



BY APPOINTMENT TO
HER MAJESTY THE QUEEN OF DENMARK

GEORG JENSEN

ESTABLISHED 1904

SUSTAINABILITY REPORT 2017

GEORG JENSEN A/S
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1. ABOUT THE REPORT

This report is published concurrently with Georg Jensen A/S's Annual Report, representing Georg Jensen A/S's ninth annual Communication on Progress (COP) report aligned with the UN Global Compact framework that recapitulates our ongoing journey towards becoming an even more sustainable company. It represents our statutory report on our corporate social responsibility (CSR) according to the Danish Financial Statements Act § 99a and § 99b, and thus serves the purpose of sharing our progress on our CSR activities during the financial year 2017 as well as describing our planned activities and targets for 2018.

Our COP report consists of nine chapter's altogether; starting with this introduction and foreword by our CEO Francesco Pesci, followed by an overview of Georg Jensen as a business and our CSR governance structure as well highlighting how CSR is implemented in our value chain. Subsequently, a glimpse into on our activities within the people and planet spheres while concluding with insights on our anti-corruption activities, followed by an overview of this report's compliance with the 10 UN Global Compact principles.

The health and safety data in this report cover our corporate headquarters in Copenhagen, our Hjørring production facility in Denmark and our Chiang Mai production facility in Thailand. Our sales facilities are not included in the reported data. The environmental data cover company-owned production facilities in Hjørring and Chiang Mai. The energy data, converted to tons CO₂, is based on our company-owned facilities in Denmark and is calculated based on the methodology provided by the Danish Department of Energy - Energistyrelsen, EnergiNord and the Greenhouse Gas Protocol. Other energy and environmental data are based on local authorities' assessments and inventory, in Denmark and Thailand respectively. The report content concerning our Thai operations is, furthermore, based on data provided in the annual report to IFU¹.

Finally, our achievements in 2017 would not have been possible without the passionate and dedicated people that make up our company, and we explore continually to find the right path for focusing our CSR efforts.

We always welcome comments and feedback on our COP report:
csr@georgjensen.com

¹Read more about the Investment Fund for Developing Countries (IFU) here: <http://www.ifu.dk/dk/service/english>

2. CEO FOREWORD



When taking on the position as CEO in November 2017, I knew that it was a role full of opportunities as well as responsibilities. Naturally it is a huge responsibility carrying on Georg Jensen's more than one hundred year design legacy and position in Scandinavian design.

The philosophy of our founder was to create innovative and quality designs that were both beautiful and functional. I believe one of our most important tasks is to leverage these principles while we keep focusing on being contemporary as well as using high quality materials and processing methods.

It is a philosophy and value proposition that inevitably require a huge commitment and responsibility. Therefore, I am very pleased that Georg Jensen has been embracing the commitments and principles of the UN Global Compact for nearly a decade now.

The UN Global Compact's 10 principles is the guiding framework for our CSR strategy and governance, including our efforts and work across our supply chain, environmental impact, third-party risks and employee development. I can guarantee that we will remain dedicated to this commitment and its obligations in the future.

In 2017, we focused our CSR efforts on developing more comprehensive policies, procedures and guidelines to include both the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises. These two frameworks have been implemented in both our Employee Code of Conduct and Supplier Code of Conduct.

It is proactive efforts like these that help us to develop and become an even more responsible organisation with more sustainable business practices, economically, environmentally and socially.

I would like to thank all colleagues for being dedicated and engaged in contributing to positive impacts across the societies where we operate, our suppliers for working with us to continue improving quality and sustainability, our customers for staying loyal to our brand, and our shareholders for the continued confidence and support.

A handwritten signature in black ink, which appears to read 'Francesco Pesci'. The signature is stylized with a large, sweeping initial 'F'.

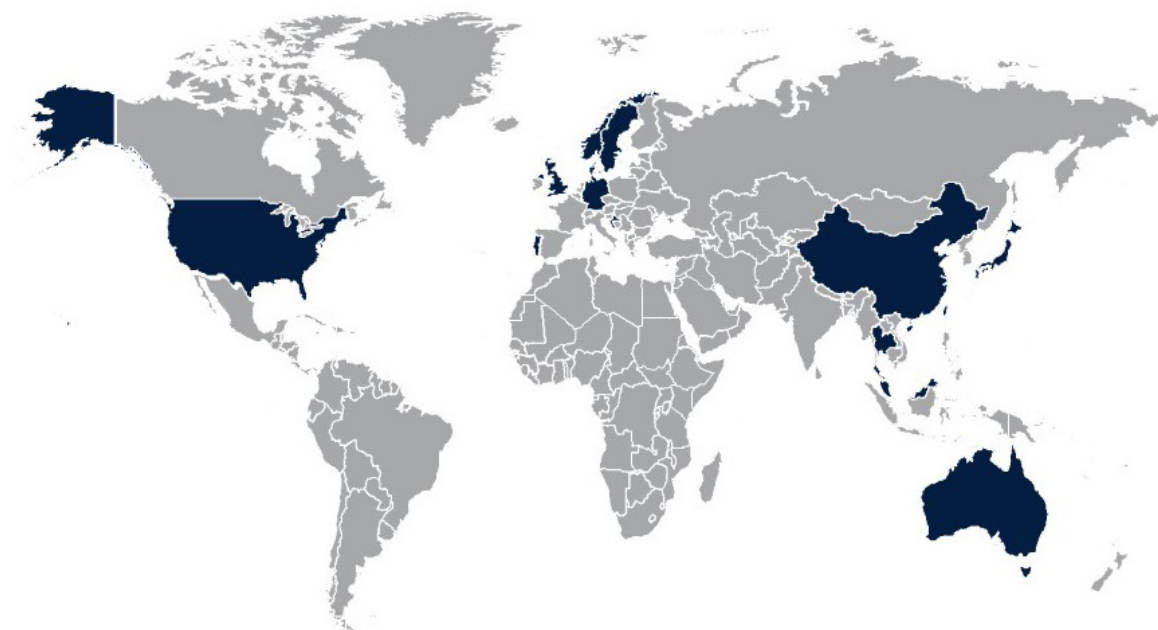
Francesco Pesci
Chief Executive Officer
Georg Jensen

3. GEORG JENSEN AT A GLANCE

In 1904, the Danish silversmith Georg Jensen founded the company in the heart of Copenhagen, Denmark. Georg Jensen was unique among silversmiths because he was as devoted to art as he was to craftsmanship. He was very knowledgeable about materials and applied this experience in all of his designs, leading to high quality, functional and beautiful products. Eventually, he made an international name, and today the name is synonymous with excellent Scandinavian design throughout the world.

Today, Georg Jensen is an international company with 1,287 employees and product offerings including fine jewellery, silver hollowware, watches, seasonal and products for the home.

Georg Jensen production facilities, suppliers & stores



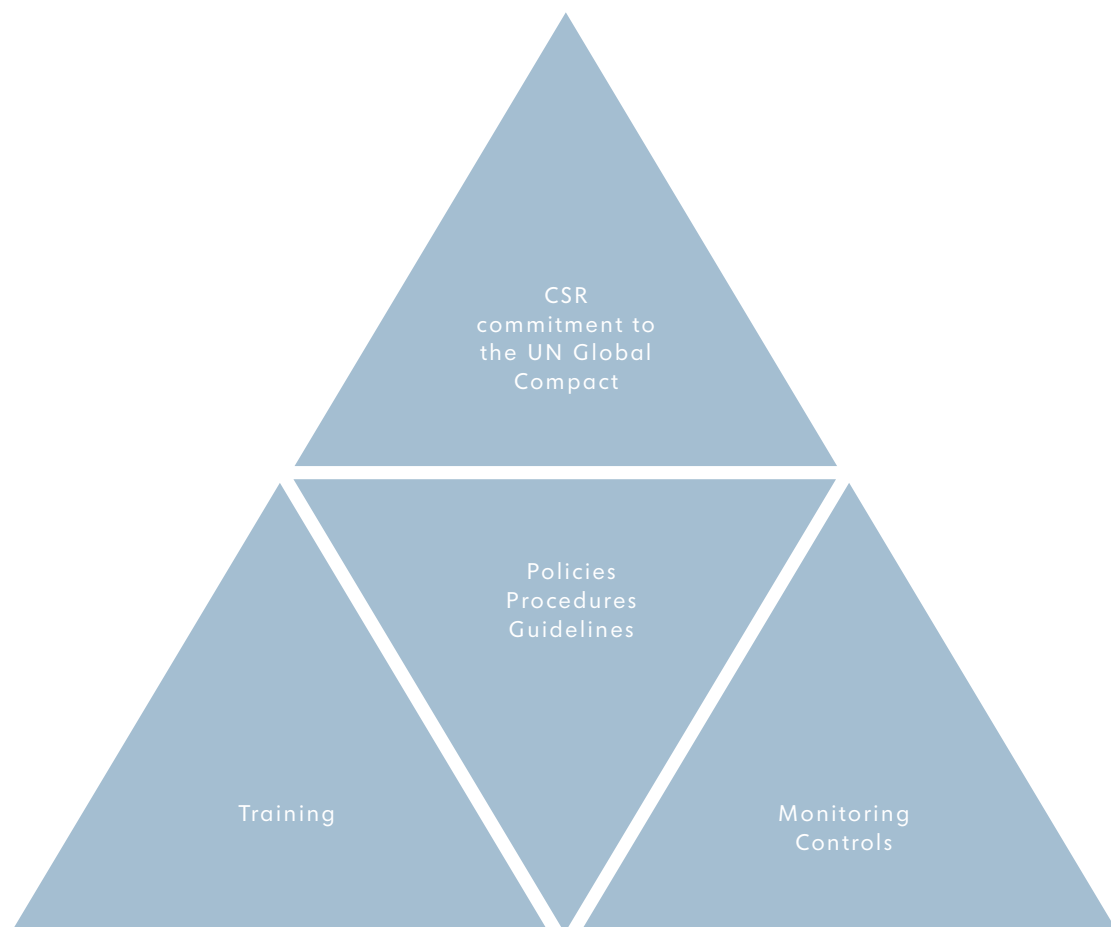
We have established our own production facilities in Copenhagen and Hjørring, Denmark as well as in Chiang Mai, Thailand. In addition, we work closely together with more than 25 key external suppliers primarily located in China, Turkey, Portugal, Croatia and Denmark. Furthermore, in 2017, we have Georg Jensen owned stores in Denmark, Sweden, Norway, UK, Germany, United States, China, Japan, Singapore, Australia, Hong Kong, Macau and Taiwan. We work diligently to ensure responsible and sustainable business practices across markets, and we strive continually to ensure this - economically, environmentally and socially.

4. OUR CSR GOVERNANCE & POLICIES

In 2009, Georg Jensen chose to embrace the commitments of the UN Global Compact that encourages participating companies to create a culture of integrity across the organisation, from strategy to operations. The UN Global Compact is the world's largest corporate sustainability initiative, and it is based on 10 principles for corporate responsibility; covering fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption. (See section 9 of this report.)

At Georg Jensen, we have implemented the 10 principles of the UN Global Compact in our CSR strategy as well as governance, and we are continuously striving to act with due diligence, thus mitigating any potential adverse impacts on people, environment and communities. We have established a CSR compliance programme, covering all Georg Jensen's activities - from design, sourcing and production to packaging and sales services. Our CSR compliance programme consists of our CSR commitment statement to the UN Global Compact as well as our policies, procedures, and guidelines, leading to a range of monitoring and controlling tools as illustrated below.

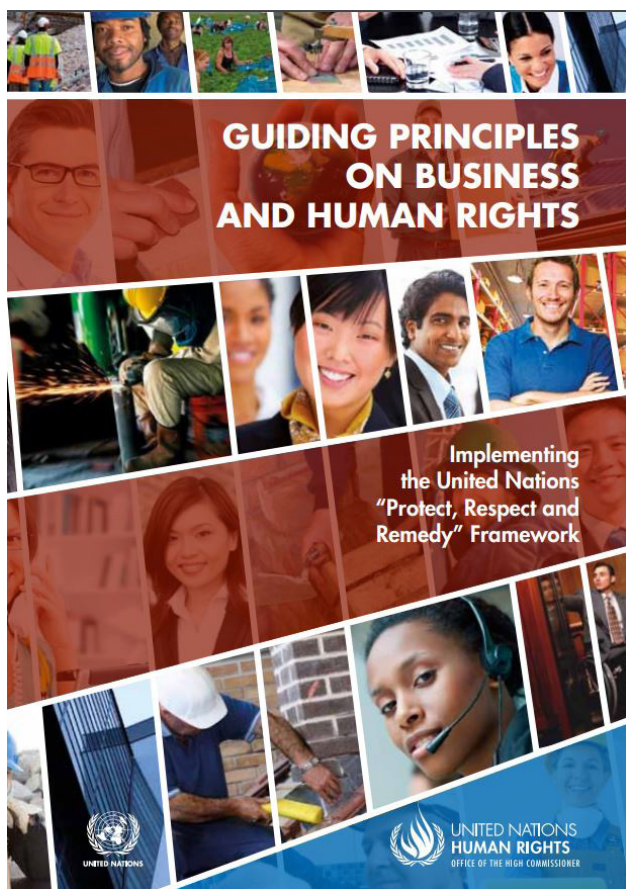
Georg Jensen CSR compliance programme



This year, the focus of our CSR strategy has primarily been to develop and integrate our policies further. In 2014, we published our “Georg Jensen Group Code of Conduct”, which is applicable to all employees and serves as a guideline to equip them to adequately manage adverse impacts on the 10 principles referenced by the UN Global Compact.

In 2017, we have been drafting more comprehensive policies, procedures, and guidelines where we have implemented the UN Guiding Principles for Business and Human Rights² and the OECD Guidelines for Multinational Enterprises³ in our code of conduct for employees. We expect to publish an updated and more comprehensive version in 2018, which will be named “Business Ethics and Compliance - Code of Business Conduct”, providing among other things a more detailed description of our policies and the steps we take to prevent and mitigate any risks of adverse impact occurring within our organization.

We have also been developing our “Supplier Code of Conduct”⁴ from 2014 further - to align it with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. This will serve as a supporting document to the “Business Ethics and Compliance - Code of Business Conduct” by stating our expectations to all suppliers and external partners to develop and implement a management system aligned with these internationally agreed guidelines. We expect to publish the updated supplier code of conduct in 2018.



²Read about the UN Guiding Principles for Business and Human Rights: <https://www.business-humanrights.org/en/un-guiding-principles>

³Read about the OECD's Guidelines for Multinational Enterprises: <http://mneguidelines.oecd.org/guidelines/>

⁴Read Georg Jensen Supplier Code of Conduct: <https://www.georgjensen.com/on/demandware.static/-/Library-Sites-SharedLibrary/default/dw-ba67c14f/pdfs/2014-Georg-Jensen-Supplier-Code-of-Conduct.pdf>

INTEGRITY IN FOCUS

Georg Jensen's CSR strategy is governed by a CSR Steering Committee, which consists of representatives from across the organization. Francesco Pesci, CEO, is leading the CSR Steering Committee to ensure commitment to the sustainability agenda and to achieve our vision of integrating sustainability and responsibility throughout our business.

"Integrity" implies doing what is right, and it goes far beyond compliance with the law. It includes transparency and honesty of communication, as well as harmony in what one thinks, says, and does. We believe that having an organizational culture based on high integrity will manifest itself in the way we interact with our employees, suppliers, customers as well as the communities in which we operate, and consequently sets the stage for long-term success.

Our CSR Steering Committee meets quarterly to discuss and monitor the progress of our CSR efforts, including addressing strategic and operational improvement opportunities.

The composition of our CSR Steering Committee



Our Head of Quality & CSR, Erik Olsen, is responsible for implementing and monitoring all our global CSR activities on a day-to-day basis, including our production facilities in Hjørring, Denmark, and Chiang Mai, Thailand, as well as our office in Shenzhen, China. Additionally, he is responsible for monitoring our suppliers, as well as external partners in terms of social compliance, environmental performance and anti-corruption. In order to ensure local anchoring and commitment, we have two dedicated CSR Managers located at our production site in Thailand, and our local sourcing office in China respectively. The local CSR Managers are responsible for upholding our CSR efforts in our daily operations, and they act as supporting auditing functions by performing due diligence on suppliers as well as helping them optimize their CSR performance.



VOICE: CSR CALLS FOR LOCAL PRESENCE

Erik Olsen, Head of Quality & CSR

I have been working at Georg Jensen as Head of Quality & CSR for the past seven years and have been responsible for creating the focus for our CSR efforts. In 2010, it seemed natural to first start with focusing on the management of our suppliers. Georg Jensen is a global company, and we source from suppliers worldwide. Thus far, we have created an overview of our suppliers beyond the first tier as well as external partners, classified them in terms of risk levels, and as a consequence terminated some supplier contracts if they were not willing to comply with our Supplier Code of Conduct. Most importantly; however, we have strengthened our dialogue with many of our suppliers, which has been a key learning point for me; CSR efforts require physical and local presence. Positive impact cannot solely be achieved from our Copenhagen office; CSR calls for having a close dialogue with suppliers to see, hear, and feel for yourself.

At Georg Jensen, we seek to comply with the UN Guiding Principles on Business and Human Rights, which is a set of guidelines for states and companies to prevent, address and mitigate human rights abuses committed in business operations. To live up to the UN Guiding Principles requires a strong management commitment and a continuous effort to work with due diligence within the company, as well as with our suppliers and other business relations.



In 2016, we decided to strengthen our efforts further by implementing systematic human rights due diligence processes, which is an evidence-based analysis of business interaction with human rights, resulting in concrete and context specific actions to avoid and mitigate any potential adverse impacts. The ambition is to roll out our human rights due diligence globally, across operations within our own control. More specifically, we are starting with our headquarters in Copenhagen as well as production facilities in Hjørring, leading to our facilities in Chiang Mai, Thailand, and concluding with our global offices and key suppliers, mainly located in China.

This is a process which we recognize will take a few years, but in 2017 we managed to kick-off the process. We have almost completed our first impact assessment of our operations in Copenhagen and Hjørring. This resulted in the fact that we have identified our potentially adverse impacts of our operation on the human rights of our employees, customers, end-customers and/or indigenous people. Fortunately, we have our policies in place to handle potentially adverse impacts, but we recognize a need to update and implement new, more comprehensive policies and guidelines to handle all identified human rights risk areas properly. This is a process that we have started, and it will be my primary responsibility to complete this task in the coming year.

5. OUR VALUE CHAIN

Since 1904, we have been committed to designing products of high quality and functionality. Thus, every new design process is initiated by carefully outlining the product design from considering functionality as well as the choice of materials to production while striving to live up to our customers' expectations. We are highly dependent on the natural resources in our designs, thus we fully acknowledge that the choice of raw materials may contribute to the risk of adverse impacts on human rights, as well as the environment. For that reason, we choose our raw materials carefully.



CASE: DESIGNING JEWELLERY FOR GENERATIONS

In 2017, we celebrated 50 years of collaboration between Georg Jensen and the Swedish designer Vivianna Torun Bülow-Hübe, one of the most accomplished female silversmiths of all time. Vivianna believed that jewellery should be a symbol of love. It should enhance and move with the body, and feel like a caress. It must not overwhelm but enhance and be a natural part of oneself. She tried the pieces herself during the development process to ensure the jewellery would not hinder any movements. She also believed that designs should be timeless, thus, it should not matter whether the person is 17 or 87 years old.

Vivianna's designs are based on the Möbius or vortex shapes, which is refined and interpreted over and over again throughout her life; bringing a continual movement into the pieces as if there is no beginning nor end to the designs. This is why many of her beautiful designs are created and woven out of a single strand of metal, such as the Dew Drop, Torun and Forget-Me-Knot collections. Her designs are timeless and therefore a perfect choice for a family heirloom that gets passed on through generations. Thus, they are symbolic of love, accomplishment and family.



RESPONSIBLE SOURCING

The jewellery sector is complex, consisting of many different suppliers and sub-suppliers, thus there are many ethical dilemmas facing this industry. These are often associated with the initial activities in the supply chain such as mining, mineral trading and stone cutting process. We acknowledge that it is our responsibility to ensure that Georg Jensen does not contribute to human rights abuses or corruption, as well as environmental harm at any point of our supply chain. Consequently, we focus our efforts on the responsible sourcing of skins and leather as well as precious metals, gemstones, and diamonds.

At present, we source from more than 25 key external suppliers across the world, primarily located in China, Turkey, Portugal, Croatia and Denmark. We screen all skin and leather materials to ensure that we never use skins from endangered animal species. This practice is established to ensure that we are compliant with the requirements by CITES⁵, an organisation that works to mitigate the extinction of endangered animals due to overuse of skins and leather.

At Georg Jensen we require all our suppliers to disclose detailed information on the traceability on the raw materials of gold, silver, gemstones, and diamonds before we incorporate them in our products. We further uphold a firm stance that Georg Jensen will not source precious stones and materials that contribute to funding of armed conflicts. In addition, we have long-standing relationships with suppliers that are either certified by the Responsible Jewellery Council⁶, which is a whole-of-supply-chain standards initiative for the jewellery supply chain from mining to retail, or suppliers that provide an assurance that the raw materials (i.e. gold, silver, gemstones, and diamonds) are sourced conflict-free. Since 2013, our work on responsible sourcing has been guided by the Dodd-Frank Act⁷ and The Kimberly Process⁸ on conflict-free metals, minerals and diamonds, which continually influences our choice of suppliers as well as encourages us to strengthen dialogue with our suppliers to create long-lasting relationships.

PRODUCTION

We produce the majority of our products at our own production facilities in Copenhagen and Hjørring, Denmark, and in Chiang Mai, Thailand. Some of our products are designed in Copenhagen, but manufactured by external partners like watches manufactured in Switzerland and some Home products are outsourced to external partners, primarily in China, Portugal and Turkey.

We strive constantly to ensure that our supply chain upholds our commitment to sustainable and responsible business practices. Before entering any business relations, all new suppliers are thoroughly screened through a due diligence process to assess their social compliance, environmental performance and anti-corruption efforts, as addressed in section 4 of this report. This entails conducting a mini audit of the supplier to obtain information and evaluate the supplier according to our Supplier Code of Conduct leading to classifying them in terms of three different risk levels – green, yellow, and red. The green classification implies that the CSR performance of suppliers is sufficient, thus, suppliers may be implemented in our supply chain. While the yellow classification entails the suppliers must start improving their CSR

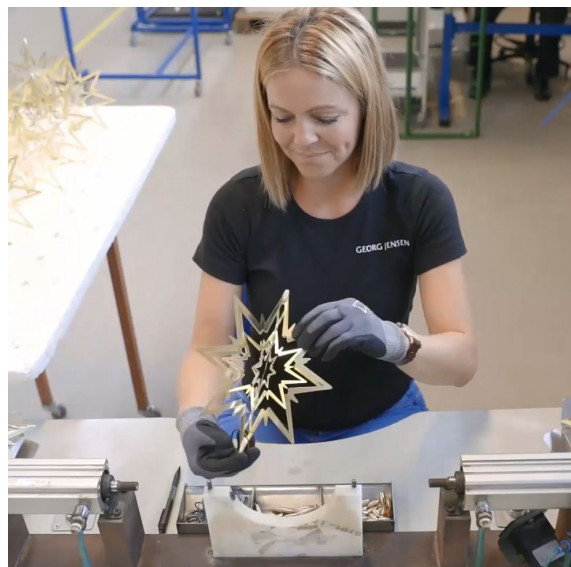
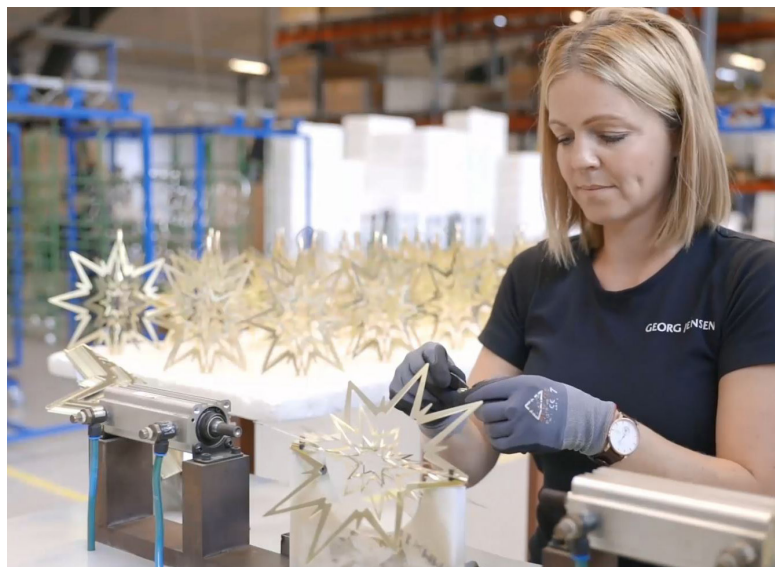
⁵Read further about CITES: <https://www.cites.org/>

⁶Read further about the Responsible Jewellery Council: <https://www.responsiblejewellery.com/>

⁷Read further about the Dodd-Frank Act: <https://www.sec.gov/opa/Article/2012-2012-163htm---related-materials.html>

⁸Read further about the Kimberly Process: <https://www.kimberleyprocess.com/en/about>

performance before we will place an order. Conversely, the red classification denotes that suppliers are immediately disqualified from our supplier pool and consequently must undergo comprehensive changes and audits to become part of Georg Jensen's supply chain.



We conducted 28 audits of our suppliers in 2017 of which 15 were conducted by an independent third party auditor and successfully addressed all issues found. We further audited 8 new potential suppliers of which 5 were approved and implemented in our supply chain. We disqualified 3 potential suppliers because they neither were able to, nor intended to fulfil our Supplier Code of Conduct.

VOICE: BUILDING STRONG SUPPLIER RELATIONSHIPS

Emily Fang, CSR Manager in China

I have been working at Georg Jensen as a CSR Manager for about six years. I am located in Shenzhen, China, where we have a team consisting of seven employees in total, all working within Sourcing, Quality and CSR. I am responsible for assessing Georg Jensen's new as well as existing suppliers. This entails visiting the suppliers' facilities, monitoring and auditing their CSR performance to ensure they comply with the requirements/standards set forth in our Supplier Code of Conduct. We assess our suppliers periodically and the frequency of follow-up meetings are determined on a case-by-case basis. The purpose is to gain in-depth insights of the suppliers' facilities as well as operations, including working conditions, health & safety, environmental performance, and business ethics.

Sometimes I need to handle difficult conversations with suppliers by explaining to them why they need to improve their CSR performance while also emphasizing how their business will benefit from it. I always feel satisfied when suppliers act upon my recommendations and improve their performance. We have made a positive impact together. I believe it is so crucial to have a close dialogue with our suppliers to achieve great results.

I am responsible for the daily interaction with suppliers while Erik Olsen, Head of Quality & CSR, visits our office regularly in order to be part of follow-up meetings that we do together. It is crucial that Erik runs the supplier meetings to support me and to put extra pressure on our suppliers if they hesitate to implement my recommendations. In addition, an independent third party auditor conducts an annual audit to ensure our suppliers meet our requirements and carry out production in a responsible way. These audits will always be monitored by me, and I am consequently fully aware of the outcome and thereby able to support our suppliers in the best possible manner.



SALES SERVICES

Georg Jensen has grown into a well-known brand, born of expert craftsmanship, and we continually strive to understand and meet customer expectations. We offer products of high quality, which entails ensuring safe use of our products. Thus, we have procedures in place to comply with the REACH⁹ standard, which is a regulation of the European Union that aims to improve the protection of human health and environment from the risks that can be posed by chemicals. The REACH standard commits us to identify and manage the risks linked to potentially dangerous substances manufactured and marketed in the EU. Consequently, we have implemented appropriate risk management measures to assess hazards and risks of substances, thereby protecting humans and the environment when using our products.



⁹Read further about REACH: <https://echa.europa.eu/regulations/reach/understanding-reach>

VOICE: FORMING A UNITED FRONT TO CONTINUALLY IMPROVE CSR PERFORMANCES

Nikolaj Hancke, Managing Director, Asia & Simon Grolin, Sourcing & Quality Manager, Westpack Asia

Georg Jensen has been one of our key customers since 2002 and we have always had a good, professional and strong customer-supplier relationship. Westpack is a company founded in Holstebro, Denmark, selling quality packaging to more than 12,000 customers across Europe, including Georg Jensen. We supply them with beautiful jewellery boxes. Georg Jensen has always been a loyal customer, and we have always strived to be a reliable supplier, leading to a very close collaboration.

We are both, Nikolaj and Simon, located in Shenzhen, China, responsible for the activities in the Asian region, and we have a close dialogue with both Erik Olsen, Head of Quality & CSR, and Emily Fang, CSR Manager, who are performing Georg Jensen's audits on Westpack and our sub-suppliers. We know that it is very important for Georg Jensen to ensure that we comply with international rules and standards in relation to e.g. working conditions. Although, focus is on compliance, our experience is that Georg Jensen's approach is to help suppliers optimise their CSR performance, not just be a controlling factor. They are just as passionate about their work as we are about ours, and we are both very focused on upholding a sustainable value-chain.

We usually visit our suppliers together a couple of times each year, thereby form a team to help our suppliers in the best possible way. This is something we are very proud of because we have seen that we are able to stimulate great improvements at suppliers' facilities, when we act together. An example of this is that we have helped suppliers get proper ventilation systems in e.g. a painting department to improve the air quality, thereby improving the workers' health. However, CSR is a process that takes time and this is something Georg Jensen understands and accepts. It requires perseverance and ongoing "check-ins" to encourage suppliers to continually improve their CSR performance step-by-step.



6. OUR PEOPLE

Every employee at Georg Jensen - regardless of location - is considered an asset to our company. Our employees are passionate, quality-conscious individuals that take a professional pride in working for Georg Jensen. We are dedicated to retaining and developing our employees, thus it is crucial to create and continually improve our global business as well as helping our employees develop their skills and knowledge to ensure the continual growth of the global company. To fulfil our ambition, we have a dedicated Global HR Development team that solely focuses on the development, engagement and well-being of our employees worldwide to encourage them to reach their full potential and to enable the full potential of the global business.

The table below provides a detailed overview of our personnel in 2017, which entails a global workforce of 1287 employees in total.

OVERVIEW OF PERSONNEL AT GEORG JENSEN IN 2017				
		Denmark (Mgnt & Production)	Thailand (Mgnt & Production)	Global Stores
Permanent male employees		86	327	74
Permanent female employees		121	254	412
Temporary employees	Interns	1	(5)*	-
	Trainees	(4)*	-	-
	Student workers	12	-	-
Total		220	581	486

* Not included in total employee

INCLUSION & DIVERSITY

At Georg Jensen, we believe that the best foundation for growth comes from a passionate, dedicated, and diverse workforce. Through our people initiatives, we are committed to ensure that no one is discriminated against because of e.g. age, disability, ethnicity, gender, religion or sexual orientation.

We strongly believe that good corporate decision-making requires the ability to hear and consider different points of view; coming from people with different backgrounds, experiences, and perspectives. To guide this effort in ensuring a gender balance at our Board of Directors, we have set a target for the share of the underrepresented gender of 25% to be met by 2020. At the beginning of 2017, we had successfully managed to reach the target by having a Board of Directors consisting of four shareholder-elected members; one female and three males, equivalent of a 25% gender distribution. However, with the important appointment of our CEO Francesco Pesci end of 2017, the female representation has temporarily fallen to a 20% by having a Board of Directors consisting of five shareholder-elected members; one female and four males. We acknowledge this and have initiated an initiative to reach our target again in 2020.

This section covers our statutory reporting on the under-represented gender at the Board of Directors and top management levels according to the Danish Financial Statements Act § 99b.

In order to reach our target in 2020, our Board of Directors is now supported by two female assistants who are appointed by our owners to participate in board meetings and in the work of the Board of Directors in general. The purpose is, through mentorship, to develop their knowledge and capabilities on the work of the Board of Directors. We believe that this will give new opportunities for both Georg Jensen and our owner to achieve our target and ambitions in this area.

We continually aim to balance the representation of both genders on all management levels by constantly focusing on developing our people's knowledge and capabilities. In executive management we have a representation of 100% males and in our middle management level we have an overrepresentation of women with 59% women. As the middle management level consist of quite many leaders compared to our executive level, we have reached a satisfactory gender balance.

In order to obtain a more balanced gender representation at all management levels, we have taken different initiatives as part of our people policies. The most important initiative we have launched in 2017 is our Global Leadership Program. Here we have appointed 10 women and 5 men to join a comprehensive global training in order to become our future ambassador's for leadership

DEVELOPING OUR PEOPLE

At Georg Jensen, we strongly believe that investing in people is fundamental to sustain successful, long-term performance. It is crucial for us that our employees continually develop professionally as well as for us to enable their own and the business' full potential. We continually strive to make our employees feel that they are growing, challenged and appreciated.

In 2017, we have launched a new Global Leadership Program, focusing on improving the level of management skills by sharing leadership experiences, developing Global Leadership skills and inspiring through different cultural perspectives on leadership. The 15 global leader participants are representing all Georg Jensen's global sites across all functions and at all managerial levels in the organisation. The first module focused on business excellence and the next module will be conducted in 2018 focusing on personal excellence. In between the modules, the members of the executive management act as personal mentors to each leader participant to support leadership development within the global context of Georg Jensen.

In addition, we are currently developing a global training program for our employees that will be launched in 2018. The purpose is to ensure and uphold all employees globally being ambassadors for our unique brand, based on quality craftsmanship and timeless design, which is deeply rooted in our history and legacy.

We have further conducted health and safety procedure trainings e.g. first aid courses at our facilities in Denmark, Thailand, China and global stores. The purpose is to encourage all employees to take preventive measures and uphold a set of safety procedures as well as maintain a safe and healthy work environment. We conducted a workplace assessment in our head-quarters, focusing on the psychological working environment. This was followed by a thorough effort targeted at our managers and teams to ensure a good working environment. We aim to roll out this initiative globally to ensure a healthy working environment across our organisation.

Unfortunately, 2017 was not an accident-free year. In total, we experienced 10 work related accidents in our production facilities in Chiang Mai, Thailand, and Hjørring, Denmark and 1 in our headquarters in Copenhagen. The accidents were classified; six minor, three moderate and two major. We naturally believe that one accident is one too many, and we have taken a number of precautionary steps and safety initiatives to avoid any accidents. We constantly strive for maintaining high levels of safety and all employees in our production go through safety and first-aid training. In addition, we constantly review how safety measures can be improved across facilities and stores. Our ambition is to not have any accidents.



Image is from training at Georg Jensen factory in Chiang Mai, Thailand.

VOICE: AN EMPLOYEE-FOCUSED CULTURE

Anne-Louise Brechling Johansen, Head of Global HR Development

I have been working as Head of Global HR Development at Georg Jensen's headquarters in Copenhagen, Denmark, for about a year. My focus is primarily on developing our employees for greater responsibilities in a global perspective by enabling their potentials. I am also member of our CSR Steering Committee as well as member of our Working Environment Committee to ensure job satisfaction and growth for all our employees globally.

One of the things that motivates me the most is to identify and enable growth potential for both employees and business. It is widely acknowledged across the organisation that it is crucial to invest in and prioritize the development and training of our employees to create strong, sustainable success both in the short and longer perspective.



Our personnel consists of very passionate, quality-conscious individuals bursting with professional pride. While we are living in a time where most people change jobs frequently; we have managed to create a working environment and organizational culture where we still have employees who celebrate their work anniversary in the company. We continuously strive to maintain and enhance this culture going forward. At present, some of our silversmiths are third-generation working at Georg Jensen. We find this commitment to the Georg Jensen brand unique, and we will do our best to preserve this commitment by continuously developing our global HR development and people initiatives, which is emphasized by having the Global HR Development department.

An ongoing CSR initiative is the ability to get an alternative employment such as internship, flex job and traineeship to help diversity blossom in the labour market. This is for instance done by taking in young talents from our local university, Copenhagen Business School, as interns.

Our commitment to the local society is also reflected in our local sourcing initiatives exemplified by the natural materials used in our smithy, such as using 100 year old trees planted by royal forest keepers that due to natural preservation concerns are cut down in the historical park, Frederiksberg Have, Denmark. Our silver smiths use the log of woods as underlay when crafting our silverware. It is much better to craft on wood compared to metal because of the soft surface.

There is much focus on our CSR activities internally; particularly those linked to our factory in Chiang Mai, Thailand. Thus, we have created an organization that is very passionate about making a difference and our employees are key players for driving this culture. They continually make active choices to promote our CSR efforts. An example of this could be a number of our employees voluntarily chose to donate their Christmas presents to our charity initiative "giving back to society" in Chiang Mai. The executive management team is, however, also very good at continually sharing knowledge about the charities that Georg Jensen engages in across the organisation.

CASE: GIVING BACK TO THE LOCAL COMMUNITY IN CHIANG MAI

One of our production facilities are located in Chiang Mai, Thailand, surrounded by various local communities. One of the communities consists of a group of people belonging to the hill tribe named "Karen People". They typically work as smallholder farmers with little means to send their children to school, and if they actually manage to send their children to school; they struggle with finding affordable accommodation near the school. Commuting is simply not an option due to the distance. Fortunately, a Canadian woman has welcomed 24 children of the Karen People to "Jen's House" to live while attending school to achieve a standard education.



The facilities at Jen's House have become rundown over the years, and we thought at Georg Jensen that this would be a good opportunity to give back to the local community in Chiang Mai, thus we decided to engage in a refurbishing project of Jen's House. Over three weeks our personnel at our factory in Chiang Mai worked hard to refurbish washing and toilet facilities, sleeping areas, electronic installations as well as donating computers. We are proud of our efforts, and we enjoy giving back to the local community in Chiang Mai. It creates a pleasant feeling of connectedness and satisfaction of making an even bigger impact.

7. OUR PLANET

At Georg Jensen, we recognize that our actions have positive as well as negative impacts on our surroundings including the environment. We take our environmental responsibility seriously, and this is why we have developed an environmental policy stating that responsible business practices always should be pursued to minimize any potential negative impact on the environment and climate. The policy sends a clear message about our efforts to protect our planet and guides our decision-making and daily work to ensure we have a structured and systematic approach to reducing our environmental footprint.

We work with environmental protection in numerous ways, such as energy efficiency to minimise negative impact on climate change, waste reduction and recycling. In addition, we optimise consumption of raw materials and energy as well as take preventative actions against contamination and pollution. We have implemented an environmental management system in order to continuously improve our methodology, process, operations and to monitor the results. This also implies that the facilities' environmental performance is subject to internal and external third party audits.

We are proud to be transparent about our main environmental impact. As the table below shows, in 2017 we succeeded in maintaining a substantially lower electricity consumption level as compared to 2014 and 2015. This is important since electricity is the main source for our CO₂ emissions (scope 2). We know that the energy consumption is closely linked to our production volume, which is why we continue to focus on energy efficiency in our production. Heat consumption is closely linked to our production volume and weather. In the last two years we have increased our production volume significantly and therefore have a higher consumption of heating.

Overview of Energy Consumption (Indirect Emissions, Scope 2)					
Data measurement	Country	2014	2015	2016	2017
Electricity consumption, purchased (MWh)	Total	2,158	2,201	1,574	1,661
	Denmark	359	324	336	409
	Thailand	1,799	1,981	1,238	1,252
Heating, purchased (MWh)	Total	336	305	406	449
	Denmark	336	305	406	449
	Thailand	-	-	-	-
CO ₂ emissions (tons) ¹⁰	Total	1,048	1,138	840	847
	Denmark*	109	98	86	85
	Thailand**	939	1,039	754	762

* Carbon factor Miljødeklaration 2016 and preliminary emission factor used for 2017: Energinet: <https://energinet.dk/El/Miljoedeklarationer#Elhandlere>

** Carbon factor from: CARBON LABEL & CARBON FOOTPRINT FOR ORGANIZATION used for 2016 and 2017: <http://thaicarbonlabel.tgo.or.th>

*** CO₂ emissions in 2016 are updated due to an update of the carbon emission conversion factor.

¹⁰ We have chosen to report this data in tons instead of kg/MWh, which we have previously used. This is done to ensure that we can benchmark our environmental performance towards the performance of our peers.

We have a strong focus on waste-handling and minimizing our impact on the environment by choosing sustainable packaging materials. All our paper and cardboard are sourced from responsibly managed forests. We ensure that the wooden materials we use for gift boxes and wrapping paper comes from forests managed by the Forest Stewardship Council® (FSC®).

In 2017 the amount of waste from our facilities in Denmark has increased, which has been due to receiving a larger supply of products, as well as a removal of old packaging materials from our warehouses. We will continue our focus in the coming years to minimize our waste further.

Overview of Water & Waste Volume*					
Data measurement	Country	2014	2015	2016	2017
Water (m3)	Total	10,983	14,666	12,623	10,541
	Denmark	1,537	2,218	2,118	2,976
	Thailand	9,446	12,448	7,830	7,565
Wastewater (m3)	Total	43,648	31,029	5,776	7,792
	Denmark	37,526	22,316	295	2,496
	Thailand	6,612	8,713 ¹¹	5,481	5,296
Waste (kg)	Total	144,500	123,030	95,586**	354,461
	Denmark*	109,460	77,820	71,87	328,00
	Thailand**	35,040	45,210 ¹²	18,716**	26,461

Waste volumes are calculated based on annual statements from approved waste carriers handling ordinary and hazardous waste.

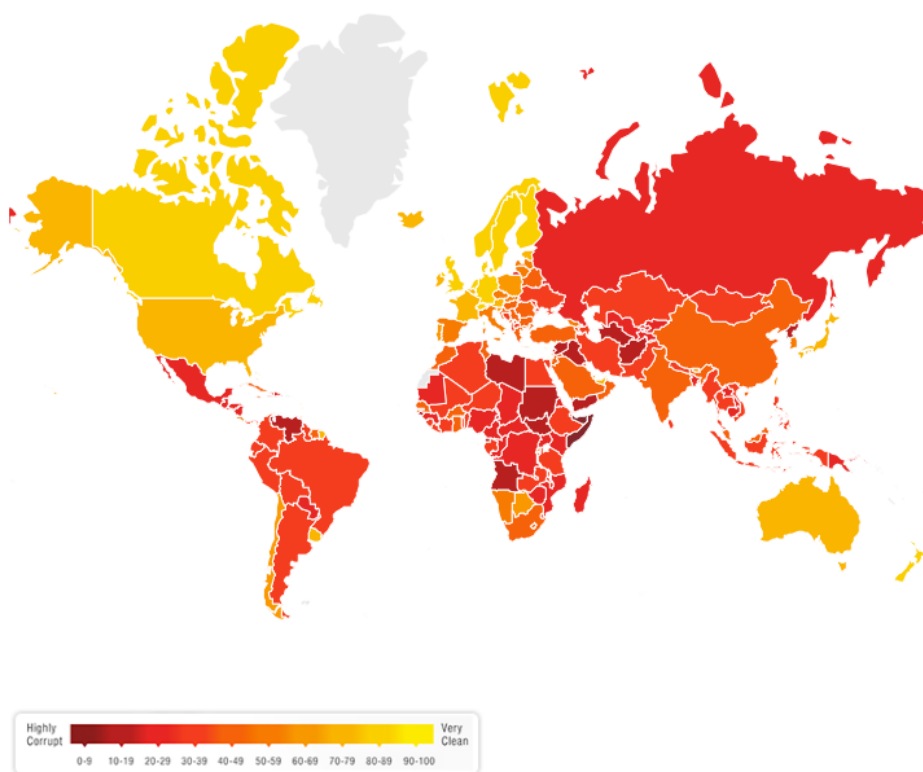
** The 2016 amount for Thailand has been corrected.

¹¹At the Chiang Mai facility in Thailand, the wastewater is used to water the facility's garden. The stated numbers are estimates (70% of the water consumption).

¹²Excluding brass and copper scrap.

8. OUR ANTI-CORRUPTION EFFORTS

Georg Jensen's expansion over the years to become a global brand with operations across markets exposes our value chain to new risks of corruption as well as unethical business conduct. We acknowledge our global responsibility, and we are dedicated to working against corrupt practices in our own operations as well as in the societies in which we operate. Denmark has been declared as one of the world's least corrupt countries according to the Corruption Perception Index 2017, released by the anti-corruption campaign group Transparency International¹³, which rates countries on the basis of their perceived level of corruption on a scale from 0 (highly corrupt) to 100 (clean).



Source: Transparency International Corruption Perceptions Index 2017

However, our operations are fortunately not solely in Denmark, and we work against corruption in all its forms by applying high ethical standards across our entire value chain. The majority of our operations take place in Thailand and China. Although, we believe all our operations should have the same high ethical standards, we are aware that at country level, there is a perceived higher risk in China and Thailand (medium to high-risk countries according to Transparency International). Furthermore, our global sales organisation grows and develops to new markets continually, which exposes us to different risks levels.

¹³Read about Transparency International's Corruption Perception Index 2016: http://www.transparency.org/news/feature/corruption_perceptions_index_2016

We manage the risks of corruption and unethical business conduct by enforcing our **Supplier Code of Conduct** to our partners and suppliers, stating our expectations to all suppliers and external partners, as previously addressed in section 4.

In addition, 42 managers and employees at our facility in Chiang Mai, Thailand, went through a training on anti-corruption and business ethics in 2017. Prior to the training, we asked them to fill out a self-assessment questionnaire to evaluate the risk of corruption or unethical business conduct occurring in Chiang Mai. The results indicated that the risk is perceived to be low. Moreover, we encourage our employees to anonymously report potential breaches with Georg Jensen Group Code of Conduct as well as national or international legislation. All employees can submit any issues to the HR department. All information will be handled confidentially and with respect to the informer and their discretion.

In addition to our own initiatives, our investor InvestCorp have requested us to implement a specific anti-corruption and anti-money laundering training for all senior managers as well as the majority of middle managers. We aim to implement the training in 2018.

We always welcome comments and feedback on our CSR report: csr@georgjensen.com



9. UN GLOBAL COMPACT COMPLIANCE OVERVIEW

UN Global Compact Principles		Section
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	4
	Principle 2: Make sure that they are not complicit in human rights abuses.	4
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	4 + 5
	Principle 4: The elimination of all forms of forced and compulsory labour.	4 + 5
	Principle 5: The effective abolition of child labour.	4 + 5
	Principle 6: The elimination of discrimination in respect of employment and occupation.	6
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	7
	Principle 8: Undertake initiatives to promote greater environmental responsibility.	7
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	7
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	8