

Georg Jensen

2011 Communication on Progress

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Table of contents

1. Introduction to the report	3
2. Message from the CEO	3
3. Group strategy and UN Principles	5
3.1 The Strategic Roadmap	6
4. About the Georg Jensen Group	8
5. Environment	11
6. Social (Human Rights and Labour Rights)	13
7. Health and Safety	14
8. Production and Sourcing	15
9. Corporate Governance	16
10. Strategic Partnerships	17

1. Introduction to the report

For the third year since committing to UN Global Compact Georg Jensen files a communication on the progress report. This report covers activities for the entire Georg Jensen Group (Georg Jensen) as presented in the Group model below from 1 January 2011 to 31 December 2011. Georg Jensen still has development potential in relation to both the further development of our CSR strategy, actions and reporting in terms of data quality and in terms of our intent to provide uniform reporting for all areas of the Group. 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. The purpose of our reporting is to have transparency in terms of the actions we have initiated, the challenges confronting us and the goals we intend to pursue. This report covers the actions and results for the financial year 2011.

2. Message from the CEO

In 2011 Georg Jensen continued the trend of profitable growth established in 2010 and thus achieved a positive financial result for the second year in a row. Net revenue increased by 8% compared to 2010 and ended at DKK 914 million. EBITDA was DKK 65 million and net profit was DKK 6 million. The growth was mainly attributable to Asia (ex. Japan and Australia) growing 24% and the UK and the US growing 21%. This positive sales development was achieved in a highly unstable and uncertain macroeconomic environment. In the first half of 2011 the global luxury markets saw a recovery following the recession in the previous years, however, the second half of 2011 was once again negatively impacted by rising uncertainties, fiscal deficits in mature economies, rising inflation in high growth economies and record high commodity price.

In 2011 we continued the repositioning process and made considerable operational investments in growing the business whilst strengthening our positioning globally as the leading Scandinavian Luxury Lifestyle brand. Overall these strategic initiatives have diluted our net profit compared to the year before. We opened and refitted 25 new stores and shop in shops to our new concept and continued our iconic product innovation. Management was strengthened with key hires as was the sales organisation.

Our primary objectives are the continued elevation and building of the Georg Jensen brand and ensuring that the company remains firmly on a path of sustained, profitable growth over the long term. In the past four years a dedicated effort has been put to establish the fundamentals, optimizing and streamlining the organisation, processes and structures. Working strategically with wider price points, a more dynamic and edgy brand identity and assuring brand consistency throughout all consumer touch points have enabled us to attract a broader luxury audience at a global scale whilst leveraging the brand.

To capitalize on the strong foundation and to accelerate revenue growth ensuring return on investment, the Roadmap strategy was revisited in 2011. The updated Roadmap to Sales Excellence strategy defines our five Must Win Battles:

Scandinavian Living and Watch Internationalisation

The Scandinavian living category grew 7% in 2011 despite macroeconomic challenges in two key markets Denmark and Australia. An important element to success was the strong focus on developing products appealing to the international design conscious consumer.

In 2011 Georg Jensen launched our new Koppel Watch Collection anchored in our amazing Koppel legacy. Sale of our Swiss Made watches exceeded our expectations and in total the Watch Category grew 27% compared to 2010.

Retail excellence

Our Retail business grew 8% on a like for like basis equal to 57% of our total growth. With a strong KPI-driven performance culture throughout our more than 100 points of sales, we saw a consistent increase in the number of transactions, basket size and CRM base. Turnover in our new concept stores at Bond Street, London as well as Madison Avenue, New York grew 23% and 45% respectively.

Partnerships and Joint Ventures

We will continue to develop the business by partnerships within wholesale, franchise and joint ventures. These partnerships will work as international growth levers while keeping brand control. Directives and tools have been developed to ensure consistency with our directly operated stores and to project one global brand image.

Online Excellence

Our e-commerce is both a key sales channel and brand driver achieving 65% growth in 2011. We are investing strongly in this and our focus is to continue the expansion and development of our online presence in order to support cross channel sales and services. In 2011 we consolidated all our local sites to one global platform.

Focus Markets

We have selected certain focus markets of strategic importance. Focus will contribute to less complexity, a more streamlined business and the best possible return on investment.

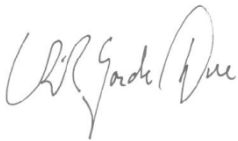
The global luxury consumer of today is more than ever willing to pay for authentic design of superior quality. The DNA and history of Georg Jensen is our most valuable asset and this has been a strong and important driver in the re-positioning journey started in 2007. Combined with our new designs and iconic globally recognized products we drive energy and emotions to our brand with an edgy and styl-

ish approach whilst tapping into the fashion world and lifestyle opinion leaders. Key for the success is to take global ownership of the unique position as the leading Scandinavian Luxury Lifestyle brand and to be the preferred gift destination for the global design conscious consumer. We will continue this journey also in 2012.

Although our profitability can and shall continuously improve, we are in a position to achieve steady and sustainable performance enhancement thanks to our solid fundamentals, proven ability to adapt to a changing volatile environment and our clearly defined Must Win Battle strategy. I am confident that we will continue to enhance our financial performance in 2012.

On this journey towards improving our business on wide scale we will also continue our CSR journey and our commitment to living up to the ten principles of the UN Global Compact. We will work actively on the expansion of our CSR initiatives and the transparency of our CSR work.

Our teams globally are fully united under our brand and we thank our teams and partners for their continued support. Together we look forward to executing Georg Jensen's growth agenda while continuing to invest in the future of the brand.



Ulrik Garde Due

3. Group strategy and UN Principles

Georg Jensen management is dedicated in their efforts to integrate the principles of UN Global Compact into Georg Jensen's business practice. This has been a set goal since Georg Jensen's signing of the UN Global Compact in 2009. The overall financial goal for Georg Jensen is to be an economically viable company and we believe that one important criterion for meeting our financial goals is to be both socially responsible and environmentally sound.

Working with CSR is an ongoing journey that requires constant monitoring, improvement and development. Consequently, Georg Jensen has decided to further structure how the CSR agenda is addressed and managed. Even though some elements of social and environmental responsibility have been on our agenda for years, we have recently embarked a more structured and strategic way of working with CSR – realising that it is a journey and with the rapid development of our business – new products, new material, more demand, the challenges are constantly increasing.

Increasing business demands have required expansion in our supply chain and the numbers of new suppliers mainly from China have increased.

In 2011 Georg Jensen defined our approach to CSR and to meet our challenges and work with CSR in a structured and targeted way Georg Jensen established in 2011 a dedicated CSR Management team. The CSR Management team is represented in top management and in the relevant part of the business.

The CSR management team will work targeted with discussing, evaluating and improving the efforts and results of our CSR work. As a part of the evaluation process work was initiated on establishing a data collection process a “Georg Jensen CSR log”. The quality of this process will be an ongoing process with the objective of improving the quality of information and transparency and our methods wherever possible.

Ever since Georg Jensen was founded in 1904 we have strived to ensure sustainable and democratic working methods. Focusing on producing timeless design and superior quality, the ambition is to provide sustainable design that can be passed on from generation to generation. Being a Danish brand Georg Jensen has for decades been submitted to a very progressive environmentally and sustainable political agenda. The high Danish standards both for labour rights, environmentally requirements and social responsibility have been the foundation for Georg Jensen building a sustainable business platform.

3.1 The Strategic Roadmap

The ambition when formulating the Georg Jensen Roadmap in 2007 was to make Georg Jensen the leading Scandinavian Luxury Lifestyle Brand. This is still the case. We want to create one brand, building a common global identity around the different products and categories. Key to the success on our on-going journey has been to take ownership of the position as the leading Scandinavian Luxury Lifestyle Brand and to be the preferred gift destination for the global design conscious consumer. Working strategically with wider price points, a more dynamic and edgy brand identity and assuring consistency throughout all consumer touch points have enabled us to attract a broader luxury audience. CSR is a natural part of this process as it is of vastly growing interest to luxury consumers and other Georg Jensen stakeholders in nearly all our markets.

The strategy in the 2007 Roadmap is built on four key pillars:

- Leverage the brand
- Retail led growth
- Underpenetrated markets and channels
- Operational Excellence

Based on the strategy a dedicated effort has been put into optimising and streamlining the organisation, processes and structures. Key focus areas have been optimising and strengthening our price pyramids, developing products with international reach and targeting a younger consumer group e.g. via our global Freja Campaign, social media etc. To bring Georg Jensen to the next level the overall strategy was revisited in 2011. The strategy update was based on the documented results built over the last three years and was initiated in order to prepare and align all parts of the business to meet the opportunities and challenges of today's luxury world. The conclusion of the strategy update process was apparent: The task is to evolve Georg Jensen into a true sales driven organisation and by that further drive the top line. How to do this is outlined in the updated strategy – The Roadmap to Sales Excellence. The Roadmap to Sales Excellence will be an important steering tool for Georg Jensen going forward. The five Must Win Battles defined in The Roadmap to Sales Excellence represent key focus areas. Each of them will give us the best return investing time, money and resources whilst contributing to growing top and bottom lines.

The Georg Jensen Must Win Battles:

Since 2007 Georg Jensen has worked on leveraging our jewellery business. The main focus has been developing a global jewellery assortment appealing to the international sophisticated jewellery customer and still being true to the DNA of Georg Jensen. Today the jewellery category represents 50% of our turnover and is our best established product category measured in financial terms. As the strategy for jewellery is well-defined and implementation is on track, jewellery is not defined as a Must Win Battle. So is the case with operational excellence as a key priority in our initial strategic roadmap and now a continuous focus area.

The five Must Win Battles are:

- Scandinavian Living & Watches – international Breakthrough
- Retail Excellence
- Wholesale/Franchise/Joint Ventures – conceptualisation and growth
- Online Excellence
- Focus Markets

It is our clear expectation that our increased focus on CSR will support and facilitate our journey towards fulfilling our Must Win Battles.

From a risk point of view working with CSR is also of great strategic importance. Certain Georg Jensen products are produced by sub-suppliers in mainly China. All sourcing is handled through our own sourcing office located in China. The use of a considerable number of sub-suppliers poses a risk of reduced control with the company's sourcing.

In 2011 the focus of our CSR activities was initiating a sourcing project with the main purpose of reducing the number of sub suppliers and entering into partnerships with selected suppliers.

Furthermore our focus has been on further improving the environmental and social conditions at our production facilities in Hjørring, Denmark and Chiang Mai, Thailand.

4. About the Georg Jensen Group

Georg Jensen has a long and proud tradition of design within the segments of Hollowware & Silver, Jewellery, Watches, Living and seasonal. Back in 1904, Silversmith Georg Jensen opened a shop in central Copenhagen in Denmark. He presented his items in a small wooden cabinet outside his shop. Georg Jensen's jewellery, cutlery and other designs immediately attracted attention, and his products became much coveted both in and outside Denmark.

Today, Georg Jensen is represented in 15 countries and on four continents, through its international network of more than 100 retail stores and wholesale accounts. The Danish approach to doing business prevails, however with respect for local culture. We are proud of our Danish roots and stay loyal to our heritage and tradition of ensuring high quality and unique craftsmanship. We live by our mission to enthuse, surprise and inspire our end user and customers all over the world.

Georg Jensen has an ongoing retail programme and its new store concept, The Scandinavian Luxury Lifestyle Home, is represented on five continents, with stores in Copenhagen, Denmark; Stavanger, Norway; New York & Bal Harbour, USA; Shanghai & Chongqing, China; Hong Kong; Taipei Kaohsiung, Taiwan; Sydney, Brisbane, Perth & Westfield Doncaster, Australia; Tokyo, Japan and Qatar.

In 2011, Georg Jensen had 34 directly operated stores, 8 franchise stores and 63 concession "shop in shops" in 15 countries in Asia, Europe, the Middle East and the US.

The Georg Jensen Group
Group model



Georg Jensen has production facilities in Copenhagen (Denmark), Hjørring (Denmark) and Chiang Mai (Thailand). On December 31st 2011 Georg Jensen employed 1,195 people. In 2011, Georg Jensen's net turnover totalled DKK 914 million with an EBITDA of DKK 65 million.

Georg Jensen is a 99% owned subsidiary of the Royal Scandinavia Group which is owned by RS invest – owned by the private equity fund Axcel II A/S, FIH, Maj invest and PKA. As a private equity-fund owned company, Georg Jensen follows the guidelines and recommendations issued by the DVCA (Danish Venture and Private equity association), or explains where and why the recommendations are not followed in whole or in part. The recommendations include guidelines for the description of a number of elements including corporate governance, financial risk, employees, strategy and corporate social responsibility.

4.1 Georg Jensen Vision and Mission

Georg Jensen has a clear vision. We will globally take ownership of the Scandinavian Luxury Lifestyle position and become the preferred gift destination for this segment. Based on our values, our heritage and our tradition for craftsmanship, quality and the Danish design legacy we have a strong and authentic platform for building one global brand for a broader luxury audience.

4.1.1 Vision

Georg Jensen's vision is to offer the Scandinavian Luxury Lifestyle Universe to the design conscious consumer and to claim the position as the world's leading Scandinavian Luxury Lifestyle Brand.

4.1.2 Mission

It is our mission to enthuse, surprise and inspire the global, design conscious consumer through our unique, timeless designs and tradition for high quality and craftsmanship.

Our mission consists of these five areas one of which specifically addresses Georg Jensen's responsibility towards society:

We want to be a responsible member of society and comply with all rules and regulations. We want to live up to the CSR of our business with respect to the health, safety and security of our surroundings and environment.

As reflected in our strategy, Vision and Mission, Georg Jensen upholds a strong commitment to CSR and has in 2010 initiated practical actions and implemented changes that have contributed to a more sustainable and responsible business practice. These practical actions and how they have contributed to making Georg Jensen more sustainable and responsible will be described further in the following chapters.

5. Environment

Georg Jensen supports the precautionary approach to environmental challenges and believes that businesses should undertake initiatives to promote greater environmental responsibility. Georg Jensen is making an effort to reduce its impact on the environment, both in relation to the communities with which Georg Jensen interacts when manufacturing, transporting and selling its products and the global environment as a whole.

We acknowledge the human-induced climate change and are committed to environmentally sensitive activities. All three of Georg Jensen's production facilities, Copenhagen and Hjørring (Denmark) and Chiang Mai (Thailand) are subject to environmental inspections and comply with legislation and international standards.

Georg Jensen takes actions that go beyond legal compliance, by optimising usage of raw materials and energy, taking preventative actions against contamination and pollution and optimising usage of recyclable raw materials.

In 2011, the environmental inspections of Georg Jensen's production facilities elicited no comments.

The results

At our Danish production site a number of projects have been initiated to improve our gold workshop. Our plating process facilities have installed new equipment for stripping gold and nickel from defective items. Our previous processing equipment used nitric acid and had a process time of 12 hours for a small amount of items. In 2011 we integrated this process in our normal plating process equipment, changed the nitric acid to a mild kind of solution. Now the process time is reduced to 10 minutes and the pollution in terms of waste and vapour was reduced to a minimum and the vapour is also much cleaner.

Sorting for recycling

Furthermore, in 2011 we implemented sorting for recycling, especially plastic foil used for packaging. Every year Georg Jensen receives several tonnes of plastic.

Flooding in Thailand

In 2011 Thailand experienced the worst flooding in years, leaving more than 420 people dead and causing severe damage across the country. The floods severely damaged and disrupted manufacturing operations in Thailand. The damage to the industrial sector was in the billions of dollars.

Georg Jensen's workshop was not directly affected by the flooding but as the magnitude of the flooding affected all living in Thailand it was obvious to the Georg Jensen Management that they needed to contribute and help wherever possible.

Together with students from the Chiang Mai University 50 Georg Jensen employees worked two days as part of the wastewater treatment project in the flood area. Together with other volunteers they helped mould effective microorganism balls. The balls were distributed in the wastewater in central Thailand and in Bangkok where the microorganisms helped to clean the water, re-establish the natural pH balance in the water and eliminate the smell of dirty water.

Nature disaster in Japan

In April 2011 Japan was hit by a devastating earthquake, resulting in thousands of dead and wounded. Luckily our staff and their families were safe after the natural disaster.

At the time of the earthquake Georg Jensen was just about to launch our Koppel Pendant Watch redesigned by the Japanese designer, style icon and DJ Verbal. In order to support the Japanese people Georg Jensen decided to donate all the revenue of the sales of the watches to the Japanese Red Cross. With the help of the Danish Red Cross Georg Jensen donated DKK 250,000 to the Japanese people.

Reducing CO2 emissions

In 2009, the manufacturing site in Thailand started its journey of turning the production facility CO2 neutral. In the first year 500 employees and executives planted 13,000 trees, which was sufficient to neutralise all the CO2 the factory emits into the atmosphere.

Since then Georg Jensen in Thailand has continued planting trees in a local attempt to fight global warming through the Plants for the Planet Project. In 2010 10,000 trees were planted and in 2011 another 12,000 trees in the area of Ban Huai Bo Thong Village. The 35,000 trees have all been planted in collaboration between Georg Jensen in Thailand and the Project of Conserving, Studying and Developing the Forest of Ban Pong from the Royal projects, in San Sai District, Chiang Mai Province.

5.1 Community engagement

In 2011 the collaboration with the Red Cross became global. Georg Jensen's Joy of Giving Campaign has been a tradition in Denmark for some years and now this wonderful way of helping the Red Cross has been initiated in all Georg Jensen's markets. The idea is that Georg Jensen asks its customers to round up the amount when buying Christmas gifts – the donation will then be doubled by Georg Jensen. Special Georg Jensen/Red Cross products are also sold for the benefit of the good cause. All in all the 2011 Joy of Giving campaign raised DKK 640,000 for the Red Cross.

Giving blood in Thailand

This activity was held on the occasion of National Police Day (10 October 2011). The office of Sankamphang Police station in cooperation with the local Georg Jensen Management Team and 50 of employees as well as Danish staff joined the blood donation session organised by the office of the Thai Red Cross Society.

The purpose of joining this activity is to support the Thai Red Cross Society so that it has adequate blood to help people in the local community.

Children's day in Thailand

As a part of our local engagement, the workshop in Thailand supports children who live in poor conditions. We do this every year with our Children's Day. The idea is to help a small village with basic needs in order to ensure a better and safer world for children in need. The criterion for choosing the village is that it should be the home village of one of our employees at the workshop.

This is to ensure local commitment and engagement with a longer potential than just being in a village for one day. In 2011, Ban Kong Pa School was offered financial support to repair the canteen. Gas cooking stoves were installed in order to make it easier to cook for all the pupils. The school also received books, sports equipment, new school uniforms, stationery and teaching materials. Altogether 300 people including the people from the village took part. 150 Georg Jensen employees were involved in this annual activity and tradition.

6. Social (Human Rights and Labour Rights)

Georg Jensen supports and respects the protection of internationally proclaimed human rights and the freedom of association as well as the effective recognition of the right to collective bargaining. Social responsibility forms an important part of Georg Jensen's core values; since its foundation in 1904, numerous actions have been undertaken to improve the social welfare of employees and the community as a whole. As a global company, Georg Jensen has applied its values of social responsibility to its activities in other parts of the world while always respecting local cultures. Georg Jensen participates actively in social, educational and health-promoting initiatives.

Georg Jensen does not discriminate based on nationality, race, religion, age, sex, marital status, sexual orientation, disability, trade union membership, political affiliation or personal opinion.

The manufacturing site in Thailand is certified to “Thai Labour Standard TLS 8001-2003”, which combats discrimination and requires compliance with the maximum working hours requirements in Thailand, while also securing the employees’ right to freedom of association.

Georg Jensen has a clear policy of no tolerance towards child labour. All suppliers are committed to live up to ILO standards that sets the general minimum age for admission to employment or work at 15 years (13 for light work) and the minimum age for hazardous work at 18 (16 under certain strict conditions). It provides for the possibility of initially setting the general minimum age at 14 (12 for light work) where the economy and educational facilities are insufficiently developed.

On our own production facilities we have even stricter requirements e.g. minimum 16 years for light work and minimum 18 years for normal work.

Our internal Quality Control team perform regular visits with all suppliers and there have been no incidents of child labour on any Georg Jensen production facilities or at any Georg Jensen suppliers.

7. Health and Safety

Georg Jensen considers health and safety very important and aims to provide a safe working environment for its employees at all times. To that end, Georg Jensen arranges safety training every year for all employees, where extra attention is given to occupational health and safety at the manufacturing site in Thailand.

This awareness has reduced the number of incidents at our Thailand manufacturing site to a quite low level compared with similar factories in Thailand. The number of work-related accidents in Thailand was only two in 2011, compared to one in 2010. Both of the incidents were minor and the workers resumed their work shortly after the incidents.

To improve health services Georg Jensen has moved the nurse room into the production area, in order to be promptly at hand in the case of any urgent treatment should an accident happen.

Furthermore we have strengthened our focus on HIV/AIDS and continued our fight against the use of drugs among our staff. Our approach is to help the employees and the local community as well.

Our focus on HIV/AIDS problems has been certified by The Department of Labour Protection and Welfare, the Ministry of Labour and the Department of Disease Control about effectively managing HIV/AIDS in the workplace in line with the following ASO criteria: Non-discrimination towards employees living with HIV/AIDS.

Our workshop in Thailand is located near “The Golden Triangle”, which is an area that sadly, for a long period of time, has been struggling with drug issues. To support the national antidrug programme in Thailand Georg Jensen has had a specific drug policy for many years, outlining how we handle employees with drug problems or addictions. As the only non-Thai company Georg Jensen received in 2011 the Royal prize “To Be Number One” for our antidrug programme. The prize is given personally by His Royal Highness King Bumibol of Thailand and is one of the most prestigious prizes in the country. Georg Jensen has received the prize 7 years in a row and is today a learning centre for other companies in how to implement and manage an effective drug policy.

Anti-corruption

Georg Jensen has performed an overall risk assessment regarding anti-corruption. This has shown that the main risk is the supply chain in China.

As one measure to reduce this risk it is clearly stated in the supplier code of conduct that corruption in any form is not tolerated and that Georg Jensen expects their suppliers to implement anti-corruption procedures in their cooperation with sub-suppliers.

A Georg Jensen CSR mail box has been setup for reporting of potential incidents of corruption. Any reported incidents will be handled individually by the CSR core team with involvement of relevant parties.

To this date Georg Jensen has had no reported incidents of corruption.

8. Production and Sourcing

Georg Jensen has a long history of producing elegant, authentic and timeless design and delivering high quality Hollowware & Silver, Jewellery, Watches, Living and Seasonal products. Our pieces are often passed down through generations or re-sold as collectible items. Therefore, Georg Jensen goods can be considered sustainable, in that they are long lasting, reusable and recyclable.

In the Jewellery and Luxury Living products sector – especially when working with precious metals and jewels – supply chain management is identified as an area of CSR risk.

Georg Jensen maintains continuous dialogue with suppliers to optimise knowledge of and compliance with our principles and policies. The sourcing of gold, silver, brass, steel and precious stones can be a burden on the environment and requires strict health and safety standards.

Georg Jensen’s main suppliers of gold, silver and precious stones are from major suppliers that are certified by the ‘Responsible Jewellery Council’ and thereby comply with UN Global Compacts 10 principles.

Secondly, all of Georg Jensen's suppliers must comply with all international standards relating to the environment and labour conditions as well as with international human rights declarations. During 2011 Georg Jensen strengthened our focus on third-party suppliers, mainly from China, that supply our living products. These suppliers are obliged contractually to comply with the UN Global Compact 10 principles. We have conducted CSR surveys at supplier sites, strengthened the dialogue and set more specific requirements regarding CSR, the environment, working conditions and human rights conditions. This approach will continue in 2012 with our annual CSR activity plan.

9. Corporate Governance

In June 2011, the Danish Venture and Private Equity Association (DVCA) updated guidelines for responsible ownership and sound corporate governance for private equity funds and the companies they control. The recommendations include guidelines for the description of a number of elements in the management's review, including corporate governance, financial risks, employees and strategy. As a private equity-fund owned company, Georg Jensen A/S must either follow these recommendations or explain why the recommendations are not followed in whole or in part.

Georg Jensen A/S' corporate governance generally follows the DVCA recommendations, with the exception that the recommendations state that the annual report must include a description of revenue and earnings by key business segment as well as the expected development in revenue and earnings. On competition grounds, this recommendation has only been followed to a limited extent. Furthermore an audit committee has not been established. Given the company size, the ongoing dialogue, the high frequency of Chairmanship meetings and discussions with Royal Scandinavia the shareholders the Board assesses that there is no need for a separate audit committee. For further information please see DVCA homepage (www.dvca.dk).

In 2011, the Board of Directors of Georg Jensen comprised seven members. Lars Nørby Johansen holds the post of Chairman of the Board of Directors and Nikolaj Vejlsgaard holds the post of Vice Chairman. The other members of the Board of Directors are Anne Monfray-Leopoli, Claire Kent, Ole Andersen (resigned), Claes Hansted (elected by the employees) and Inge Andersen (elected by the employees).

The CSR management team (Erik Olsen, Annemette Moesgaard and Ditte Fruelund) holds the responsibility for Corporate Social Responsibility. They coordinate with relevant members of the Board of Directors regarding CSR activities.

10. Strategic Partnerships

In 2008, Georg Jensen began our collaboration with the Danish Red Cross and launched our Christmas Joy of Giving platform. Today the Joy of Giving is both our Red Cross Christmas platform as well as the general marketing platform throughout the year, positioning Georg Jensen as the preferred gift destination. The positioning as the preferred gifting destination is also an important element in our aim towards retail excellence. In 2011 Georg Jensen syndicated the campaign to our global markets and for the first time ever, Georg Jensen in Australia, United States, United Kingdom, Hong Kong and Japan were involved in raising money for the essential work done by the Red Cross across the world. The campaign is now not only a cherished Danish Christmas tradition but also a global phenomenon that celebrates the Joy of Giving during all gifts giving seasons globally – like Chinese New Year, Valentines and Mother's Day.

Celebrating Christmas – the biggest gift giving season of the year – each year we ask local celebrities from all participating countries to help us promote the campaign and to engage our customers to donate money for a good cause. Each customer visiting a Georg Jensen store is asked to either round up their total purchase amount when buying their Christmas gifts from us, or, alternatively, purchase one of the hand-picked Georg Jensen products from which all profits go directly to the Red Cross. For every dollar, pound or Danish krone given by our customers, Georg Jensen doubles the amount. In 2011 the total contribution from Georg Jensen to Red Cross was DKK 630,000.

Our future CSR journey

Our future CSR journey will continue our responsibilities towards people, society and environment as well as our commitment to running a financially viable business in a sustainable way. More specialised products and faster development from design to launch increases the demands on our supply chain. An increasing amount of new suppliers, mainly in China, increases the demand for a dedicated, structured and targeted way for Georg Jensen.

In 2011 we embarked on our real CSR journey by establishing the CSR management team, and started the mapping of our suppliers. During the coming year the CSR management team will, together with each business unit, map the individual supply chains, identify potential risks and thereafter define individual CSR plans. To enhance each business unit's commitment to CSR, individual KPIs will be defined annually and reported in future annual COP reports. Our target for 2012 is to have the full overview of our supplier base for each business unit and thereby consolidate improvement plans for the future.

As a company we are satisfied with the result we have achieved so far. However, we realise that we still have a lot more to deliver regarding CSR in 2012. We will celebrate our progress but the most important aspect is to focus on new areas where we can improve our performance in CSR – for the benefit of people, society and the environment.

Georg Jensen looks forward to continuing the CSR journey and working with the UN Global Compact Principles in order to make Georg Jensen an even more sustainable and responsible company.

For more information about Georg Jensen, please visit our webpage or contact: Erik Olsen, Quality & CSR Manager at email: eol@georgjensen.com