
GIFTS AND
OTHER FACILITY
PAYMENTS

COMMUNICATION WITH SHAREHOLDERS

PROMISES

We intent to expand the knowledge of POMPdeLUX Aps as a responsible brand for children's wear.

ACTIVITIES

We teach our Shopping Advisors in our CSR-strategy and communicate directly with our customers through Facebook, Instagram and newsletters, and we warmly welcome feedback from our many Shopping Advisors.

EFFECT OF ACTIVITIES

Our CSR-strategy folder 2015-2018 can be found on www.pompdelux.dk.
This Communication on Progress report 2015 is available at the Global Compact homepage and on our staff blackboard.