CORPORATE SOCIAL RESPONSIBILITY HOW WE WORK WITH SUSTAINABILITY



NEW WAVE DANMARK A/S

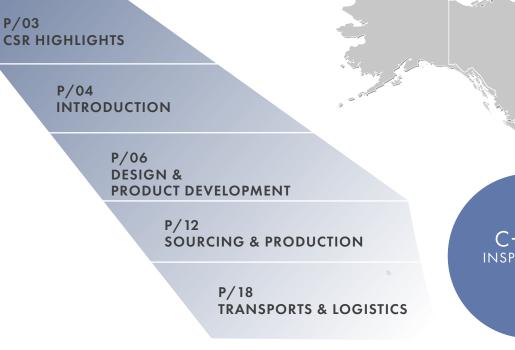
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ABOUT NEW WAVE GROUP

New Wave Group is a growth company that designs, acquires and develops brands and products in the corporate promo, gifts and home furnishings sectors.

New Wave Group was established in Sweden 1990 and has since gradually expanded in Europe, North America and Asia. New Wave Group's organization is decentralized, with a high degree of independence and self-determination being delegated to company management, but with the advantages of belonging to a larger group.

VISIT OUR WEBPAGE www.newwave.dk



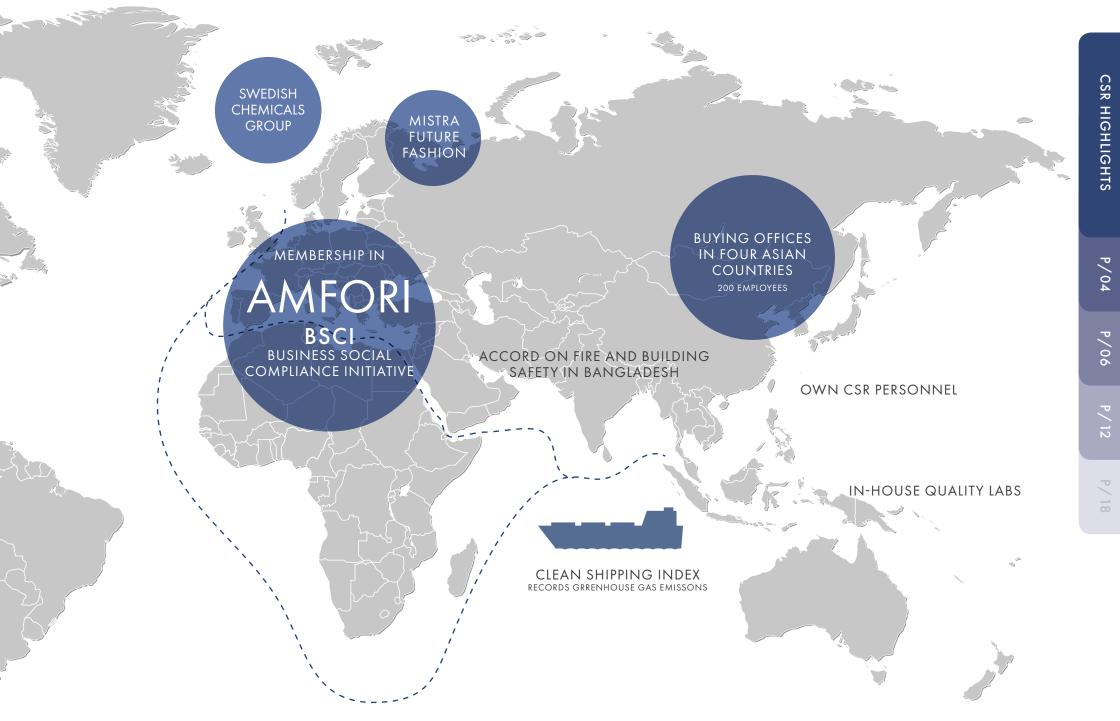
FLA

MEMBERSHIPIN

FAIR LABOUR ASSOCIATION

C-TPAT INSPECTIONS

2 300 EMPLOYEES WORLD WIDE



OUR VIEW ON SUSTAINABILITY

The world is faced with several challenges in the light of sustainability. We must all take responsibility for our global impacts, so that we can meet the needs of today without jeopardizing the future. Do you want to be a part?

We use the term CSR (Corporate Social Responsibility) to describe our work with sustainability. CSR includes all three dimensions of sustainability; social, environmental and financial responsibility.

The purpose of this folder is to inform customers, investors and other important stakeholders about our work and ambitions with CSR. We believe it is fundamental for a listed company to communicate how we aim to achieve sustainable growth. It gives us the opportunity to highlight our accomplishments so far – but also reflect on how we can improve.

CSR is all about commitment and long-term thinking. The true impact depends on the actions we take on a daily basis. Therefore, we have identified three focus areas which we believe are the most important in order for New Wave Group to integrate sustainability with our core business.

OUR THREE FOCUS AREAS ARE:

- 1 Design and Product Development
- 2 Sourcing and Production

3 Transportation and Logistics

The objective is to minimize any negative impact that could occur from our business and at the same time maximize the positive effects. We also want to help our customers make conscious purchasing decisions. Your decision matters for the world to succeed with the global sustainability goals. Each purchase is a vote with your wallet on which products and which companies that should be successful on the market, today and tomorrow!



Our CSR-symbol demonstrates how social and environmental responsibility goes hand in hand. People and Planet!

CEO STATEMENT

A company can only be long-term successful if its operations at the same time is sustainable. We want to be a profitable company not only today, but also in the future. Thus, it is a natural part of our long-term thinking to adapt business solutions which will integrate financial responsibility with social and environmental responsibility.

New Wave Group has the possibility to contribute and make a difference through our global operations. I'm proud of that. We always strive to find better and smarter solutions to the challenges we face. However, sustainability is a progressive target – and the journey of New Wave Group has in that perspective only just begun.

"The company engine runs on growth, but with sustainability as its navigator"

> TORSTEN JANSSON CEO



IT STARTS WITH SUSTAINABLE PRODUCTS

We have long experience with design and product development. This is always the first step towards sustainable products, regardless of wheter it concerns garments or famous crystal art.

Over the past 30 years, the consumption of garments and textiles has almost doubled. With an increasing world population and a growing middle class, it is high time to address the issue with our fast consumption of resources. We must focus more on the longevity of products, especially considering the linear nature of the textile industry.

Consumers can act more sustainable by prioritizing quality and optimizing the length of use. The impact of such changes could be large. For example, did you know that if an average garment could stay in use three times longer than today, its carbon footprint is reduced by 65% and the water use by 66%? These figures come from Mistra Future Fashion, a world leading research program on sustainable fashion where New Wave Group is an active partner.

To ensure the quality of our products, New Wave Group has invested in in-house quality labs. We have professional equipment to perform a wide range of quality tests, such as colour fastness, pilling and dimensional changes during washing. Our products should meet the expectations of our customers, as well as our own high expectations.

THINGS TO CONSIDER FOR A MORE SUSTAINABLE CHOICE:

- Invest in high quality products (to enable long life-span).
- Follow care instructions.
- Consider which transportation to use when purchasing the product.
- Ask producers for more information about their sustainability work. Support brands you think are doing a good job.
- Use garments as a statement for your values
- Enable further use of the product by providing it to resellers/second hand





ECO-FRIENDLY OPTIONS

New Wave Group aim to introduce more sustainable and eco-friendly materials in our range of products. We want to increase the amount of products coming from sustainable sources and help our customers to imbed social and environmental criteria in their purchasing decisions. With that said, let us proudly present some examples of products developed with extra care of people and planet!

Oeko Tex is the world's most recognized and independent product label for all types of textiles tested for harmful substances. Garments with the Oeko Tex-label have been successfully tested for chemicals

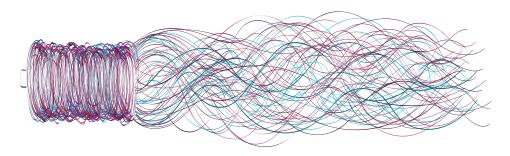
that pose a health risk, and therefore contribute to an effective consumer protection, taking into consideration both REACH and non-regulated substances. Within our brand CLIQUE, more than 80 % of the assortment is certified by Oeko Tex. You can also find Oeko Tex-certified work wear from PROJOB.



To support the development of organic cotton farming, New Wave Group is a member of Textile Exchange. Textile Exchange is an international non-profit organization working for a sustainable textile industry.

SPUN DYED POLYESTER

The biggest environmental impact in the life cycle of clothes derives from the fibre processing and wet treatments. Normally, this requires huge amount of water, chemicals and energy. Spun dyed polyester is a way to add colour to polyester fabric in a much improved way. Instead of soaking fabric or yarn in water with dyestuffs, the colour pigment is added into the polymer melt. Thus, the color pigments become an imbedded part of the fiber prior to extrusion. Not only does this eliminates the need for a conventional wet dyeing process – saving approximately 60 % energy and water – it also result in excellent quality properties such as improved colour fastness. Garments made out of spun dyed polyester are available among our brands PROJOB, CUTTER&BUCK.



OUR AMAZING CHRYSTAL GLASS!

Garments is just one example of materials that could decrease its environmental impact. Another important material is glass. Glass affects the environment in several ways and historically, many substances have been used that are harmful to the environment. Orrefors Kosta Boda has conducted active environmental work for a long time and has been world leading in its ambition to create crystal glass without lead and arsenic. This glass is sometimes referred to as "eco-crystal" - but in Kosta Glassworks it is simply the material we use for the entire glass manufacture in Kosta. Welcome to visit us and take part of a true craftsmanship that has been ongoing since the year 1742.

SE 14-218 Swerea IVF Testad för hälsofarliga ämnen.

CHEMICALS

Our products must be safe and free from restricted chemicals. We have made this work a priority, both in efforts and resources.

Knowledge is power. Most chemicals are present in our everyday-environment and part of a modern lifestyle. Not all chemicals are associated with danger. However, it is important with adequate knowledge to handle chemicals in a correct and safe manner.

For this reason, New Wave Group is a member of the Swedish Chemicals Group, led by the testing institute Swerea IVF. We receive the most updated information on legislation and research on chemicals, which supports our active work to reduce and replace chemicals in line with best available technique.

All New Wave Group-suppliers must follow the requirements stated in our Restricted Substance List (RSL). The list has been designed in accordance with legislations such as REACH (European Union) and other industry recommendations and standards. As a result, our requirements sometimes are stricter than the applicable legislation. The RSL is continuously updated, with assistance from our partner lab SGS and Eurofins.

We also conduct testing and spot checks to ensure that our requirements are being respected and adhered to. We conduct about 300 different chemical lab tests in a year, including textile products as well as products made out of plastic or ceramic. A test report is never a guarantee of a products chemical content, but an important tool for us to get an indication of product compliance and maintain a systematic work regarding chemicals.

We also benefit from product labels. For example the Oeko Tex label, mentioned on page 8, demonstrates that the complete composition of the product has been independently tested and certified for safe textile in regards to chemicals and restricted substances.



The Chemicals Group meet on regular basis to discuss the latest news and updated of REACH and other chemical legislations.



The unique certification number allows you to verify the validity of a certificate

IMPROVING WORKING CONDITIONS

We must ensure that our business operations respect human rights and labour conditions. Here we will tell you more about our work to improve working conditions in the global supply chain.

Most of our products are produced by specialized and external suppliers. We have a wide range of products within New Wave Group, which requires different skills and manufacturing techniques. However, we also have some in-house production units. This you can read more about under the section In-house Production on page 17.

WHERE WE OPERATE

New Wave Group is never far away from the production. We have our own buying offices in charge of sourcing and production. Our offices are located in China, India, Vietnam and Bangladesh where we have approximately 200 employees.

China is our biggest office and country of production. In addition to our main office in Shanghai, where we have been operating since 1992, we have three minor offices in Qingdao, Xiamen and Nanchang. Our procurement strategy is to purchase directly from our suppliers and to cut intermediaries that could jeopardize our control of the supply chain. Being represented on site enables us to have a close partnership with our suppliers and to actively monitor flow of goods and quality.

Our buying offices are an important part of our social and environmental responsibility program. The biggest strength of New Wave Group is that we have our own CSR personnel dedicated to visit, support and train our suppliers in sustainability questions. We offer more than audits. We offer an extended hand, which enables us to have a sincere communication and face challenges together.

HUMAN RIGHTS AND WORKING CONDITIONS

We are aware of the responsibility that comes with sourcing goods in countries with different legal standards and labour conditions. Many challenges in developing countries can be related to poverty and lack of welfare systems. We always aim to have an open dialogue with our suppliers and discover potential issues in time. Having good suppliers is key for our business and we depend on their business operations as much as they depend on ours. Hence, we care about the situation on the factory floor and that the suppliers are treating their workers with respect and according to law.

CODE OF CONDUCT

New Wave Group has adopted the Amfori BSCI Code of Conduct. A Code of Conduct is a policy which contains requirements such as minimum wage, working hours, the prohibition of child labour and several other requirements from the ILO Conventions and the UN Declaration of Human Rights. The Code of Conduct summarizes what we expect from our suppliers when it comes to social and environmental responsibility.

We are members of Amfori BSCI (Business Social Compliance Initiative) which is a global initiative for companies committed to improve working conditions in the supply chain. Companies all over the world are working together, using the same Code of Conduct, meaning that more than 2'000 companies have adopted the code. Together we reach out to approximately 30'000 unique suppliers worldwide.

amfori BSCI Code of Conduct

Our enterprise agrees to respect the following labour principles set out in the amfori BSCI Code of Conduct.

amfori BSCI Principles





Workers' Involvement and i Protection

> Our enterprise keeps workers informed about their rights and responsibilities

www.amfori.org



Supply Chain Management and

Our enterprise uses the amfori BSCI Principles to

Cascade Effect

influence other business partners.

Grievance Mechanism

Our enterprise provides a system to collect

complaints and suggestions from employees.

BSC

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The Amfori BSCI-membership comes with many advantages. The harmonization helps us to create transparency and precision in our supplier requirements. Co-operating with other brands further improves our ability to implement changes, as we will have a stronger voice together. At the same time, we minimize costs and administration related to the monitoring process for both members and suppliers.

HOW IS AMFORI BSCI MONITORING WORKING CONDITIONS?

The Amfori BSCI-membership also comes with a commitment. New Wave Group has committed to implement the Code of Conduct in our supply chain and engage our suppliers in third party inspections performed by professional auditors, accredited by SAAS (Social Accountability Accreditation Services). Our goal is to include all our suppliers in Amfori BSCI or an equal monitoring system and that the audit should result in a good grade.

A Amfori BSCI-audit results in an overall grade between A-F to summarize the supplier's performance. The audit takes into account the actual working conditions as well as management systems and policies established to ensure a systematic work. In total, thirteen different performance areas are evaluated. The audit could take several days to complete depending on factory size. During the audit, the auditor makes a visual examination, for example an emergency evacuation plans, interviews workers and observes records and documentations.

The most common grade is C, which can be translated into "Acceptable". There are usually some non-compliances that must be handled, but the labour conditions do not violate the Code of Conduct ore pose an immediate threat to workers health and safety. A supplier with grade C needs to make a Corrective Action Plan and re-audit within one year. The main reason for a lower grade could be lack of management systems, failure in the cascade effect towards sub-suppliers or lack of systematic follow-up of the working environment. Another common non-compliance is excessive overtime work. To address such issue requires dedication and the ability of production planning. It is important to have a long-term perspective and work for continuous improvements.



The amount of Amfori BSCI-audited suppliers has continued to grow on an annual basis, in line with our goals and expectations. Since AmforiBSCI enables companies to co-operate, it has rapidly become an acknowledged membership and an investment in the eye of the supplier. Currently approximately 80 % of our buying volume through our buying offices.

Amfori BSCI is not a certificate. It is an ongoing process and a tool which require commitment from its member in order to succeed. The most important work begins after the audit is completed. For this reason, it is not allowed to use the Amfori BSCI logotype as a product certificate or to promote special products by indicating factory compliance in relation to Amfori BSCI. The Amfori BSCI logotype should only be used to indicate membership of brands.

OTHER IMPORTANT INITIATIVES

New Wave Group is one of the respectable companies that have signed the Accord on Fire and Building Safety in Bangladesh. The Accord is a legal agreement to improve the safety of textile factories in Bangladesh, with focus on building construction, electrical- and fire safety. All suppliers of New Wave Group have been inspected and we have now entered into the remediation process where all findings must be corrected. We are happy to be part of the initiative and witness the solid improvements taking place on the factory floor. The Ready Made Garment industry is very important to the Bangladeshi economy and the single biggest

export income. The Accord directly affects two million workers, making it one of the greatest social initiatives in modern time.



"The biggest strength of New Wave is that we treat our suppliers as partners. Suppliers know there is always an extended hand, which enables us to have a sincere communication. There is still much work to be done in Bangladesh, and we accept the challenge step by step."

MIZANUR RAHMAN Works as the CSR-manager for New Wave group in Bangladesh. He has worked over 20 years in the industry and is accredited Amfori BSCI-auditor







In January 2018, BSCI changed the name to Amfori! The new name is a part of the launch of a new ambitious strategy called "Vision 2030".



New Wave Group is also associated with Fair Labour Association (FLA) through our subsidiary CUTTER & BUCK. Our FLAcommitment applies to all suppliers producing for the American ASSOCIATION, market. FLA is an independent organization working with social

accountability, comparable to BSCI. Each year, FLA will handpick suppliers from our supply chain to be audited for social compliance. The audit reports will be published on the FLA website for you to take active part in the progress and findings



of individual factories.

American suppliers are also obliged to participate in our work for safe transportation and anti-terrorism. The Customs-Trade Partnership Against Terrorism (C-TPAT) is a voluntary initiative of U.S. Customs and Border Protection (CBP) to build relationships that strengthen international supply chains and improve U.S. border security. CBP organizes regular visits to our suppliers for on-site inspections. Although C-TPAT is not linked to the traditional CSR topics, it demonstrate how multiple stakeholders are monitoring our supply chain.

WORKING FOR PROGRESS

Improving working conditions requires more than monitoring. It also means to challenge cultural differences and to find solutions that will lead to long-term sustainability. It is a sincere ambition we have to be genuine in our CSR-work and focus on real improvements.

Sometimes, this will require communication on a higher level than with individual suppliers. Therefore, an important mission for our CSR-team is also to participate in local forums and roundtable discussions. For example, we participate in the Amfori BSCI National Group three times per year. Another important forum is Buyers Forum in Bangladesh, which is organized by World Bank Group IFC-SEDF. The forum consists of well-known fashion brands and together we put pressure on both suppliers and politicians. For example, the forum wrote a letter to the government in Bangladesh regarding the question of minimum wage.

CONTIONOUS IMPROVEMENTS

We strive for continuous improvements and step-by-step actions. Everything can be improved - always! Through regular visits and communication, we attempt to discover findings in time or to suggest actions that could lead to business improvements.

Everything is not perfect. Sometimes we identify non-compliances to what we expect from our supplies. If we discover findings, we prefer to develop an action plan in order to bring the supplier back to an acceptable standard, rather than to end our cooperation. By such means, New Wave Group can achieve the highest compliance levels while contributing to social development in the countries of production.

That is taking responsibility in our opinion.



A pat on the buck is always encouraging! For two years in a row, we have been awarded with "The Environmentalist of the year", voted by costumers and actors in the Swedish corporate promo sector.



IN-HOUSE PRODUCTION

New Wave Group owns a few production units. In Sweden, our brand SEGER has its knitting factory in Röshult where the production has been based since the company was founded in 1947. In the Netherlands, TOPPOINT has a printing unit for pens and mugs and in Denmark, our subsidiary DAHETRA owns a facility for embroidery and transfer printing. A similar embroidery unit can be found in the U.S where we have our subsidiaries PARIS GLOVE and CUTTER & BUCK.

Our glasswork in Kosta is Sweden's oldest still operating glasswork. The furnaces have been lit since 1742. We

welcome you to witness a genuine Swedish handcraft. All year round you could follow the production of ORREFORS and KOSTA BODA products; from the melting of the glass to the blowing, cutting and painting.

In-house production has the benefit of direct influence, which gives us even better opportunities to work with sustainability. For example, the entire production chain in Kosta is ISO-certified for quality and environmental management. Waste heat from the glassworks is delivered to the community's district heating network. In 2007 and 2008, we replaced heating oil with biofuel-based district heating, which resulted in a 1'700 ton reduction of CO2 emissions.

Further, SEGER has during 2017 completely switched to energy from wind power in the production, which brings us one step closer to a green manufacturing plant in Sweden.

The work to recycle and reduce waste is an on-going part of the daily environmental efforts. With leftovers of raw material, SEGER could produce 200 knitted caps which were donated to the City Mission of Stockholm – sustainability at its best.

"We are the first generation that can end poverty, the last that can end climate change."

Ban Ki-moon, UN Secretary general 2007 – 2016

TRANSPORT AND LOGISTICS FOR A SUSTAINABLE CLIMATE

Two degrees celsius. That is the planet boundary for global warming. The temperature is rising faster than predicted and it is due to our emission of greenhouse gases.

The transport sector therefore plays a vital part in the fight for our climate. For New Wave Group, transportation and logistics is a key question as we depend on a well-functioning distribution network. Hence, transportation and logistics must be effecient and sustainable to meet our requirements.

Most of New Wave Group transportations consist of container shipments between Asia and Europe, resulting in an average shipment of 3 000 containers per year. For long-distance transportations, freights by air or by sea are usually the only available transport mode. Air freights have the highest emissions of greenhouse gases. Even though air freight accounted for less than 2 % of our transported goods between Asia and Europe during 2015, it generated approximately half of our total emissions of green-house gases, which clearly demonstrates the need for a Zero Vision and to keep air freights to an absolute minimum. We can all act more responsible by planning orders in time.

We have two main strategies to decrease our environmental impact and to cut our emission of greenhouse gases. First of all, we strive to streamline our own logistics and operations. Within New Wave Group, we club together as much of our shipments and transports as possible. It reduces the environmental footprint as well as the financial cost for our company. Hence, we consider sustainable distribution as a natural part of our journey towards a more profitable company.



New Wave Group strike to contribute to the UN's 17 global sustainability goals. One goal is about fighting climate change.



"With a large flow of goods, New Wave Group have a great opportunity influence the environmental impact."



The initiative Clean Shipping Index aim to impact the freight companies to use cleaner vessels and upgrade their fleet of ships in order to reduce greenhouse gas emissions and chemicals in our oceans.

Our second strategy is to influence the transportation providers that we are cooperating with. The biggest impact from an environmental point of view can be achieved by investments in eco-friendly fuels and vessels with improved fuel- and energy efficiency. New Wave Group is therefore a member of Clean Shipping Index (CSI). The initiative was founded in 2007 and aim to impact the freight companies to use cleaner vessels and upgrade their fleet of ships. Through the CSI Database

we have direct access to data on emissions and the environmental performance of a high number of ships. By this way, we can help to create market incentives for environmentally improved vessels. The future of global trade will depend on clean transportation to address the climate challenge.

MORE QUESTIONS?

We believe in collaboration and engagement. We are happy to share our working experience regarding CSR, including the challenges we face. As our customer, you are more than welcome to contact us with questions and we will make our best effort to assist you.







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