

A young boy and girl are playing with a colorful gear puzzle on a playground structure. The boy, wearing a blue shirt and jeans, is sitting on the ground and reaching for a yellow gear. The girl, wearing a white tank top, is leaning over the structure and holding a blue gear. The puzzle is mounted on a green panel with a blue border. The background shows a blue playground structure and green foliage.

KOMPAN[®]
Let's play

**CSR COMMUNICATION
ON PROGRESS 2017**

OUR PROMISE

Play is instinctively human. When we are children, play is how we have fun, learn, socialise, and are physically active. As we get older, it's really the same - play is key to a long and happy life.

Through our inventions, we have set new global standards for ways to play, seeking to create the world's best playground and sport & fitness solutions.

We do this because we have a passion to create healthier and happier communities by inspiring people across the world to play more. We do it the KOMPAN way, where product development is based on thorough research, extensive user involvement, and close collaboration with experts through the KOMPAN Play Institute and KOMPAN Sport & Fitness Institute. We then tailor the right solutions to the specific user and customer requirements. This creates products that motivate people of all ages and abilities to play more, be more physically active, and learn and socialise more - while always having fun.

We never compromise on safety and our choice of the highest quality materials creates extremely durable solutions that stand the test of time and weather. We are also conscious that our designs should be beautiful - both in their own right and as a contribution to their architectural and natural surroundings.

Today, digital technologies change the way we live our lives. This includes why, how, and where we play and are physically active as individuals, families, and communities. We take responsibility for driving this change, as we have historically - to continuously lead the industry and reinvent play for everyone's benefit.

Let's play!



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KOMPAN COMMUNICATION ON PROGRESS FOR 2016 TO UNITED NATIONS GLOBAL COMPACT

Statement of continued support by the CEO

TO OUR STAKEHOLDERS:

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

In this annual Communication on Progress, we describe our actions to improve the integration of the Global Compact and its principles into our business strategy continuously, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

In 2017 implementation of our business ethics policy, including the anti-bribery policy for the entire KOMPAN group of companies continued.

In addition, KOMPAN maintained its environmental profile as reported in earlier COPs and planning of new initiatives, which will be implemented in the coming years.

KOMPAN has maintained its female representation in its Supervisory Board in 2017. KOMPAN will also in the future strive to increase the percentage of the underrepresented gender on the supervisory board in accordance with the Danish Act on Public and Private Limited Companies.

Sincerely yours,

Connie Astrup-Larsen
Chief Executive Officer

HUMAN RIGHTS

At KOMPAN, we are committed to support and respect internationally declared human rights, and not to be complicit in any human rights abuses. Our largest challenges and risks in terms of human rights are found in our global value chain. We have suppliers located in Asia, which usually implies higher risks of human rights violations occurring e.g. in terms of working hours or labour rights. In order to manage these risks, KOMPAN has developed a Supplier Code of Conduct, which all suppliers have to commit to and sign. Our work with the code of conduct and suppliers is elaborated further below.

Article 31 (Leisure, play and culture): *Children have the right to relax and play, and to join in a wide range of cultural, artistic and other recreational activities. (UN Convention on the Rights of the Child)*

Through our business activity, KOMPAN is supporting the UN's Convention on the Rights of the Child. On a daily basis, our products encourage and enable children to play and be active, and this has beneficial impact on their development in terms of motor coordination, intellect, and social skills. Our playgrounds also play an important role in the efforts against physical inactivity, overweight and obesity among children and teenagers. KOMPAN wishes to develop playgrounds, which will help improve the physique of the children in a safe and fun surrounding.

KOMPAN continuously develops and advances our concepts and products. We do this based on the knowledge we gather in KOMPAN Play Institute where we among other things do studies on children's play.

In 2017, KOMPAN expanded its outdoor sport and fitness concept even further, which will have numerous positive effects on both children and adults.





MOMENTS
SCHOOL AGE
Savall, Spain

LABOUR STANDARDS

As with human rights, KOMPAN's primary risks regarding the fundamental labour standards are at our suppliers. We strive to make sure that none of our cooperating parties are complicit in using e.g. child labour, forced labour or prohibiting the right to association and collective bargaining. You can read more about our work with ensuring our suppliers comply with our guidelines further below.

For KOMPAN's own activities, we aim to make sure that we provide our employees with a safe working environment, be that in the headquarters in Odense, Denmark, or in the factories in Germany, the Czech Republic and Poland as well as in our sales companies around the world. Occupational health and safety is an equivalent and integral part of all activities of KOMPAN and one of our permanent top priorities. Our Occupational Health and Safety policy focuses on preventing injuries and illness, ensuring that we comply with all legal regulations, and that we efficiently and actively involve our employees in the matter. As an important step in this direction, our factory in the Czech Republic is certified according to OHSAS 18001 - an occupational health and safety management system. This implies that the operating prac-

tices are up to date and in compliance with health and safety requirements. It further enables our organization to control and gain knowledge of all relevant risks and hazards, and consequently improves our performance. The first surveillance audit for our Safety Management System was performed by Bureau Veritas in 2016. This audit was passed without any non-conformity findings.

The amount of lost hours related to accidents (LTA: Lost Time Accidents) has decreased to 2456 hours (2480 hours in 2016), corresponding to only 0.55% (0.7% in 2016) of the total production time. The decrease was a result of a successful implementation of 6S standards (the sixth "S" means SAFETY) in the newly extended wood plant. The sustainability of 6S standards will be ensured through regular audits to identify possible risks. Our aim is to prevent accidents and production time loss in the entire plant. No serious injuries happened in the company in 2017. We will continue a structured and managed approach to work actively for a safe and healthy working environment for our employees in 2018. We will continue the focus especially on work safety in wood processing, where the exposure to injuries is extremely high.



MOMENTS TODDLER
SPICA
Egeskov, Denmark

KOMPAN
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ENVIRONMENT

As a manufacturer of outdoor playground equipment, KOMPAN has an integrated approach to environmental considerations. KOMPAN aims to produce sustainable products with a long lifespan, which require a low level of maintenance. We aim to use materials and technologies, which have minimal impact on the environment, and whenever possible we aim to use FSC-certified sources.

KOMPAN's production plants in the Czech Republic and Sweden are ISO 14001 certified, which implies a specific and structured management approach to environmental issues. The plants in the Czech Republic and Germany

have furthermore implemented control systems, that work for compliance with requirements on active substances in accessible components, and independent third party tests are run.

In the years to come KOMPAN will focus even more on how we can minimize the waste of resources and reduce environmental hazards.



MOMENTS TODDLER - SUNFLOWER
Egeskov, Denmark



GENDER DIVERSITY

In accordance with the Danish Act on Public and Private Limited Companies, the Supervisory Board has set a target for increasing the percentage of the underrepresented gender on the supervisory board and outlined a policy to increase the level of the underrepresented gender in other managerial functions. The definition of managers is "managers with staff responsibility or managers with special strategic responsibilities in corporate functions".

The management has decided to report on target numbers and policies for the underrepresented gender in the companies of the Group comprised by the rules, i.e. KOMPAN Holding A/S and KOMPAN A/S and its subsidiaries.

The global gender distribution by the end of 2017 was approximately 68 % men (2016: 68%) and 32 % women (2016: 32%). The proportion of women in global management constituted approximately 25 % (2016: 25%) and in the management of KOMPAN A/S and its subsidiaries with approximately 26% women (2016: 23%) and 74%

men (2016: 77%).

The Group will continually strive to increase the number of women in the global management and in the management of KOMPAN A/S and its subsidiaries by 2025. The management has a mutual responsibility of identifying and developing employees with an aspiration of a career within management and/or area responsibility and/or development of specialists within their field. In the selection process, management has focus on the overall responsibility of a well-balanced gender distribution in the future management level without compromising abilities, ambitions and talent.

With one woman appointed as member of the Board of Directors of KOMPAN Holding A/S and KOMPAN A/S, the goal of 25% representation of women on the Board of Directors within 2020 is honoured. Excluding the staff-elected board members, the Board of Directors of both KOMPAN Holding A/S and KOMPAN A/S have an equal representation of women and men (2 men and 1 woman) in both companies.

COROCORD
SPACENET
München Riem, Germany



ANTI-CORRUPTION

Corruption and bribery are recognized as barriers to sustainable development and free trade. At KOMPAN, we do not accept these practices and therefore do not accept any kind of undue payment in any of our business transactions. It is our policy that all elements of our supply chain and sale must be completely transparent to everyone interested in knowing more. Principles to work against anti-corruption are integrated in the supplier code of conduct (read more below).

Anti-corruption is still a relatively new area for KOMPAN in terms of working actively with the issue in our own activities.

In 2017, KOMPAN has continued the implementation of our business ethics policy, including an anti-bribery policy. The policy concerns bribery, facilitation payments, gifts/entertainment, political contributions and charity contributions. Furthermore, the policy concerns conflicts of interest, treatment of confidential information and competition law compliance.

KOMPAN will continue to develop its focus on compliance issues through the coming years.

EFFORTS FOR SUPPLIERS

As a global manufacturer of outdoor playground equipment KOMPAN has to comply with a number of standards in terms of product safety and environment. It is therefore central to us that our suppliers adhere to the same standards as we do. Our supplier code of conduct describes the requirements KOMPAN expects all our suppliers to adhere to and comply with. The code of conduct is based on the principles of the UN Global Compact and covers the following areas:

Child labour, discrimination, forced labour, working environment, working hours and salary, the right to organize and collective bargaining, right to privacy, environment (pollution prevention and resource reduction, chemicals and hazardous materials, air emissions, waste water and solid waste, recycling and reuse of materials and products), and corruption.

When making new contracts the supplier has to confirm and commit to complying with the code of conduct. If the supplier cannot or will not sign the code of conduct, the engagement will not be made, or the existing agreement will be terminated.

KOMPAN takes a risk-based approach to our suppliers. This means that our suppliers are grouped according to the risks associated with the characteristics of their geographical location. We have some suppliers from Asia, which we associate with higher risks than e.g. suppliers located in Europe. To manage this, we work to audit the high-risk suppliers at least once a year. At the supplier audits, which either are carried out by KOMPAN employees or by third party auditors, a standardised questionnaire is developed, which supports the auditor in including all aspects of our code of conduct are discussed during the visit.

In 2017, more than 99% of our suppliers of raw materials or components have signed the code of conduct.



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a free application to your mobile:

<http://reader.kaywa.com>



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