



BY APPOINTMENT TO
HER MAJESTY THE QUEEN OF DENMARK

GEORG JENSEN

ESTABLISHED 1904

SUSTAINABILITY REPORT 2019

GEORG JENSEN A/S
CVR: 26 57 36 45
SØNDRE FASANVEJ 7, 2000 FREDERIKSBERG,
DENMARK

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1. ABOUT THE REPORT

For the 11th consecutive year Georg Jensen files a Communication on Progress (COP) Report to the UN Global Compact which serves to document and communicate the way we work with the 10 principles of the UN Global Compact towards becoming a more sustainable company. The report also represents our statutory report on corporate social responsibility (CSR) according to the Danish Financial Statements Act § 99a and § 99b.

With this report we want to share how the entire Georg Jensen Group (Georg Jensen) links the creation of business value with social value and how we have made progress on CSR activities during the financial year 2019 and our plans for 2020. The report is for all stakeholders with an interest in Georg Jensen, our end users and our customers, our partners and shareholders, our employees and society at large.

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

2. CEO FOREWORD



2019 was a pivotal year for the world's environmental and sustainability agenda. In the beginning of 2019, the annual World Economic Forum focused on the theme "The Fourth Industrial Revolution" discussing how businesses can drive inclusive and sustainable growth, while at the same time improving the lives and wellbeing of millions of people. Since then sustainability across industries and markets has been on the top on the world's agenda. Discussions of these issues provide additional input to our effort to create a sustainable business and we continue working on new and different opportunities in areas like responsible sourcing, sustainable production and organisational development.

Georg Jensen's core values include the 3 areas: "Responsible", "Innovative" and "Brave". Our values are the backbone of how we conduct our business and we remain true to these throughout the company. Responsibility is not what we do in Georg Jensen, it is who we are: As guardians of craftsmanship we consider ourselves caretakers of nature and the environment that surrounds and inspires us. Our values are a fundamental part of the company's 116-year history, and we know that we must continue evolving and improving to meet the rising challenges facing the world. As a global company we have an important role to play in driving a positive change in the world, both when it comes to sustainability, as well as human rights. Georg Jensen has for more than a decade embraced the United Nations Global Compact by supporting its 10 principles. I am pleased that we continue our work towards a better world by sustaining our support of these very important principles.

With a global workforce of more than 1,200 people in over 11 countries, we have a wealth of diversity in our organisation. In 2019 we engaged and partnered with hundreds of our employees and provided them with tools to fully understand our business ethics and our code of conduct. We launched a global training platform to ensure that our employees are trained, developed and updated on new policies, processes and procedures.

For our performance in 2019 we have fully met the milestones in the following areas; Gender Equality and Number of Accidents. We are particularly proud that we managed to meet our target on the gender balance in our Board of Directors where 44% now are females including the employee elected board members. Moreover, 55% of the managerial positions in the company are held by women. By creating a culture of opportunity for all our employees, we open a world of possibilities for our brand and for our business.

To conclude, we are pleased with the progress we have made in 2019 and remain fully aware of the challenges that lie ahead. We can only achieve our ambition through the ongoing efforts of our colleagues in the markets and our headquarter, and by continuing to listen carefully to our customers and other stakeholders.

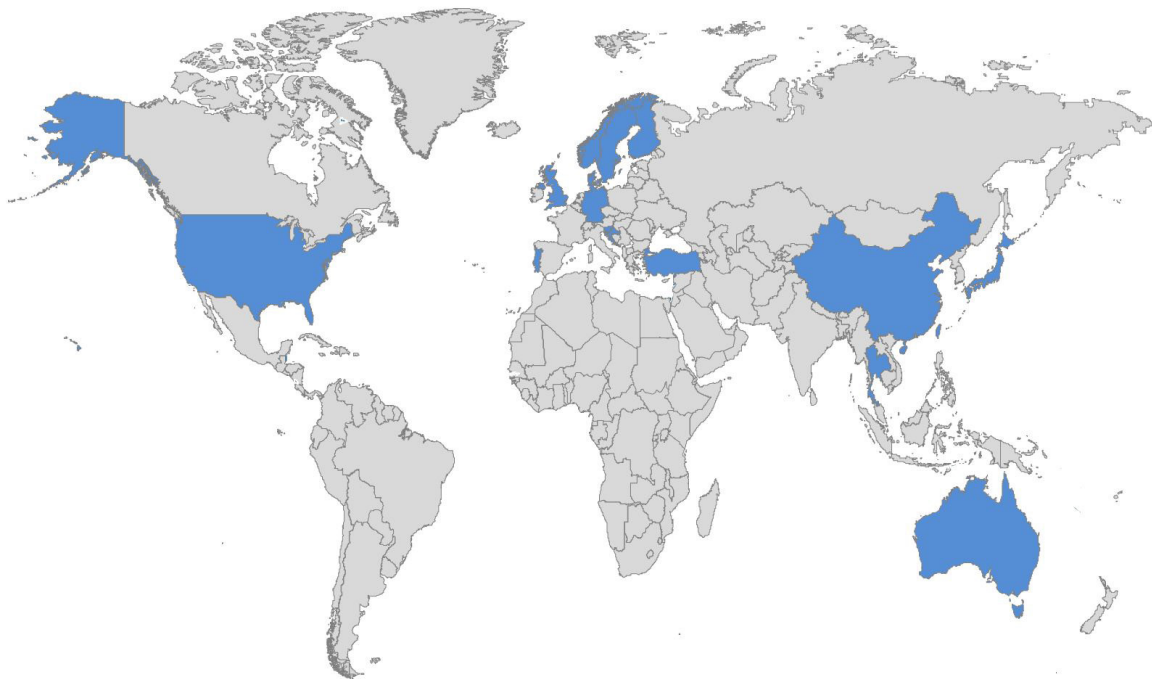


Francesco Pesci,
Chief Executive Officer

3. GEORG JENSEN AT A GLANCE

With more than a century of legacy, Georg Jensen continues to set international standards for art and design through solid craftsmanship and with great attention to details. In 1904, the Danish silversmith Georg Jensen founded the company and while we remain committed to Georg Jensen's philosophy of high quality and sustainable design, a lot has happened to our business since its foundation. Today, Georg Jensen is represented in over 11 countries and on four continents, through our production facilities, our international retail network of around 100 stores and our wholesale accounts. Our product offerings include fine jewellery, silver hollowware, watches, seasonal products and home décor. In 2019, our production facilities cover Copenhagen and Hjoerring, Denmark, and Chiang Mai, Thailand, while we also collaborate with more than 25 key external suppliers mainly located in China, Portugal, Slovenia, Turkey, Thailand and Denmark. Our production facilities, suppliers and stores are shown on the map below.

Georg Jensen production facilities, suppliers & stores



To us, it is important that we act responsibly in the countries in which we operate. Hence, we strive to ensure responsible and sustainable business practices across our markets as it is vital for our license to operate and our long-term success.

COMMITMENT TO CSR AND SUSTAINABLE DEVELOPMENT

In February 2009, we made a public commitment to the UN Global Compact to adopt the internationally recognised framework. By implementing the 10 principles of the UN Global Compact in our CSR strategy and governance, we are continuously striving to act with due diligence, thus mitigating any potential adverse impact on people, environment and communities. We operate our business in adherence with European and international regulations and frameworks, and in line with expectations from the outside world to a global manufacturer such as Georg Jensen. Likewise, we require our suppliers to respect and support our commitment to the 10 principles of the UN Global Compact.



ASSESSING OUR RISKS

During 2018 we performed a risk assessment to identify any potential adverse impacts that our operations and our products may have on our stakeholders, the environment, and communities surrounding our activities. Within the four categories 1) Human Rights; 2) Labour; 3) Environmental; and 4) Anti-Corruption, we discovered that the issues representing the highest risks are supply chain management, conflict minerals, product safety, intellectual property rights, health and safety measures, inclusion and diversity, as well as data security.

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		

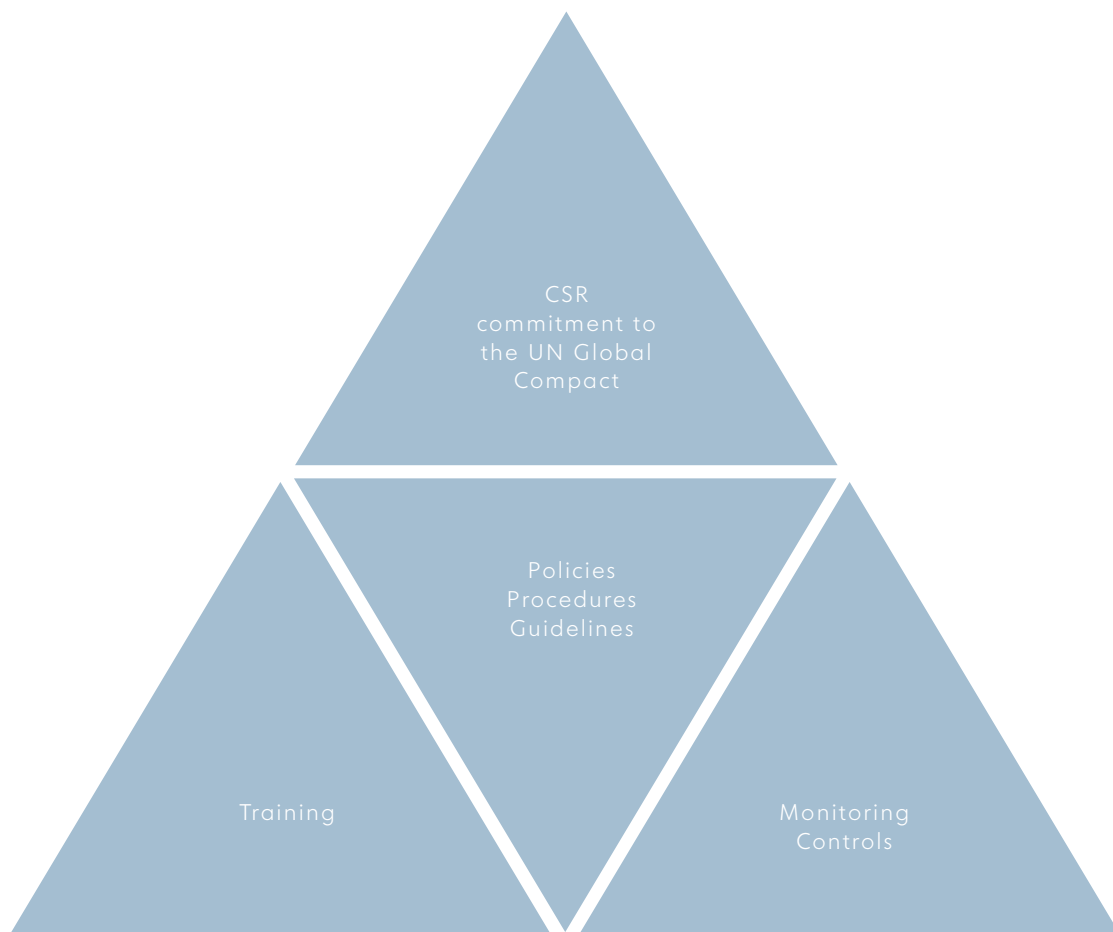
In 2019, we revisited the risk assessment and validated that the identified seven main risk areas remain relevant to our business and stakeholders. We continuously review our prevention mechanisms and controls to mitigate and manage the risks and their potential adverse impact. How we manage those risks are explained in the following sections of the report.

CSR GOVERNANCE AND POLICIES

By anchoring the overall governance responsibility for CSR with a CSR steering committee, chaired by our CEO Francesco Pesci and encompassing employees across our organisation, we ensure a clear top management commitment to the CSR agenda.

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 training, monitoring and controlling activities as illustrated below.

Georg Jensen - CSR compliance programme

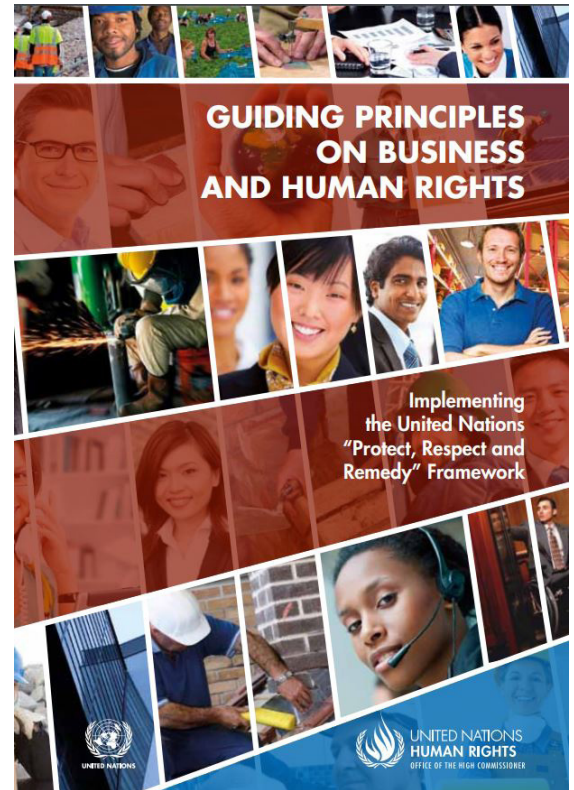


For the past years, we have not only formalised comprehensive policies and procedures, but also focused on the ongoing development and integration of our policies further into our operations. Our “Georg Jensen Group Code of Conduct” is under implementation and applicable to all employees and serves as a guideline to equip them to adequately manage the risk of adverse impacts on society. Furthermore, we have implemented the UN Guiding Principles for Business and Human Rights¹ and the OECD Guidelines for Multinational Enterprises². It requires a strong management commitment to be in compliance with these guidelines, enabling us to work with due diligence within the company, as well as with our suppliers and other business relations.

In 2017 we laid out an ambitious plan to implement robust and systematic human rights due diligence processes throughout our organisation covering our headquarters in Copenhagen and production facilities in Hjoerring, Denmark, and subsequently our facilities in Chiang Mai, Thailand, followed by our global offices and key suppliers in Shenzhen, China. We acknowledge that the process will take several years however, we are confident showing progress towards our target year after year.

Last year we completed our first impact assessment and published a new “Global Procurement Policy” which requires all suppliers to be assessed according to defined CSR parameters, thereby clarifying our expectations to suppliers and external partners. In 2019 we have strengthened our efforts focused on suppliers, and CSR clauses are increasingly being implemented in our contracts to manage our supply chain. We collaborate with and monitor 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, 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 optimise their CSR performance.



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/>

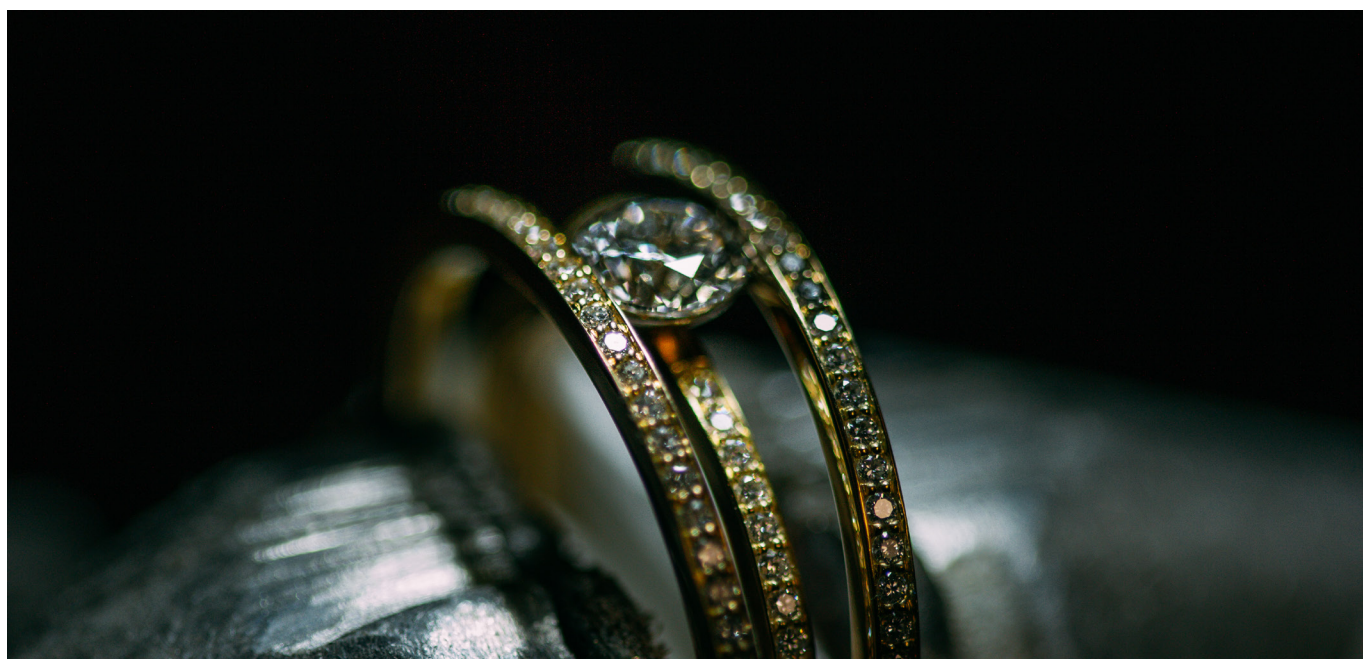
4. SUSTAINABLE DESIGNS FOR GENERATIONS

For more than a century we have taken pride in crafting and designing products of high quality and functionality that our customers pass down for generations. In this way, our highly skilled silversmiths continue the legacy of Georg Jensen himself by producing exquisite silver homeware, cutlery, watches, and jewellery.

RESPONSIBLE SOURCING

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. Being highly dependent on scarce natural resources in our designs and production, we are aware of how our 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. We acknowledge that it is our responsibility to ensure that Georg Jensen does not contribute directly or indirectly to human rights abuses or corruption, nor causes environmental harm at any point in our supply chain as previously addressed.

In 2019 we have experienced that customers have growing demands around our CSR efforts. Although it is not possible to fulfil all stakeholders' expectations, we fully recognise our responsibility to help develop an even more responsible supply chain, in particular for jewellery materials. Among other CSR efforts, we focus on the responsible sourcing of skins and leather as well as precious metals, gemstones, and diamonds. Consequently, 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 by CITES³ - an organisation that works to mitigate the extinction of endangered animals due to overuse of skins and leather.



³Read further about CITES: <https://www.cites.org/>

We require all our suppliers to disclose detailed information on the traceability of raw materials such as gold, silver, gemstones, and diamonds, before incorporating them in our products. We further uphold 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 provide 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 and encourage us to strengthen dialogue with our suppliers in order to create long-lasting, trusting relationships.

RESPONSIBLE PRODUCTION

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

This entails that our Head of Quality & CSR together with local CSR managers conduct audits of suppliers to obtain sufficient information and evaluate the supplier according to our Supplier Code of Conduct. Suppliers are being classified in three different risk levels - green, yellow, and red. The green classification implies that the CSR performance of the supplier is sufficient for incorporating them into our supply chain. The yellow classification entails that the supplier must start improving their CSR performance before we will place an order. Finally, the red classification represents suppliers, who must undergo comprehensive changes and audits to become part of Georg Jensen's supply chain. We conducted 15 audits of our suppliers in 2019 of which 12 were conducted by an independent third party auditor.

ENSURING PRODUCT SAFETY

We offer products of high quality and each product goes through a process of testing and is not launched on the market until we are sure that it is safe. Our procedures comply with the REACH⁷ 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 REACH standard commits us to identify and manage 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.



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.kimberlyprocess.com/en/about>

⁷Read further about REACH: <https://echa.europa.eu/regulations/reach/understanding-reach>

5. OUR ETHICS

Working with integrity we are dedicated to fight against corrupt and unethical practices wherever 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 that rates countries on the basis of perceived level of corruption⁸. Yet, we recognise that our responsibility extends far beyond our facilities in Denmark. Our manufacturing primarily take place in Thailand and China which means we are aware of perceived higher risk of corruption and unethical business conduct in these countries. As our business continues to grow and expand across existing and new markets, our risk management becomes increasingly relevant. One example is enforcing our Supplier Code of Conduct that defines our requirements for partners and suppliers in terms of their responsible business conduct which includes anti-corruption practices. The purpose is to achieve transparency and the greatest possible responsibility in our supply chain.

Another important mechanism is our internal whistle-blower process, which allows employees to anonymously report potential breaches of the Georg Jensen Group Code of Conduct as well as national or international legislation. All information is handled confidentially and respectful of the informer and their discretion. Cases are investigated and dealt with according to the procedure in the whistle-blower privacy system. Our whistle-blower process received zero cases in 2019. 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. During 2019 we completed this training for almost every manager, and we will follow-up this training in the coming year.



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

6. OUR PLANET

We have long considered how our business affects society and the environment, both in relation to the mining and processing of these natural resources that go into the jewellery items, and the manufacturing process before launching the product. Thus, we have worked to integrate environmental considerations into our business by developing an environmental policy which states that responsible business practices always should be pursued to minimise any potential negative impact on the environment and climate. The policy emphasizes our efforts to protect our planet and guides our decision-making including our daily work to ensure we have a holistic approach to reducing our environmental footprint.

CLIMATE CHANGE AND ENVIRONMENTAL PROTECTION

We proactively protect, respect and safeguard the environment and climate in daily business activities such as seeking energy efficiency to minimise negative impact on climate change, and enhancing waste reduction and recycling. We continue to purchase environmentally friendly products, optimise our consumption of raw materials and energy as well as taking preventative actions against contamination and pollution. This implies that the facilities' environmental performance is subject to internal and external third party audits.

The data for the performance overview of our energy consumption covers company-owned production facilities in Hjoerring, Denmark and Chiang Mai, Thailand⁹. Electricity is the main source for our CO₂ emissions (scope 2), and as the table below indicates, we succeeded in reducing our electricity consumption level in 2019 compared to previous years, which primarily is due to reducing our inventory footprint in Hjoerring.

Data measurement	Country	2016	2017	2018	2019
Electricity consumption, purchased (MWh)	Total	1.574	1.661	1.570	1.513
	Denmark	336	409	388	351
	Thailand	1.238	1.252	1.182	1.162
Heating, purchased (MWh)	Total	406	449	409	347
	Denmark	406	449	409	347
	Thailand	-	-	-	-
CO ₂ emissions (tons) ¹⁰	Total	1,840	847	801	879
	Denmark*	86	85	81	73
	Thailand**	754***	762	720	806****

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

** Carbon factor from: CARBON LABEL & CARBON FOOTPRINT FOR ORGANIZATION used for 2016 and 2017: <http://thaicarbonlabel.tgo.or.th>

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

**** CO₂ emissions in 2019 covering Thailand reflects a new emission conversion factor, consequently the number of 2019 is not comparable with previous years.

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 take responsibility for undertaking rigorous and precautionary activities for handling the harmful materials and substances that stem from our production. Unfortunately, the amount of waste at our facilities in Denmark have increased significantly in 2019. As a result of significantly reduction of inventory a large quantity of shipping material was wasted, although recycled.

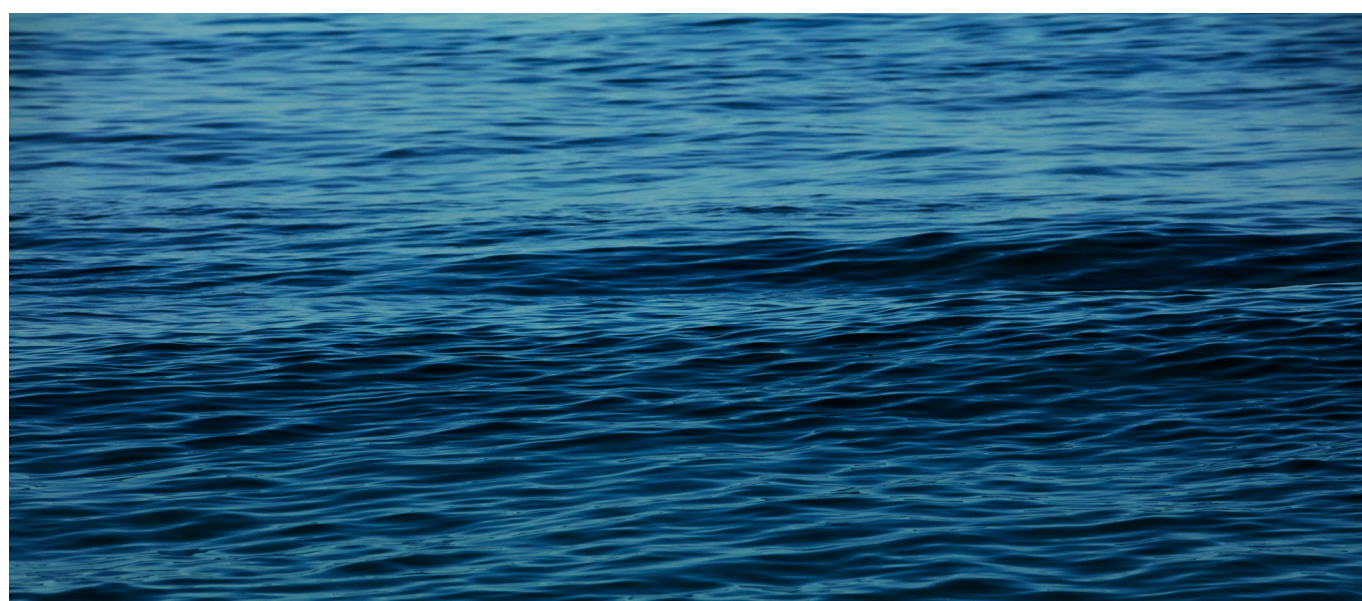
To minimise our environmental impact regarding waste, we are looking into sustainable packaging design and it has been on the top of our agenda during 2019. This requires a close look at our supply chain, as well as analysis and documentation of the package design, choice of materials, processing, and life-cycle. We expect to launch our sustainable packaging during 2020.

In 2019 we experienced an increase in our wastewater in Chiang Mai, Thailand due to a water leak in the pipe system. This was repaired in mid-2019. Furthermore, we had an increased production volume. We expect a decrease in our water use in Chiang Mai going forward.

Overview of Water & Waste Volume*					
Data measurement	Country	2016	2017	2018	2019
Water (m3)	Total	9.948	10.541	9.580	12.226
	Denmark	2.118	2.976	2.014	2.702
	Thailand	7.830	7.565	7.566	9.524
Wastewater (m3)	Total	5.776	7.792	6.900	8.930
	Denmark	295	2.496	1.604	2.263
	Thailand	5.481	5.296	5.296	6.667
Waste (kg)	Total	95,586**	354.461	374.790	526.870
	Denmark*	71.870	328.000	359.800	509.800
	Thailand**	18.716**	26.461	14.980	17.070

*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.



7. OUR PEOPLE

Our greatest asset is our global workforce, and we aspire to create an inclusive workplace where employees from every background can contribute and take professional pride in working at Georg Jensen. At the end of 2019 Georg Jensen comprised 1.286 employees in total. Some of our silversmiths are third-generation working at Georg Jensen which we consider very unique. Our brand is only as strong as our workforce and it's well-being is fundamental to sustain a successful long-term performance.

To guide our efforts in ensuring a greater gender balance in our Board of Directors, we have set a target for the underrepresented gender of 25% by 2020. As the Board of Directors consists of six shareholder-elected members - two females and four males by the end of 2019 we have met and exceeded our target.

We 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 71% male and 29% female at the executive management level. However, the female representation at the middle management level is around 55%. The gender balance at the latter level is considered to be satisfactory. This also means that the gender balance in management in total is equal.

DEVELOPING OUR PEOPLE

At Georg Jensen we are dedicated to maintaining a respectful work environment where employees are valued and empowered to reach their full potential. Developing our people is crucial for our success. Thus, we strive continually to ensure that Georg Jensen is an attractive workplace to attract, motivate and retain our people.

Within training and education, we have been focusing our efforts towards the implementation of our new digital training portal that was launched during 2019. The training portal enables us to target and tailor the training to the single employee matching their specific competencies. It is our experience that the Code of Conduct training now has become more accessible as the employees can access the training via an app while we can also monitor completed trainings. The training portal is not yet rolled out to our facilities in Chiang Mai, Thailand, however, we are planning to expand it further. Consequently, our managers in Chiang Mai, conduct face-to-face training of employees on business ethics and anti-corruption among others topics.

Even though we have taken preventive measures, 2019 was unfortunately not an accident-free year. We experienced 4 minor and 2 moderate work-related accidents in total at our production facilities in Chiang Mai, Thailand, and Hjoerring, Denmark¹¹. We always believe that one accident is one too many, and our ambition is to not have any accidents. Thus, we have safety initiatives to avoid any reoccurrence of such accidents as we constantly strive for maintaining high levels of safety, and all employees go through safety and first-aid training.



¹¹The health and safety data covers our corporate headquarter and production facilities in Denmark and Thailand. Sales facilities are not included.

CASE: PRODUCTION FACILITY IN CHIANG MAI, THAILAND

As a global company we believe it is central that we act with a purpose and promote good working conditions for our employees wherever we operate and Chiang Mai, Thailand is no exception. Our Thai production facility encompasses 546 employees as of December 2019 and have been certified by the Thai labour standard for more than 11 years which protects the rights of workers and ensure they have good working conditions. This year, we also obtained a special award by the Ministry of Labour and Social Welfare for 10 years consecutively maintaining Thai Labour Standard system in the workplace. As our people are the key to our success we continually work on the improving their work lives and working conditions. For example we have an after-school day care centre for children to ensure our employee's children are looked after during working hours. Additionally, we offer healthcare to improve the wellbeing of our employees and we are committed to the Georg Jensen Scholarship and Educational Fund Program to help our employees' funding their children's education.

We perceive ourselves as a contributor to the society in which we operate which is why we have a focus on CSR activities contributing to the local community. Among others, the local community projects cover renovation at a local temple in the community as well as canal cleaning in front of the factory area. The projects are proposed by our employees, making sure that they also have a voice in what Georg Jensen act on. Additionally, we donate to charity projects such as rural villages, and on "Buddhist Lent Day" all employees visit the local temple to engage in various rituals and give donations. One day a year, our employees also engage in "Plant for the Planet" with the purpose of reducing global warming while planting trees around the local community. Protecting the environment as well as workers, and caring for the local community in general is fundamental to us at Georg Jensen.



Picture of employees in Chiang Mai working on CSR projects mentioned above

6. UN GLOBAL COMPACT COMPLIANCE OVERVIEW

UN Global Compact Principles		Section
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