

STATEMENT OF SUPPORT

POMPdeLUX ApS is a Danish fashion house founded in 2006 in Aarhus. In 2015, Marianne Hoffmann Dyrbøl became sole owner of the company.

Our vision is to be the preferred children's brand by selling everyday luxury for children inspired by the latest trends. Besides our high-quality demands, it has always been our goal to deliver a unique design embracing the child's personality. Therefore, we design and produce everything ourselves from the buttons to fabrics and prints. We have a vision to always deliver nice design, high quality products to low prices, as well as to ensure high level of customer satisfaction.

All products are designed in Denmark and produced by our agent's suppliers in Turkey, China, India, Pakistan, Bangladesh and Ukraine.

The concept is based on Business to Consumer. That is why we sell through our Shopping Advisors via Social Shopping events and in our online shop. To avoid garment wastage, we sell remaining stock in our own outlet stores.

At POMPdeLUX we do everything to act in a social responsible way, whether it concerns the environment, production conditions in the Far East or the conditions, which we have created at our office and warehouse in Denmark.

We want to ensure healthy work surroundings, satisfied customers, and happy employees and therefore, we are continuing to improve our performance when it comes to the company's social responsibility. We will continue with targets in the ten principles in UN Global Compact and will still have focus on our performance by measuring year by year. It will help us to being engaged and act responsible locally and globally.

Hinnerup 2019-21-3

Marianne Hoffmann Dyrbøl

CEO

POMPdeLUX ApS

POMPdeLUX®



UN GLOBAL COMPACT COMMUNICATION ON PROGRESS REPORT

POMPdeLUX ApS 2018



COMMUNICATION ON
PROGRESS

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.

POMP_{DE}**LUX**



THE NATURE OF OUR BUSINESS

POMPdeLUX ApS is a Danish fashion house founded in 2006 in Aarhus. In 2015, Marianne Hoffmann Dyrbøl became sole owner of the company.

Our vision is to be the preferred children's brand by selling everyday luxury for children inspired by the latest trends. Besides our high-quality demands to ensure our garments can last for more generations, it has always been our goal to deliver a unique design embracing the child's personality. Therefore, we design and produce everything ourselves from the buttons to fabrics and prints. Every style comes with a story. We have a vision to always deliver nice design, high-quality products at affordable prices as well as to ensure a high level of customer satisfaction.

All products are designed in Denmark and produced by our agent's suppliers in Turkey, China, India, Bangladesh, and Ukraine. All following our code of conduct concerning human rights, anti-corruption, environment and chemical restriction.

To avoid extra cost on our salesprices, the concept is based on Business to Consumer. That is why we sell through our Consultants via Home Shopping events and in our online shop. To avoid garment wastage, we sell remaining stock in our own outlet stores.

At POMPdeLUX we put an effort into acting in a socially responsible way, whether it concerns the environment, production conditions in the Far East or the conditions, which we have created at our office and warehouse in Denmark.

We want to ensure healthy work surroundings, satisfied customers, and happy employees and therefore, we are continuing to improve our performance when it comes to the company's social responsibility. We will continue with targets in the ten principles in The UN Global Compact and will still have the focus on our performance by measuring year by year. It will help us to be engaged and act responsibly locally and globally.

ABOUT US

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Address: Omega 7, 8382 Hinnerup, Denmark
Sector: Textile
Employees: 74
Website www.pompdelux.com

COMPANY INFORMATION

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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 core value for us to follow the international declared human rights and we ensure no discrimination against any person because of race, religion, gender, age or disability. We will promise to take the UN Guiding Principles into account and we are aware of our social responsibility towards our employees, local society and workers 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 during the last nine years makes us very proud.

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 every- one 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. We comply with all national laws relevant to human rights issues in Denmark, as we also respect two collective agreements and we follow the third one on a voluntary basis.

We strive to create a workplace where everyone is given opportunities regardless of gender or nationality and endeavor to give men and women equal opportunities for promotion, career and 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 of innovative information.

POMPdeLUX APS joined the European Initiative BSCI (Business Social Compliance Initiative) in 2010 and through this concept, we are obliged to respect human rights and basic labor standards in our supply chain and to have the factories audited through third part auditors.



Through our membership in BSCI, we have implemented their policies and Code of Conduct in our supply chain. 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. Minimum twice a year we travel with the purpose of visiting our suppliers on a random basis. With the BSCI concept, we are also able to measure our progress year by year.

We mainly operate in long terms relationships with a smaller group of core suppliers through agents, whom we have cooperated 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. Every season our suppliers are committed to following our code of conduct by signing our supplier manual.

EFFECT FROM ACTIVITIES

- POMPdeLUX ApS comply with Danish labor legislation and thus we are confident that we have no violation of human rights.
- In 2018 88% of employees on management level or in a position of trust were women.
- In 2018 22% of all employees are bilingual – an increasing of 4% from 2017.
- In 2012 we implemented a whistleblower for the staff to have an anonymous place to put forward claims or suspicious observations. Like in all the other years we received very few suggestions in 2018 and all claims were solved.
- In 2018 86% BV was produced on certificated factories. 79% of these factories are audited. 15% with result A, 5% with B, 47% with C and 12% with D and 7% with SA8000.
- Furthermore 100% of our suppliers has signed and committed themselves to follow our code of conduct manual.
- In 2018 we continue to improve our supplier manual to ensure its uploaded according to latest policies. We made this update two times a year.

– 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

It is also a core value for us that our social responsibility encompasses activities in our supply chain and not only activities in our own country. 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 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 meetings every year in the OHS committee. We condemn dangerous work, so all employees are introduced to basic Health & Safety topics upon recruitment.

We offer training in our defibrillators to make everyone comfortable with the machine if any accident should occur and we make sure that we have employees who always have updated first aid and firefighting.

We condemn unreasonable long working days and meet as a minimum the Danish minimum standard or the relevant collective agreement for salaries. For monthly paid workers flexible working hours is a possibility. We have health insurance covering all permanent employees, and everyone has a company paid pension. Everyone has 6 weeks of vacation and paid maternity- and sick leave, and payment for a child's first day of sickness.

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 are in-house and the employees have the possibility during the working day to use their services against own payment and flex hours. We also offer car wash during the working hours against own payment.

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

We focus on good cooperation with the staff. We educate our staff in leading positions always to involve human understanding in all decisions. We focus on 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 to handle any complaints. It gives an anonymous place to put forward claims or suspicious observations.

POMPdeLUX is committed to ensuring 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. 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. Twice a year we travel with the purpose of visiting our suppliers on a random basis.



WE STRIVE TO
CREATE A WORK-
PLACE WHERE
EVERYONE IS GIVEN
OPPORTUNITIES
REGARDLESS OF
GENDER OR
NATIONALITY...



EFFECT FROM ACTIVITIES

In the second part of 2018, we moved our warehouse and administration into new locations. We want to have the benefits of a joined workplace. For us it has meant a closer collaboration between the administration and warehouse and our social work life has improved a lot for everyone. For our everyday life it means that we are close to each other, we can act and make decisions at a higher pace than earlier. We have also seen cost advantage in our consumption which also counts the consumption of CO2 and hereby a deduction of our CO2 footprint.

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.

We have employees on special terms corresponding to one man/year – that's a positive increase this year.

During 2018 we engaged a trainee in our sales department – both to get the positive output of new knowledge but also to take to social responsibility to get young people into the labor market.

In 2018 all our employees were offered a new and very attractive private health insurance and a company paid pension

In 2018 every employee received training in our defibrillators to make them comfortable with the machine if any accident should occur. Furthermore, many employees joined a two days course in first aid and firefighting. After merging administration and warehouse, all our fire equipment was updated and placed after careful consideration.

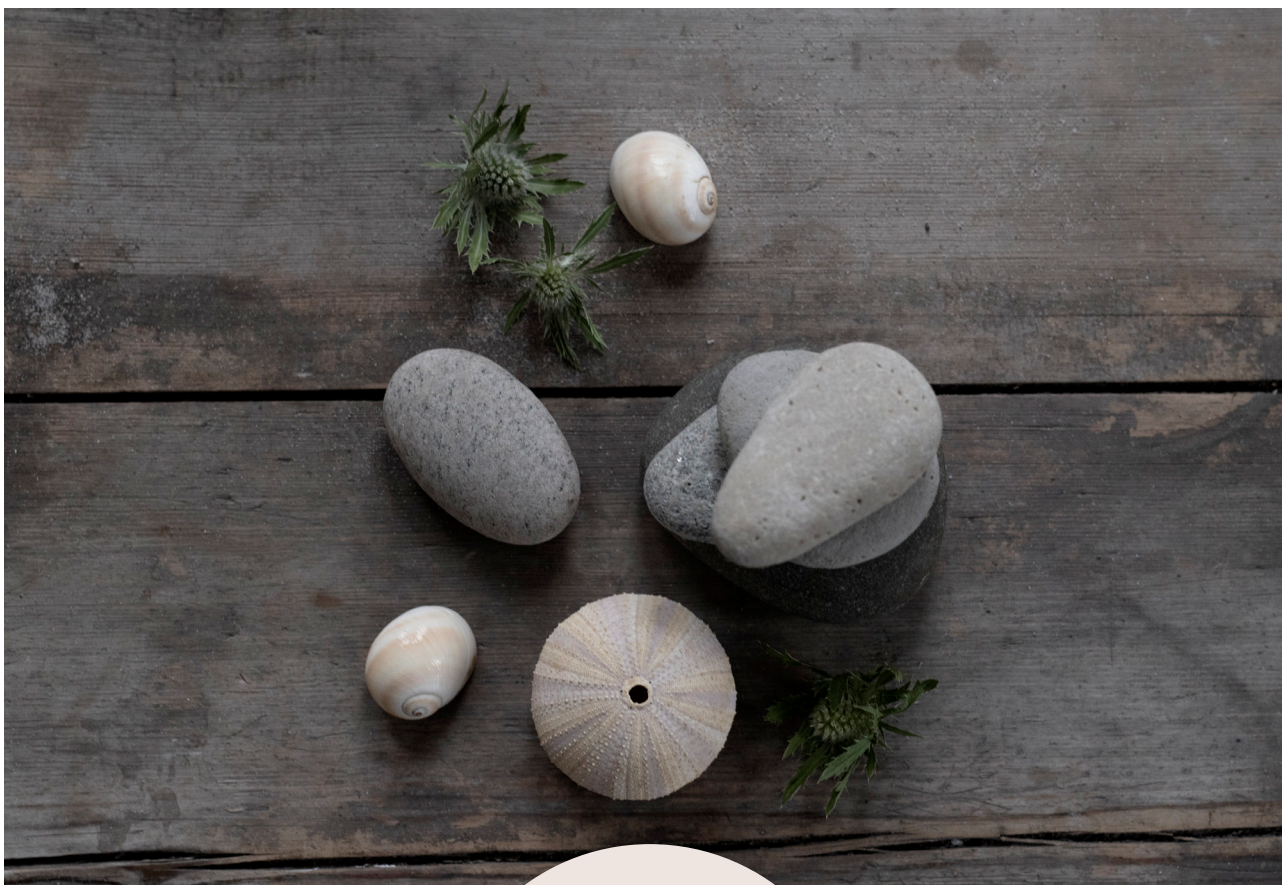
POMPdeLUX received Elite qualification in our canteen – the best result possible.

Like in all the other years we received very few suggestions in 2018 from our whistleblower system and the few claims were all solved.

In 2018 86% BV was produced on certificated factories. 79% of these factories are audited. 15% with result A, 5% with B, 47% with C and 12% with D and 7% with SA8000.

Furthermore 100% of our suppliers has signed and committed themselves to follow our code of conduct manual.

– 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, which we have worldwide from running our business.

Our effort on restricted chemicals has contributed to a general higher awareness of avoiding harmful chemicals in our clothes, zippers and buttons. We are committed to offer our customers as many products as possible with Oeko-Tex standard 100 label or the organic label, GOTS.

We are committed to up-hold chemicals legislation and we observe the EU-Reach as a minimum. Furthermore, our chemical code of conduct follows Oeko-Tex 100 class 1 values, even though they are not labeled. Our suppliers are obligated to inform if any production deviate and in which area the deviation is found. We promise to do random chemical tests made by Bureau Veritas.

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 from origin to our warehouse in 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.

During the year we started to use railway from Asia as a better alternative to air-transportation.

We will still have the focus on our transportation ways in 2019 and will still prefer sea freight.

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 and in 2018 we have added more products labelled with GOTS.

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 chemical testing on a random basis every season. Especially we focus on testing new suppliers, new sub-suppliers and new materials.



WE STRIVE TO
REDUCE THE
WORLDWIDE
IMPACT, WHICH
WE HAVE
FROM RUNNING
OUR BUSINESS.

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 2018 our measurements of water, heating, electricity and waste are the following:

| (Pr. worker) | 2017 | 2018 |
|---|-------------|------------|
| Water in m3 | 9,8 | 8,7 |
| Waste in KG | 226 | 425 |
| Cardboard for recycling in KG | 895 | 852 |
| Heating in MWh og m3 | 9,8 | 8,8 |
| Electricity in Kwh | 4469 | 3420 |
| Transportation by ship/ air/truck | 64/21/14/1% | 63/16/8/13 |
| % of BV with Oeko-Tex 100 | 29% | 36% |
| % of BV is cotton according to GOTS | 5% | 7% |
| % of BV with both Oeko-tex 100 and GOTS | – | 3% |

The changes in our measurements of water, heating, and electricity are positive due to two locations in the first 9 months of 2018. At the end of 2018, we have already seen the positive result by running the administration and warehouse together. Our cost advantage in our consumption is falling which also counts the consumption of CO2 which deduct our CO2 footprint.

We have seen a little reduction in our recycling of cardboard. The explanation is very clear – we have reduced our buying volume to secure a lower remnant stock after end season. It's very important that we don't have any leftovers and we never destroy any garments after end of season. Instead we distribute our stock to our outlet shops, we also donate locally and globally, and the rest we sell to a broker.

The increase of waste is caused by moving the warehouse to a new location.

In 2018 we had the following grouping of transportation ways:

ship 63% - air 16% - truck 8% - railway 13%.

In 2018 we have 100% signed commitments to our restricted chemicals program from suppliers.

In 2018 we succeed to uphold our promise of increasing the production of products with Oeko-Tex 100 and GOTS certification. We not only managed to increase the production of products with Oeko-tex 100 to 36%, but we also had 7,2% with GOTS. This year we produced 3% with both Oeko-tex 100 and GOTS certification.

– 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 unambiguous anti-corruption policy. Our policy is covering bribery, corruption, gifts and other facility payments. We expect all employees to work actively 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. During the year we usually receive presents from our business partners. We collect all these presents and at Christmas time, we make a social event for all employees where a lottery is arranged and the presents are allocated this way.

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 has 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 of course we will still be focused 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 2018 we had no cases regarding bribery or anti-corruption from the whistleblower scheme, and the few claims we had were solved.

– COMMUNICATION WITH SHAREHOLDERS –



PROMISES

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

ACTIVITIES

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

EFFECT OF ACTIVITIES

This Communication on Progress report 2018 is available at the Global Compact homepage and on our staff blackboard.