

**UN GLOBAL COMPACT
COMMUNICATION ON PROGRESS
2019 MARCH**

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BROSTE
COPENHAGEN
NORDIC SINCE 1955



STATEMENT OF CONTINUED SUPPORT

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

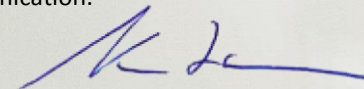
Since 2014 we have driven our business according to the UN Global Compact's 10 principles, which ensures a focus on human and labor rights, environmental considerations and anti-corruption as part of our business strategy. We have also focused on certificates that guides our customers and function as guarantee that we keep our promise and that they can choose products that do not have a negative impact on people, society and the environment - we always want our customers to feel safe when they buy our products.

This Communication on Progress will be a bit different from previous reports, as we have chosen to focus even more on sustainability and wish to integrate it further into our business strategy. Amongst other we wish to incorporate The Sustainable Development Goals (SDG's) into our CSR strategy as we believe this provides us with a long-term perspective and an opportunity to examine our sustainable business long-term.

In the future we want to focus on the most important elements of the Sustainable Development Goals (SDG's) and incorporate these in our CSR strategy. In this report we will identify the SDG's to where Broste Copenhagen can obtain the largest impact and we also wish to incorporate our stakeholders more in the process than we have in the past. We do not identify all the SDG's and their underlying goals as equally important to our company, but we do

acknowledge that all of the Sustainable Development Goals encompasses extremely important issues that needs to be dealt with. It is important for us as a company that our sustainable strategy and business conduct is aligned and we know that focusing on the areas where we can make a difference is how we best contribute to the global tasks that the Sustainable Development Goals put forward.

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



Kim Larsen, CEO, Broste Copenhagen



THE SUSTAINABLE DEVELOPMENT GOALS

2019 will be a year of progress and change in regards to our CSR Strategy. We have chosen to focus even more on social responsibility in the future which means that we are working on a setup that will require more of us and help us raise the bar in regards of how we conduct our business in a more sustainable matter. Further we are working on determining which goals we want to reach and how to incorporate the United Nations Development Goals. In this Communications on Progress we have selected the goals that we all believe are highly relevant to our business and we wish to analyze our impact on each of them. We have so far selected six goals that we believe we can facilitate and work with through our business activities. It is within these goals that we have the most impact.

Especially two goals – number 12 “Responsible Consumption and Production” and number 17 “Partnerships for the goals” – have our attention as this is where we find the biggest potential for Broste Copenhagen to make a positive contribution. In the following we will make assessments on how we can contribute and where we in the future can do more to reach even further.





HUMAN AND LABOUR RIGHTS

At Broste Copenhagen we acknowledge our responsibility and commitment to dealing with sustainability. We do not believe that our sustainability should be rooted in our customers' expectations, riding the green wave or labeling our products with certificates. We believe it is a matter of decency.

At Broste Copenhagen, we want to be an active part of the society we live and act in - as individuals, citizens and as a business - both now and in the future. Because of this our CSR strategy has become an even more important aspect of how we wish to conduct our business.

Broste Copenhagen supports Labour and Human Rights in all its forms and recognizes its importance in an increasingly

globalized work environment. We acknowledge the potential risks for not focusing on these important rights, both for the company, suppliers and employees. We wish to provide all humans the rights and freedoms they deserve to enjoy. During 2019 we will intensify our work in regards of general auditing of our suppliers to ensure better standards further out in our supply chain. We always wish to engage in dialogue and we try to teach them about the importance of safety and health. Through our Code of Conduct we make sure that we work towards better standards and more secure working environments and we believe that this is the best way to obtain results. Our work with the BSCI initiative continues and we look forward to engaging

further with the initiative in 2019.

All our new suppliers undergo an initial screening where we make an assessment in regards of relevant CSR-elements. When we have established that the basics are in place in regards of Labour and Human Rights (working conditions, safety, working hours, child labour exc.) we establish a basis for remodeling their current setups, so that we see progress in regards of sustainability year after year. Our mindset and business model are structured around long-term perspectives focused on trust-based partnerships. Our approach and mindset in regards of Human and Labour Rights are in accordance to SDG eight and seventeen.



ENVIRONMENT

We are proud that several of our products have the Nordic Swan Ecolabel, which over the past 25 years has made it easier for consumers and companies to choose the most environmentally friendly products and services. A large proportion of our textiles are certified according to the international certification "GOTS", which ensures the limitation of harmful substances in the textiles. It is both beneficial to the environment and people. Those textiles that we have not been able to obtain the GOTS certification for, now follow our minimum standard which is the Öeko-tex certification.

All products being sold by us - and in our industry - is reliant on the environment and its resources. We are dependent on the surrounding society and communities from where the materials to our products are being sourced.

Today developed countries has a much heavier footprint on the environment. As the population grow on a global scale it is a fact

that resources become scarcer and more constrained. This is one of the reasons why we believe it is important that we continuously focus on SDG twelve. It is important that we acknowledge just how important the accessibility to raw materials is to a business like ours and the industry in general. At Broste Copenhagen we want to showcase that sustainability and business goes hand in hand and that production patterns needs to be more thought through and that resources can and should be more sustainably chosen. This will enable the regeneration of resources in the future.

We want to combine innovative solutions to prevent pollution of the world's oceans and the remaining planet in our production. We want to reduce waste sent to landfill and ensure that more of our products are sustainable. We want to reduce the environmental and social impact of our products and develop designs that has a circular economy. We want to preserve the eco system and the biodiversity.

At Broste Copenhagen we always try to find new ways to reduce our impact on the environment. That is why we have completely removed all plastic bottles. This accounts for meetings, exhibitions and in the every day routines of our workers. This initiative has resulted in a reduction of no less than 22.000 bottles each year. Further we have reduced our energy usage by more than 30 percent since 2014.

Today many of our products are characterized by some sort of sustainability. Some are made from certified materials and other from recycled materials. And we are proud that all of our wooden materials that enter our product range in 2019 are FSC certified. Even our packaging will be FSC certified or made from recycled materials.

With every important supplier we take time to get to know them, and we are shown the production sites, how the materials are being processed and sourced.





ANTI CORRUPTION

It is Broste Copenhagen's policy to conduct business in compliance with national and international laws. This is combined with our core values. We do of course also comply with all internationally recognized standards.

We have a zero tolerance towards corruption and are committed to work proactively in order to prevent bribes and eliminate facilitation payments.