

b

BROSTE COPENHAGEN

COMMUNICATION ON PROGRESS

MARCH 2020




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.





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

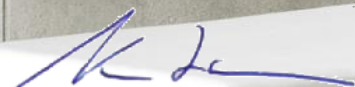
We mark the 7th year that we have been part of the collaboration and followed the guidelines according to the UN Global Compact's 10 principles. This ensures that we continuously are focused on human and labor rights, environmental considerations and anti-corruption and this has been a part of our ongoing business strategy. In 2019 we have experienced big changes to our corporation as we have acquired the majority of Kristina Dam Studio ApS. Our CSR reporting will of course be affected by this organizational change and hence this Communication on Progress will be a bit different from previous reports as we will incorporate an entirely new range of products and new coworkers to our office.

The acquisition of Kristina Dam Studio has instigated some changes to the structure of our organization and many new routines need to be aligned with the overall goal of our business. Fortunately enhancing our sustainable business conduct is an equally important element of our strategy as it has been in the past.

In 2020 one of our main objectives is to ensure the wellbeing of our employees and ensure a good incorporation of the new employees that will be a part of our company. Further we want to continuously and further incorporate The Sustainable Development Goals (SDGs) into our core strategy. We believe the SDGs provides us with a long-term perspective on how we conduct our business and perceives it as an opportunity to examine how we create a sustainable business long-term. In this report we will elaborate on the SDGs that we believe that Broste Copenhagen can impact. This means that not all the SDGs will be perceived as equally important to our type of business so we have chosen to analyze the SDGs and their underlying goals to determine where we can make an impact. It is important to emphasize that we acknowledge that all the SDGs and believe they all encompasses extremely important topics that needs to be allocated resources to. At the same time, we feel that it is important 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 can contribute successfully to the tasks that the Goals present. In this annual Communication on Progress, we describe how we are planning our strategy in this new setup and thoughts on how we can continually improve the integration of the SDGs and the United Nations Global Compact and its ten 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

In our 2019 Communication on Progress we defined the relevant SDGs to our business. With the acquisition of Kristina Dam Studio these has not changed. The SDGs we have found relevant are listed below and are still the goals that we orient ourselves to when we think about how we want to conduct business in general and when we set up new goals for the year to come. We believe that our work with the SDGs is an ongoing process and something we must review every year. In 2020 we will not only work to increase our understanding of the SDGs and their underlying targets but also redefine our priorities within each of the relevant SDGs and try to set up ambitious but reachable goals. To make it all relevant we want to ensure that the goals and our strategy is integrated as a part of how we work at Broste Copenhagen, and we feel that both internal and external communication and reporting is a big part of this.

1 : Understanding the SDGs

2 : Define priorities

3 : Review goals and raise the bar

4 : Integrate policies

5 : Transparent reporting and communication





HUMAN AND LABOUR RIGHTS

We acknowledge that we have a responsibility towards our employees and those people that are being influenced by our production and general business conduct. We believe that sustainable and inclusive economic growth is important to both our company and society in general. It increases employment opportunities - especially for the youth - reduces informal employment and the gender pay gap. Further inclusive economic growth promotes safe and secure working environments which is one of the reasons why we have chosen to work closely with SDG number eight. Many employees and workers in the countries where our suppliers are located are exposed to undue risks in their workplaces. Broste Copenhagen still support human and labour rights in all its forms and we still work closely with all our large suppliers to promote better standards. Most of the suppliers we visit personally both when we initiate a partnership and during our cooperation.

Since we started working with the SDGs as a central element in our sustainable strategy, we have focused on the SDG number seventeen – Partnerships. Regarding human and labour rights one particular partnership has been very educational to us and influenced our behavior and the way we conduct business. Through the BSCI network we have reached a better understanding on how to positively promote better standards regarding working conditions, safety and health. Internally we have conducted the mandatory workplace assessment, but we chose to extend the survey and encompass a confidential workplace satisfaction questionnaire. Even though it is only mandatory to conduct every three years we have chosen to complete the assessments every year, so we are certain that we improve on the important issues that emerges.



ENVIRONMENT

Our environmental focus is of crucial importance in relation to the development of our business and how we wish our brand to be perceived by our customers. When we decided to acquire the majority of the design company Kristina Dam Studio and hire the founder, Kristina Dam, we did so because we wanted to raise the bar in regards to our designs and further strengthen our product line to encompass more products that are made to last. Since 1955 we have been traveling around the world to find inspiration and materials and our processing of the products is as moderate and gentle as possible, so that the original feel and characters of the raw material remains intact. This ensures that we can produce products of high quality and keep our well-known Nordic signature in the final design.

When we chose to work with SDG twelve, we knew that we would have to take in to account that resources are limited, rethinking is necessary and urgent action is required if we are to achieve Development Goal twelve. Our supply chain and their production sites are located around the world, and we have a responsibility to ensure that we do not cause over extraction of resources or are part of the degradation of environmental resources. As a result, we think more recycling and upcycling and strive to make our products more durable and our design thinking more long term so that you want to keep them much longer. Further we want to improve the efficiency of our resources and reduce the waste that both production and transportation generate. This include rethinking designs to be more compact during transportation and look for opportunities to geographically move more of our production to Europe. During 2020 we have some exiting new collaborations we look forward to unveiling. These projects will contribute to SDG nice, twelve, fifteen and seventeen. They aim to further close the material loops that our production creates, reducing landfilling, pollution on land and loss of valuable resources. Further these partnerships have a purpose to help encourage entrepreneurship and boost young talented peoples drive and courage to change the way we think and how you can make beautiful designs with materials many others do not believe in.



ANTI-CORRUPTION

We have always had a zero-tolerance policy regarding both bribery and corruption. Our values, code of conduct and CSR policies all stress our dedication to addressing anti-corruption if we see any signs or indicators in our business-related activities.

Broste Copenhagen does not trade with any suppliers of goods or services if they breach the guidelines of Anti-Bribery in accordance to the UN Global Compact and/or our Code of Conduct.