



BY APPOINTMENT TO
HER MAJESTY THE QUEEN OF DENMARK

GEORG JENSEN

ESTABLISHED 1904

SUSTAINABILITY REPORT 2018

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1. ABOUT THE REPORT

With this report we want to share with our stakeholders, how we have made progress on CSR activities during the financial year 2018 and what we plan to do in 2019.

This report constitutes Georg Jensen's Communication on Progress (COP) report and serves to document and communicate the way we work with the 10 principles of the United Nations Global Compact towards becoming a more sustainable company. It represents our statutory report on corporate social responsibility (CSR) according to the Danish Financial Statements Act §99a and §99b, the requirements of which have become more extensive in 2018.

Our report is built around eight chapters; following this introduction and a foreword from our CEO Francesco Pesci, we provide an overview of Georg Jensen as a business and our CSR governance structure, and we highlight how we implement our commitment to CSR across our value chain. We then provide insight into our ethics and anti-corruption activities and the status of our activities within the environmental and social areas, and finally we present an overview of how this report complies with the 10 UN Global Compact Principles.

Lastly, our achievements in 2018 would not have been possible without the passionate and dedicated people that make up our company, and we continually explore ways to strengthen our CSR efforts.

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

2. CEO FOREWORD



More than a year has passed since I took up the position as CEO of Georg Jensen, and the journey into the world of design has been both challenging and very exciting! In 2018, we have dedicatedly focused on evolving our business through several strategic initiatives. We held a year-long celebration in honour of the 100th anniversary of Henning Koppel's birth, and we refined our sales channels. We offered our employees plenty of opportunities to evolve with our business, and we built the skills of our retail sales colleagues to sustain dedicated and motivated teams

We recognize, though, that for a company to prosper over time, it is crucial to deliver financial performance as well as make a positive contribution to society. We must benefit all stakeholders, and therefore it pleases me that Georg Jensen has been embracing the principles of the United Nations Global Compact for more than a decade. We continue to sustain this commitment and support its 10 principles.

We are also experiencing an increasing interest from stakeholders around Georg Jensen's supply chain and sourcing decisions, particularly regarding human rights and environmental protection. We take these (sometimes conflicting) demands of stakeholders very serious, and we recognize that human rights and environmental protection are interdependent. We focus continually on our manufacturing and sourcing through responsible and sustainable methods, and we have worked conscientiously to implement the UN Guiding Principles for Business and Human Rights into our existing governance structure. We will continue this work in the coming years.

Lastly, I would like to take this opportunity to thank all colleagues for being so passionate about our designs and so engaged in making our business contribute to creating positive impact across the societies in which we operate. Moreover, I would like to thank our suppliers for working diligently with us to improve on the quality and sustainability of our operations and our products. And finally, we thank our customers for staying loyal to our brand and our shareholders for their continued support.

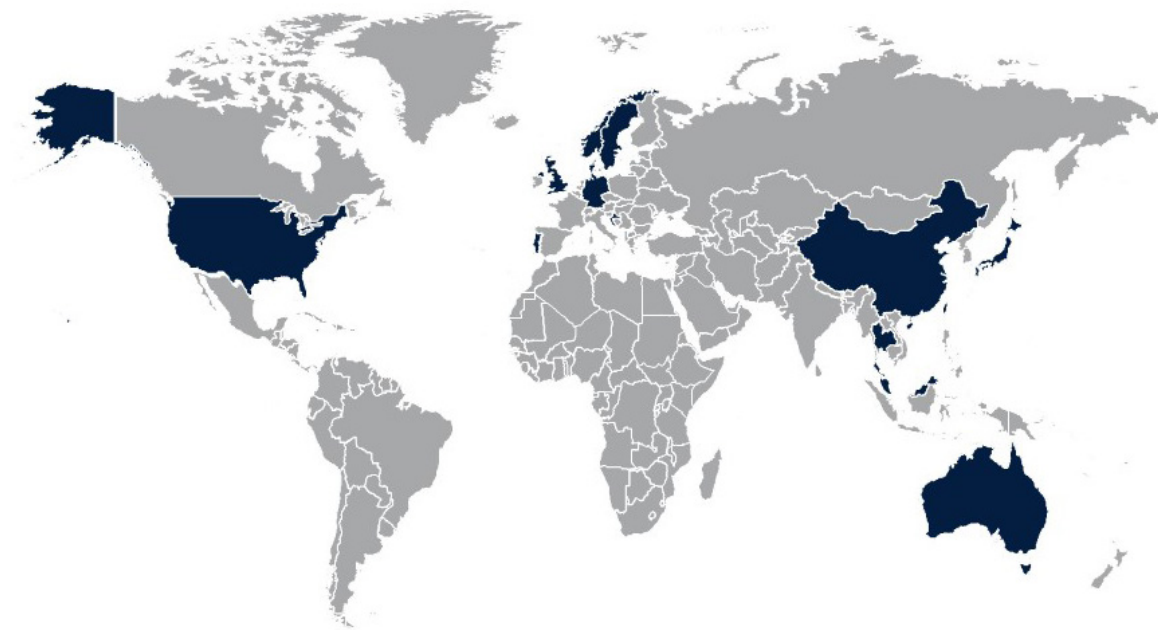
A handwritten signature in black ink, which appears to read 'Francesco Pesci'. The signature is fluid and cursive, with a prominent initial 'F'.

Francesco Pesci
Chief Executive Officer

3. GEORG JENSEN AT A GLANCE

The Danish silversmith Georg Jensen founded the company in 1904 in the heart of Copenhagen, Denmark. He was one of the first people to recognize modern silverware as an opportunity for a profitable business, having a philosophy of creating democratic designs possessing both beauty and functionality. He drew inspiration from nature and incorporated many floral motifs in his work. In addition to having a modernist vision, he advocated for collaboration and partnerships long before they became buzzwords. Shortly after founding the company Georg Jensen, he developed a tradition of inviting designers with a shared vision, and that continued for decades after his death in 1935. Among the designers were Henning Koppel, Vivianna Torun Bülow-Hübe, and Sigvard Bernadotte who created collections that are available to this day. In 2018 we announced a year-long celebration in honour of the 100th anniversary of Henning Koppel's birth, which we will revisit later in this report.

Georg Jensen production facilities, suppliers & stores



For more than a century Georg Jensen has challenged the established conventions of the design category itself and grown into becoming synonymous throughout the world with impeccable Scandinavian design. Today, we have our own production facilities in Copenhagen and Hjoerring, Denmark, as well as in Chiang Mai, Thailand, and we work closely together with more than 25 key external suppliers primarily located in China, Turkey, Portugal, Croatia and Denmark. We have stores in Denmark, Sweden, Norway, Finland, Germany, United Kingdom, United States, U.A.E, Singapore, Japan, Australia, Hong Kong, and Taiwan. We work diligently to ensure responsible and sustainable business practices across our different markets to enable our long-term success.

COMMITMENT TO SUSTAINABLE DEVELOPMENT

Ten years ago, we chose to embrace the commitments of the UN Global Compact because we believe it is crucial to support and take part in the world's largest global corporate sustainability initiative. The UN Global Compact is based on 10 principles for corporate responsibility, covering fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption (see the final chapter of this report), and encourages participating companies to create a culture of integrity across the organisation, from strategy to operations, and to support societal priorities.



As a member of the UN Global Compact for the past decade, we have committed Georg Jensen to annually communicate on progress (COP), as we do in this report. We have embedded the 10 principles of the UN Global Compact in our CSR strategy as well as our governance, and we are continuously striving to act with due diligence. The 2018 Sustainability report is fully aligned with the updated requirements of §99a of the Danish Financial Statement Act concerning CSR reporting in 2018. This report therefore describes our policies, business model and due diligence processes as well as how we address risks related to our business activities, including any adverse impacts on people, the environment and the communities in which we operate.

ASSESSING OUR RISKS

We have carried out a risk assessment in accordance with §99a of the Danish Financial Statement Act to identify any potential adverse impacts that our operations and our products may have on our stakeholders, the environment, and communities surrounding our activities. We began by identifying all relevant internal and external stakeholder groups and subsequently identified 28 CSR risks that fall within the four statutory categories: 1) Human rights; 2) Society and employees; 3) Environment; and 4) Anti-corruption. We analysed and mapped each of these risks according to the perceived level of priority that our different stakeholders as well as the business itself assign to each risk.

This section covers our statutory reporting on corporate social responsibility according to the Danish Financial Statements Act §99a.

GEORG JENSEN - CORPORATE SOCIAL RESPONSIBILITY

HUMAN RIGHTS	SOCIETY AND EMPLOYEES	ENVIRONMENT	ANTI-CORRUPTION
Health	Freedom of association	Energy consumption	Compliance & Business ethics
Inclusion & Diversity	Partnerships	Water consumption	Combat corruption
Combat child labour	Employee development	CO2 emissions	Conflict minerals
Consumer guidance	Salary & Pension etc.	Transport	Supply chain management
Data security	Trainee & work ability testing	Eco-friendly materials	Fair competition
Intellectual property	Work environment	Quality & Safety	
	Health & Safety	Recycling & reuse in general	
	Product safety	Reuse of gold & silver	
	Local community		

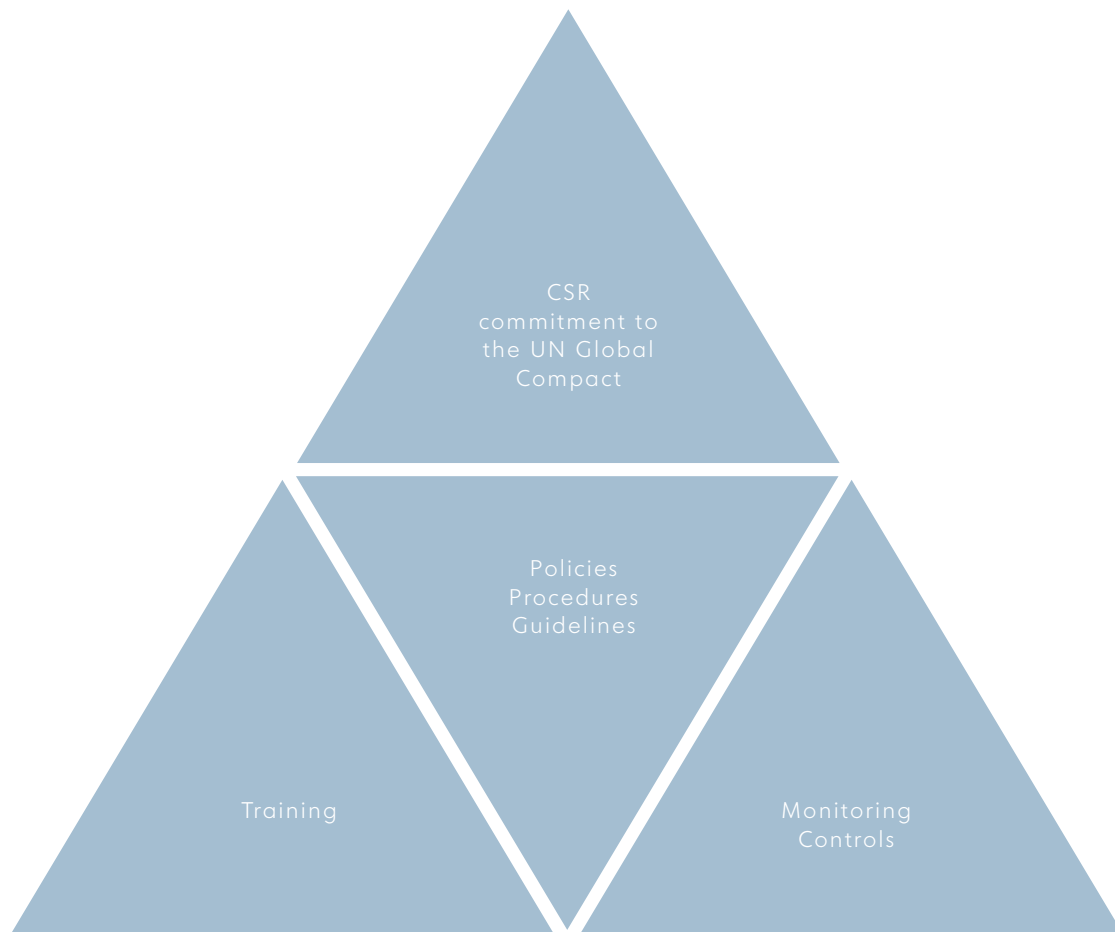
We discovered while mapping the CSR risks that the issues presenting the highest risks are supply chain management, conflict minerals, product safety, intellectual property rights, health and safety measures, inclusion and diversity measures, as well as data security. The result of this assessment did not reveal anything that we did not recognize previously, and we have therefore already implemented controls to mitigate and manage these seven risks as well as their potentially adverse impacts, thereby bringing them down to what we consider an acceptable level.

CSR GOVERNANCE AND POLICIES

Georg Jensen's CSR strategy is governed by a CSR Steering Committee, comprising representatives across the organisation. It is headed by our CEO Francesco Pesci to ensure a top-level commitment to the sustainability agenda and to integrity as a fundamental value of our business. Georg Jensen is a global company, and "integrity" to us implies conducting our business in an ethical and sustainable manner. It goes beyond compliance with local laws. We believe having an organizational culture based on a high level of integrity that manifests itself in the way we interact with our employees, our suppliers, our customers as well as the communities in which we operate across the globe. Thus, we recognize that a positive impact cannot solely be achieved from our headquarters in Copenhagen; a commitment to CSR calls for having close dialogue with all stakeholders to see, hear, and feel for ourselves what our impact is.

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 activities, as illustrated below.

Georg Jensen - CSR compliance programme



This year, the focus of our CSR strategy has been to develop and integrate our policies further into our operations to ensure that they are fully understood and implemented. We published our “Georg Jensen Group Code of Conduct” a few years back, which is applicable to all employees and serves to help them adequately manage adverse impacts around the 10 principles referenced by the UN Global Compact. For the past years, we have been drafting more comprehensive policies, procedures, and guidelines where we have implemented the UN Guiding Principles for Business and Human Rights¹ and the OECD Guidelines for Multinational Enterprises². To comply with these guidelines requires 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.

PROTECTING HUMAN RIGHTS

We are in the process of implementing robust and systematic human rights due diligence processes within our headquarters in Copenhagen and production facilities in Hjoerring, Denmark, and the ambition is to roll them out across our facilities in Chiang Mai, Thailand, and finally with our global offices and global key suppliers in China.

¹Read about the UN Guiding Principles for Business and Human Rights: <https://www.business-humanrights.org/en/un-guiding-principles>
²Read about the OECD's Guidelines for Multinational Enterprises: <http://mneguidelines.oecd.org/guidelines/>

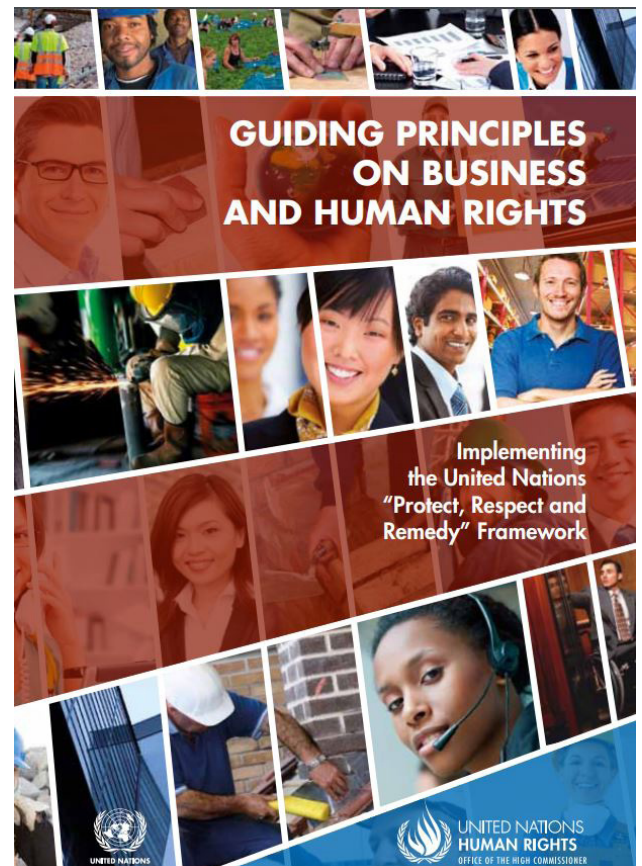
This is a process that will take several years from when we began in earnest in 2017. In 2018 we completed our first impact assessment of our operations in Denmark, which resulted in identifying 26 potentially adverse impacts of our operations on the human rights of our employees, customers, end-customers and/or indigenous people, and we concluded that there could potentially be a severe adverse impact in the following three areas:

1. The Right to Health
2. The Right not to be Subjected to Slavery, Servitude or Forced Labour
3. The Right to Life

Fortunately, we have policies and procedures in place to handle severe impacts for e.g. product safety, sourcing of raw materials and workplace safety measures, but we recognize a need to update and implement new, more comprehensive policies and guidelines to handle all 26 identified human rights risk areas properly.

Our Head of Quality & CSR is responsible for implementing all our global CSR activities on a day-to-day basis. He collaborates with and monitors suppliers as well as external partners to ensure good manufacturing practices in terms of social compliance, environmental performance and anti-corruption.

In order to ensure local anchoring and commitment to our policies, 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 commitments in our daily operations, and they act as a support to our auditing functions by performing due diligence on suppliers as well as helping them optimize their CSR performance. In 2018 we published a new “Global Procurement Policy” which requires all suppliers to be assessed according to defined CSR parameters, thereby clarifying our expectations to all suppliers and external partners. CSR clauses are also increasingly being implemented in our contracts.





Erik Olsen
Head of Quality & CSR



Emily Fang
CSR manager



Pranee Khuanpanya
HR Manager

VOICE: THE SUSTAINABLE CUSTOMER-SUPPLIER RELATIONSHIP

Camilla Feldschau Petersen, CSR Manager at Metz

"Metz supplies promotional products and corporate gifts to the largest companies in Denmark. We purchase on behalf of our customers and have been cooperating closely with Georg Jensen for more than a decade. We believe the sustainable customer-supplier and supplier-customer relationship is built on mutual respect, trust, and close collaboration.

I joined our purchasing department fourteen years ago and since 2014, I have also been working as our CSR Manager covering all CSR-related aspects with special focus on our supply chain.

As with Georg Jensen, we have also signed up to the UN Global Compact to adopt an internationally recognized framework for structuring and reporting on our CSR efforts.



We do not manufacture products ourselves but have a global network of suppliers. We believe that we can make the greatest impact by communicating and guiding our suppliers on strengthening their compliance with internationally proclaimed principles for Human Rights and Labour Standards, Environment and Anti-Corruption.

Georg Jensen has always been very cooperative and early on demonstrated clear procedures and actions around their supply chain management, which is why they have always been placed at the top in our internal supplier levels database.

Every year we review our suppliers' compliance and Georg Jensen has so far remained at that level. We have an obligation towards our customers and it is, therefore, crucial that the products we develop as well as purchase for stock are in compliance with our policies.

Most of our products are produced according to our customers' needs, which implies that we on occasion re-design products in collaboration with Georg Jensen. Back in 2011 the slender and elegant Henning Koppel Pitcher (1.2 litres) was created and in 2018 the Henning Koppel Wave bowl (310 mm) was created to meet our customers' needs.



In 2018 we also used one of Georg Jensen's products in our Christmas focus range, so when our customers chose the Cobra Bowl by Georg Jensen, a contribution was made to the organisation Save the Children to support vulnerable families in Denmark."





Model: Red Barnet



Red Barnet

ALLE BØRN FORTJENER EN GOD JUL

Et nyt samarbejde mellem Red Barnet og landets største leverandør af firmagaver Metz gør det nu muligt for danske virksomheder, at donere en del af årets julegave til Red Barnet.

Ved køb af de eksklusive Cobra skåle fra Georg Jensen støttes bl.a. Red Barnets julearrangementer for udsatte børnefamilier rundt om i Danmark.



METZ 

EN FORSKEL DU BLIVER HUSKET FOR

Årets donationsjulegave fra Metz støtter Red Barnet.

METZ 
EN FORSKEL DU BLIVER HUSKET FOR


BY APPOINTMENT TO
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4. GEORG JENSEN DESIGNS FOR GENERATIONS

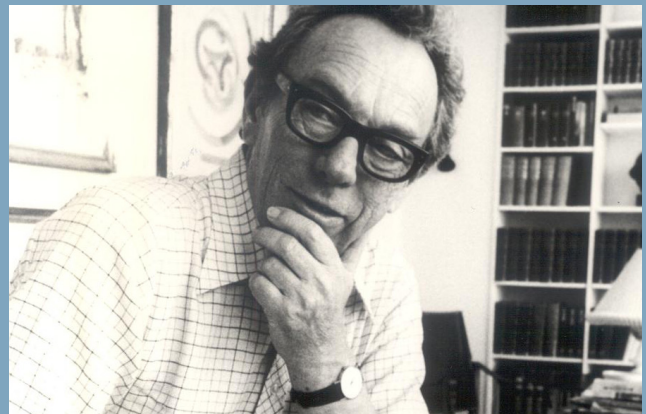
For more than a century we have been committed to designing products of high quality and functionality. In this way, our highly skilled silversmiths continue the legacy of Georg Jensen himself by producing exquisite silver homeware, cutlery, watches, and jewellery. The Scandinavian culture is the central focus of our brand. It seeks to enhance the quality of life and incorporate beautiful, sleek design into our everyday lives. Georg Jensen holds a royal warrant of appointment to the Queen of Denmark in silverware and jewellery, celebrating high quality art and design.

CASE: CELEBRATING 100 YEARS WITH HENNING KOPPEL

Throughout 2018 Georg Jensen held a year-long celebration of one of our most definitive designers, Henning Koppel (1918-1981), whose work is synonymous with both the heritage of Georg Jensen and Danish design. Working tirelessly in his pursuit of reconciling form and function, Koppel was obsessed with creating everyday objects that first and foremost were beautiful without sacrificing practicality.

Koppel became known for a kind of free-thinking functionalism, where utility and beauty were seamlessly fused in a wide-ranging portfolio of designs that were at once pared-back and soulful. While his take on Modernism was certainly crisp and minimalist, many of his pieces reveal soft, organic curves that became trademarks of his nature-inspired designs.

Though he originally trained as a painter and sculptor at the Royal Danish Academy of Fine Arts, Koppel eventually turned to product design and silver craft when he started working with Georg Jensen in 1946. From a wide selection of everyday objects for the home to iconic watches, clocks, jewellery, and sculptural silver masterpieces, Koppel's timeless designs remain at the very heart of Georg Jensen.



His work has stood the test of time and continues to be a source of inspiration to new generations of designers. Throughout the past year, Georg Jensen has celebrated Koppel's unwavering influence with the debut of the Koppel 100 Collection, which is a collection of new items inspired by original Koppel sketches that are now developed to complete and complement existing Koppel collections.

VOICE: BRINGING A HENNING KOPPEL SILVER PIECE TO LIFE

Nicholas Manville, Senior Vice President at Georg Jensen

"I joined Georg Jensen three years ago but have sporadically been involved with the brand since the 1990s as a wholesale customer in New York. It has been a dream to be part of the company itself and be able to guide its future. The environment within Georg Jensen's headquarters is special. When you walk around in this building you can see and feel the history of the company. We innovate and create beautiful modern designs yet stay in touch with the esteemed heritage.



The past year we have celebrated Koppel's centenary anniversary, and we wanted to offer a very worthy celebratory statement of Koppel's work. Koppel was the kind of artist who would challenge the boundaries of silver craft, dreaming up inventive, original forms that would push the material to its limit time and time again.

Sifting through the design archives of the company, we found the original sketch of a silver dish that Koppel designed in 1954 - although he in fact destroyed it! Considering the complexity of Koppel's forward-thinking ideas and the challenge of executing his work in silver, this design proved to be one of the most daring ever. The final product did not capture the forms and proportions that he originally had imagined, as it was too flat, and the piece was never made again - yet it remained a hidden treasure in our archives!

We decided to try and get it right in Koppel's honour. The piece is named 1041 after its numerical place in the Georg Jensen archives, and it is described as "forensic design" because the only clue to how it was created - besides the sketch - was a photograph of this piece being held in the hands of a man from which we got the dimensions. But then we realized he was nearly 7 feet tall and we had it wrong!

We involved many different people with various skill sets within Georg Jensen to bring the 1041 to life as Koppel had intended, and we collaborated with his daughter, the sculptor Hannah Koppel, as it was important to have his voice in the process.

We were thrilled to finally reintroduce 1041, handcrafted from a 35-pound sheet of silver, for the very first time at a small ceremony at the Louisiana Museum of Modern Art north of Copenhagen on 8th May 2018, which would have been Koppel's 100th birthday."



RESPONSIBLE SOURCING

We are highly dependent on scarce natural resources in our designs and production and recognise fully 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. The jewellery sector is highly 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 processes.

We recognize that it is our responsibility to ensure that Georg Jensen does not contribute directly or indirectly to human rights or labour rights abuses or corruption or environmental harm, at any point of our supply chain. We respect the right to freedom of association and collective bargaining, and we support open dialogue between management and employee representatives.

One of our focus areas is the responsible sourcing of skins and leather as well as precious metals, gemstones, and diamonds. We are also increasingly being met with growing demands from our customers regarding our CSR efforts, and although it is impossible to fulfil all stakeholders' expectations and demands, we fully recognize our responsibility to help develop a more responsible supply chain, in particular for jewellery materials.

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 set out by CITES³, 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 of raw materials such as gold, silver, gemstones, and diamonds, before we incorporate them in our products. We further maintain a firm stance that Georg Jensen will not source precious stones and materials that contribute to the funding of armed conflicts.

In addition, we have long-standing relationships with suppliers who are either certified by the Responsible Jewellery Council⁴, which is a whole-of-supply-chain standards initiative for the jewellery supply chain from mining to retail, or who 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 US Dodd-Frank Act⁵ and The Kimberly Process⁶ on conflict-free metals, minerals and diamonds, which continually influence our choice of suppliers as well as encourage us to strengthen dialogue with our suppliers to create long-lasting, trusting relationships.

³Read further about the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES): <https://www.cites.org/>

⁴Read further about the Responsible Jewellery Council: <https://www.responsiblejewellery.com/>

⁵Read further about the Dodd-Frank Act: <https://www.sec.gov/opa/Article/2012-2012-163htm---related-materials.html>

⁶Read further about the Kimberly Process: <https://www.kimberleyprocess.com/en/about>

RESPONSIBLE PRODUCTION

We produce the majority of our designs at our production facilities in Copenhagen, Hjoerring, and Chiang Mai. Some of our products are designed by us but manufactured by external partners across the world, primarily located in Portugal, Turkey, Croatia, and China. We strive to constantly ensure that our supply chain upholds our commitment to sustainable and responsible business practices. All new suppliers are thoroughly screened in a due diligence process to assess their social compliance, environmental performance and anti-corruption efforts before initiating business relations.

This entails that our Head of Quality & CSR, together with local CSR managers, conducts audits of suppliers to obtain sufficient information and evaluate the supplier according to our Supplier Code of Conduct, which leads to classifying them across three different risk levels - green, yellow, and red. The green classification implies that the CSR performance of suppliers is sufficient for incorporating them into our supply chain. The yellow classification entails that the suppliers must start improving their CSR performance before we will place an order. Finally, the red classification denotes suppliers who 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 18 audits of our suppliers in 2018, and we further audited four new potential suppliers, of which two were approved and integrated into our supply chain. We disqualified the other two potential suppliers because they were not able to fulfil our Supplier Code of Conduct. In addition, one of our key suppliers has been put under observation as well as ordered to relocate their factory. This is simply a necessary move in order to fulfil our requirements as well as the local environmental regulations. The supplier has accepted our requirements and been given 10 months to improve their CSR performance.

ENSURING PRODUCT SAFETY

We offer products of high quality, which entails ensuring the safe use of our products. Therefore we have procedures in place to comply with the REACH 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 REACH⁷ standard commits us to identifying and managing 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 our products are in use.



⁷Read further about the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH): <https://echa.europa.eu/regulations/reach/understanding-reach>

5. OUR ETHICS

At Georg Jensen, we acknowledge that we have a global responsibility to act with integrity, and we are dedicated to working against corrupt and unethical practices in our own operations as well as in the communities in which we operate by applying high ethical standards across our value chain. Denmark is regarded as one of the world's least corrupt countries according to the anti-corruption campaign group Transparency International which rates countries on the basis of perceived level of corruption⁸, yet we recognize our responsibility extends far beyond our facilities in Denmark.

The majority of our manufacturing operations take place in Thailand and China, and we are aware at a country level that there is a perceived higher risk of corruption and unethical business conduct in these countries. Moreover, our sales organisation grows and develops new markets continually, which exposes us to different risk levels that we manage in different ways. One example is enforcing our Supplier Code of Conduct that defines our requirements for partners and suppliers in terms of their responsible business conduct. The purpose is to obtain the greatest possible responsibility in our supply chain.

Another important mechanism is our internal whistle-blower function, which allows all employees to anonymously report potential breaches of the Georg Jensen Group Code of Conduct as well as national or international legislation. All employees can submit any issues to the HR department, and information is handled respectfully and confidentially. Additionally, our investor, InvestCorp, requested us in 2017 to introduce anti-corruption and anti-money laundering training for all senior managers as well as the majority of middle management, which we have been implementing the past year.



⁸Read further about Transparency International's Corruption Perception Index 2017: http://www.transparency.org/news/feature/corruption_perceptions_index_2017

6. OUR PLANET

The jewellery industry as a whole has a significant impact on the environment, both in relation to the mining and processing of those different natural resources that go into the jewellery items, as well as the manufacturing process before the product goes to market. Therefore, 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 we have developed an environmental policy stating responsible business practices should always be pursued to minimize any potential negative impact on the environment and climate. The policy sends a clear message about our efforts to protect the planet, and it guides our decision-making and daily work to ensure that we have a structured and systematic approach to reducing our environmental footprint.

VOICE: DEVELOPING RE-USABLE VISUAL MERCHANDISING

Per Gregersen, Global Visual Merchandiser at Georg Jensen

"I have been working at Georg Jensen for eight years, focusing on driving sales through innovative and creative concepts. Some years ago I participated in the Nordic Interior & Design Fair together with Nicholas Manville, Senior Vice President at Georg Jensen. I did not know him well at the time, but we started talking and then the conversation turned to the Georg Jensen stand. It was built from scratch or put differently, the stand was built from solely new materials, as always when Georg Jensen participated in a fair.



Nicholas asked me to prepare a proposal on a new and more resource-efficient stand. I have always had a professional pride and passion for my work, so I immediately threw myself into it. I did not have a piece of paper, so I started drawing on a napkin to show him my idea, which was to have a focal point in the middle of the stand, built up by a drum to visualize eternity as well as create a platform for all new designs.

We decided to go forward with it and developed it further together. If you visit one of our stands today, you can see this huge drum in the middle, which is reusable and we can change the colour as we want. In that way, we managed to save costs and resources compared to previously. We are currently also in the process of developing and simplifying the visual merchandise within our stores, so we do not need to renew them constantly. In that way, we save costs, transportation, and resources. Customers usually hold their Georg Jensen designs dear, and some are even passed on from generation to generation. It is this line of thought that we want to implement across materials used for displays and floor-plans."



ENVIRONMENTAL PROTECTION

We work to ensure environmental protection in numerous ways, such as waste reduction, recycling, and energy efficiency to minimise negative impact on climate change. In addition, we purchase environmentally friendly products, optimise our consumption of raw materials and energy as well as take preventative actions against contamination and pollution. We have implemented a certified environmental management system (ISO 14001) in order to continuously improve our management approach and operational processes and to monitor the results. This also implies that our facilities' environmental performance is subject to internal and external third party audits.

We are committed to transparency around our main environmental impact. The data below covers company-owned production facilities in Hjoerring and Chiang Mai⁹. Electricity is the main source of our CO₂ emissions (scope 2), and as the table below indicates, we succeeded in maintaining a substantially lower electricity consumption level in 2018 compared to previous years, which is primarily due to reducing our storage space in Hjoerring.

Overview of Energy Consumption (Indirect Emissions, Scope 2)					
Data measurement	Country	2015	2016	2017	2018
Electricity consumption, purchased (MWh)	Total	2,305	1,573	1,661	1,570
	Denmark	324	336	409	388
	Thailand	1,981	1,237	1,251	1,182
Heating, purchased (MWh)	Total	305	406	449	408
	Denmark	305	406	449	408
	Thailand	-	-	-	-
CO ₂ emissions (tons) ¹⁰	Total	1,138	840	847	801
	Denmark*	98	86	85	81
	Thailand**	1,039	754***	762	720

* Carbon factor Miljødeklaration 2016 and preliminary emission factor used for 2017: Energinet: <https://energinet.dk/EI/Miljoedeclarationer#EIhandlere>

** Carbon factor from: Carbon Label and Carbon Footprint for Organization used for 2016 and 2017: <http://thaicarbonlabel.tgo.or.th>

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

⁹The 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 is based on local authorities' assessments and inventory, in Denmark and Thailand respectively. The report content concerning our Thai operations is based on data provided in our mandatory annual report to our investor, IFU. Read more about the Investment Fund for Developing Countries (IFU) at: www.ifu.dk

¹⁰We 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 against 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 is 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®). Unfortunately the amount of waste at our facilities in Denmark has increased slightly in 2018, due to receiving a larger supply of products, but we are striving constantly to find a better way of managing waste.

Overview of Water & Waste Volume*					
Data measurement	Country	2015	2016	2017	2018
Water (m3)	Total	14,666	9,948	10,541	9,580
	Denmark	2,218	2,118	2,976	2,014
	Thailand	12,448	7,830	7,565	7,566
Wastewater (m3)	Total	31,029	5,776	7,792	6,900
	Denmark	22,316	295	2,496	1,604
	Thailand	8,713 ¹¹	5,481	5,296	5,296
Waste (kg)	Total	123,030	95,586**	354,461	374,790
	Denmark*	77,820	71,870	328,00	359,810
	Thailand**	45,210 ¹²	18,716**	26,461	14,980

* 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.

7. OUR PEOPLE

Our global workforce at the end of 2018 comprised 1230 employees in total. We believe the best foundation for growth comes from a passionate and dedicated workforce consisting of individuals taking professional pride in working at Georg Jensen. In fact, we have managed to create an organizational culture where some of our silversmiths are third-generation employees at Georg Jensen. We consider this commitment to the company and brand fairly unique. We also believe that a diverse workforce in which we invest in people is fundamental to sustain a successful long-term performance. Good corporate decision-making requires an ability to hear and consider different viewpoints from people with different backgrounds, experiences, and perspectives.

GENDER DIVERSITY

For our Board of Directors, we have set a target for the female representation to 25% by 2020 ensuring a greater gender balance. The Board of Directors currently consists of five shareholder-elected members - one female and four males. Thus, we have not reached our target in 2018 as no new members were elected to the Board of Directors in 2018, and the composition remains the same as in the previous year. We strive to reach the goal by 2020 the latest.

Our Board of Directors is supported by two female employees who are appointed by our owners to participate in board meetings as well as the general work of the Board of Directors. The purpose of these appointments is mentoring and development of their knowledge and capabilities. We believe this will lead to new opportunities for both Georg Jensen and them to achieve our target and ambitions in this area in the near future.

We continually aim to balance the representation of both genders on all management levels through a continuous focus on developing our people's knowledge and capabilities.

We have a representation of 86% male and 14% female at the executive management level. However, the female representation at the middle management level is around 60%. The gender balance at the latter level is considered to be satisfactory.

This section covers our statutory reporting on gender distribution according to the Danish Financial Statements Act §99b.

DEVELOPING OUR PEOPLE

One of our core values at Georg Jensen is that all employees are valued, treated with respect, and empowered to achieve their full potential. We believe developing our people is crucial for success. Therefore we strive continually to ensure that Georg Jensen is an attractive workplace to draw in, motivate and retain our people.

In 2017 we kicked off the Global Leadership Programme for ten women and five men to empower them to become future ambassadors for leadership. The first module focused on improving the level of management skills by sharing leadership experiences, develop leadership skills and inspire through different cultural perspectives on leadership. Participants represent all Georg Jensen's global sites and managerial levels across functions.

In 2018 we launched the second module that focuses on personal excellence. Additionally, we focused on strengthening our performance culture, particularly within the retail function by creating a more diversified personnel. We recognize our customer base is diverse, and it is therefore crucial that we as a company do our best to reflect this diversity to be able to provide an inclusive service that meets customers' needs. In addition, managers at our facility in Chiang Mai, Thailand, train employees on business ethics and anti-corruption. Prior to the training, managers ask employees to fill out a self-assessment questionnaire to evaluate the risk of corruption or unethical business conduct occurring in Chiang Mai. The results to date have indicated that the risk is perceived to be low.

In 2018 we also conducted health and safety procedure trainings at our facilities and global stores. The purpose is to encourage all employees to take preventive measures and uphold a set of safety procedures to help maintain a safe and healthy work environment.



Although we have taken preventive measures, 2018 was regrettably not an accident-free year. We experienced three work-related accidents in total¹³ that all were classified as minor. We always consider one accident to be one too many, and we have taken a number of precautionary steps and safety initiatives to avoid any reoccurrence of such accidents. We constantly strive to maintain high levels of safety, and all employees in our production go through safety and first-aid training. In addition, we continuously review how safety measures can be improved across facilities and stores. Our ambition is to not have any accidents.

¹³The health and safety data covers our corporate headquarter and production facilities in Denmark and Thailand. Sales facilities are not included.

VOICE: DRIVING CULTURAL CHANGE AND WORKPLACE DIVERSITY

Helle Skovbon, Head of Retail at Georg Jensen

"I started working at Georg Jensen in April 2018, and it was quite a big move because I just came back to Denmark after spending 30 years abroad. One of the first initiatives I introduced when starting this position was to take a closer look at all employees within the retail group to gain insight into their way of working as well of their responsibilities.

I discovered the Managers in the stores had to do work they did not know how to do, such as marketing and PR, in addition to providing customer service on the floor, which to me does not make sense. The managers should spend all their time on providing the best service to our customers and taking care of their teams in the stores. I then set up a structure for performance management by defining expectations to all employees and specifying tools for each level to make performance measures transparent as well as enable them to outperform these.

Additionally, I introduced a training program which we call "selling jewellery with a passion". Although most of our employees are highly passionate about our design, it is crucial to share the knowledge so they are all familiar with the stories behind each piece of jewellery as well as the designers.

We are also focusing on the importance of having diversified teams on the floors both in terms of gender but also age and descent because we believe such a mix creates an atmosphere where all people feel valued and respected, which leads to better performance and results. We believe a diverse workforce creates more opportunities to understand and satisfy the needs of our customers and thereby provide excellent service."



VOICE: SOCIAL COMPLIANCE IS GOOD FOR BUSINESS

Pranee Khuanpanya, HR Manager at Georg Jensen (Thailand)

"I have worked at Georg Jensen for 16 years and when I started, we were about 200 employees working at our facility in Chiang Mai, Thailand. Today, however, we are more than 600 employees, so we have grown significantly.

I have the overall responsibility for social compliance, and together with two team members we ensure that Georg Jensen as a company protects the health, safety, and rights of the employees as well as the environment and community in which we operate. We have actually been certified for more than 10 years by the Thai labour standard, which protects the rights of workers and makes sure they have good working conditions. I would describe the working environment as a big and warm family where we respect and take care of each other - regardless of position.



We strive continually to strengthen our relations with internal and external stakeholders through various CSR activities such as healthcare benefits to improve the quality of life for workers and their families. We have an after-school day care centre for children of our employees to ensure their children are looked after during working hours. Additionally, we are committed to the Georg Jensen Scholarship and Educational Fund Program that allows employees to apply for grants to help them fund their children's education.

We give annual donations to rural villages, and on 'Visakha Bucha Day' and 'Buddhist Lent Day' all employees visit the local temple together to engage in various rituals and give donations. This year, 50 of our employees also helped rehabilitate a small temple in the community, which was a project proposed by one of our employees, and we thought this is something that Georg Jensen should support.

Another initiative is that some of our employees spend minimum one day per year to clean and tidy up the factory's surrounding environment, including the canal. This is actually the responsibility of the municipality, and sometimes we clean it together and other times we just do it ourselves. Protecting the environment as well as workers, and caring for the local community in general, is fundamental to us at Georg Jensen."



6. UN GLOBAL COMPACT COMPLIANCE OVERVIEW

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