



UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS 2016

PILGRIM



STATEMENT OF CONTINUED SUPPORT

It is with great pleasure that Pilgrim reaffirms its dedication and the promotion towards a responsible business practice through our support of the Ten Principles of the United Nations Global Compact in areas of Human Rights, Labour Rights, Environment and Anti-corruption. As a participant since 2007 and our continually effort to improve our ethical and sustainable effort this is our eighth Communication on Progress report. Since Pilgrim was founded in 1983 - in humble and modest settings - our business has slowly but effectively grown in size and scale designing exquisite jewellery, watches and sunglasses represented in retail stores and concept shops around the world.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the UN Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

ANNEMETTE MARKVAD, CEO PILGRIM

ABOUT PILGRIM

jewellery is our passion; it is all about dreams, style, heart and soul. We take pride in keeping the brand authentic – staying true to who we are and where we came from. Pilgrim is still about going out and seeking new things, new ways and new adventures. It is not only the destination that matters, but also how we get there. We are a living brand in constant motion and development.

HUMAN RIGHTS

Vision

Pilgrim supports and respects the protection of internationally proclaimed human rights. We strive to be fair and honest and in no way complicit in any human rights abuses. It is our policy to ensure that such rights are assured for everyone at all levels of processes and activities. By promoting a culture of respect for the law, and consideration of all members within the organization and with others whom the company come in contact with.

Pilgrim are still committed to ensuring that the company is not knowingly complacent in any Human Rights abuse. It is our policy to ensure that we are not associated with anybody, corporate, private or official, where their actions are questionable in respect of Human Rights abuses. Pilgrim complies with Danish legislation, which fulfills international conventions.

Progress

Since last Communication on Progress we have updated our auditing scheme. One of the most important issues to Pilgrim is people and therefore we conducted a thorough study on how we conduct our business. in cooperation with an external partner we found that our way of auditing did not engage sufficiently with our suppliers and that we did not do enough to educate them on matters that concern Pilgrim the most. Hence this recognition, we updated our auditing scheme to better let our suppliers understand what matters are ‘must have’ and which are ‘nice to have’. This does not mean that the ‘nice to haves’ are not important – on the contrary. We now have a scheme that requires that certain standards are non-negotiable and must be acknowledged, while we have made a systematic approval system to benefit and reward suppliers that continuously improve on matters that are essential - but unfortunately not common sense all over the world – to us. It is important to let everyone know that we do our best to improve the workplaces for the workers at the different factories that we are directly connected to. We try to encourage our philosophy and way of doing business in a logical, and sustainable way. We believe that we can make improvements throughout our organization and hopefully show others that good working conditions and working environments is a key element to a profitable way of conducting a business, not only in regards of people but also in regards of improving the bottom-line.

Pilgrim still has inspections on all large suppliers in China and our local employees will continue to visit suppliers so that Pilgrim can feel secure that our auditing scheme is taken seriously.

Results

We still have an office in China who regularly visits our biggest suppliers/factories but as with every new data it is not possible to calculate improvements, as it is the first year we use our new auditing scheme. We do get positive feedback from our suppliers and are confident that we can show improvements in our next communication on progress.





LABOUR RIGHTS

Vision

Pilgrim supports the International Labor Organization’s Declaration on Fundamental principles and rights at work and complies with Danish work legislation. It is important to Pilgrim that all suppliers adhere to the UN Global Compact and its principles. At Pilgrim our policy towards non-discrimination is that we do not focus on gender, ethnicity, nationality, sexual orientation, disabilities, religious or cultural beliefs in regards to employment or occupation. Diversity should be reflected in our designs if we wish to stay true to our saying ‘hand and heart made’ - it is about love for people and jewellery – handcrafted from the heart.

Progress

One of Pilgrim’s most important documents is our Code of Conduct which describes our official policy towards labour related issues and consist of 36 paragraphs including implementation, monitoring & follow-up and signature to comply with our ethical and social responsibility. As stated in our Code of Conduct, our contractual relationship with our suppliers and partners is utmost important for Pilgrim. We wish to promote a healthy and safe working environment in external locations around the world. By conducting audits, we are committed to our own integrity securing that factories located in countries that do not meet the expectations of our own standards does not conflict with our business practice or violate any of the international conventions and declarations by the UN or ILO conventions. By engaging in beneficial partnerships with our suppliers and conducting audits we can address the principles of eliminating forced and compulsory labour, effective abolish child labour and the elimination of discrimination in respect of employment and occupation. Our past three audits of factories in China all provided us with signed documentation of our Code of Conduct by an authorized representative of the factory as a formal agreement of our terms. This provides Pilgrim with the necessary verification and that the company is in full disclosure with our terms stated in our Code of Conduct. Our local agency in China make sure that our suppliers carry out the training in regards of health and safety in the working environment, but so far the factories do not any documentation about this.

Results

At Pilgrim we wish our suppliers to undertake initiatives towards improvements and of labour related issues to reduce potential risks that are connected with our products of jewellery, watches and sunglasses. If issues are detected the supervisors discuss the findings and a Corrective Action Plan and is made. This will lead to a follow up audit with a recommended due date and an estimated completion date for the vendor. Even though we focus on continuously improvements our Code of Conduct allow us - in cases were persistent breaches or lack of willingness to improve corrective action in cases of conflict - to take the appropriate steps towards ending the partnership. Luckily this has not been necessary and all issues that has been detected with regards to the labour has not been so critical that we found a termination of the partnership necessary. It is important to Pilgrim that our suppliers show good faith in altering behavior, processes and procedures to fully comply with the issues that need improvement.

ENVIRONMENT

Vision

Every year we try to become even more environmentally sustainable. We try to push our own business methods and focus on new approaches to achieve a more sustainable business model – we are still committed to building a better future and leaving as little a footprint on the planet as possible from the production of our jewellery. We do not own our own production facilities, and because of this our influence is unfortunately limited. However, we have made great efforts to establish close and good relationships with our suppliers and try to show them that environmental awareness can be better for the bottom line and business in general. As a standard we comply with applicable environmental laws and regulations at the countries in which we have production and all suppliers are obliged to sign our Code of Conduct.

Our suppliers and partners should always comply with relevant laws and regulations regarding the environment and no deliberate actions towards environmental declining will be accepted. Our international design brand should not be compared with any form of deterioration of the environment.

Progress

Since Corporate Social Responsibility is part of our DNA and is displayed in our unique Pilgrim Design collections it is our policy to show due diligence in both our preferred materials, manufacturing processes and working conditions. We wish to be fully committed for a sustainable future and to produce “clean products”.

Since our environmental concerns for our products are combined with our values such as respect, responsibility and trust, we feel obligated to strive for a minimal impact on society and produce high quality designs by environmental considerations towards chemical use and disposal, carefully monitor harmful substances and the use of CFC's and recycled waste among a few initiatives and activities in daily processes. We still focus primarily on our Chinese suppliers as most of our production is carried out here. China is also the country where we are trying most strenuously to test our positive auditing methods.

Results

It is our policy and daily business approach that our designs only use clean metals and is 100% free of nickel in all of our jewellery, watches and sunglasses, since nickel allergy is one of the most common causes of dermatitis. We have received documentation from all our suppliers that our products are aligned with this very important standard. Our protection of the environment and our environmental approach throughout our supply chain and manufacturing processes is stated in our Code of Conduct paragraph 30-35 and all suppliers have to sign the document for verification.

Through our first auditing's we have found that our suppliers adhere to our Code of Conduct and they all spend time to identify their key environmental impacts. As a result of our previous auditing schemes they have been aware of our view on general environmental improvements. On the downside we have found a general lack of strategic planning in relation to solving the problems long term. We have found that the root of the problem is lack of information and a general uncertainty about how to tackle the problem. At present moment we will engage in dialogue and try to find a solution towards an environmental plan for our audited factories and determine how to address this problem. This will be elaborated in our next Communication on Progress.

We will continue to support our partners, suppliers, customers and authorities in a constantly effort to improve our environmental impact and recognize our responsibility to make a positive contribution to the challenges. We believe that supporting a precautionary approach to environmental challenges benefits not only mother earth but do this also as a concern for our customers well-being.



SPONSORSHIPS

Pilgrim foundation

The Pilgrim Foundation (established in 2007) is an philanthropic project. The main purpose has been the desire to support humanitarian projects – specially to benefit children and young people in developing countries. Since 2007 Pilgrim has donated close to 2.000.000 Euro to the Foundation and every year we select different projects and NGO's we believe have the power to influence the world for the better. In 2016 we have made contributions to the following outstanding projects:

DINNoedhjaelp

The organization performs important educational work to break the superstition in Nigeria, which is the reason why many children and young people - accused of being witches – is being tortured, expelled, killed by the local community and/or die of their injuries. DINNødehjælp helps African children to a life with the same rights as you and me and believe that all children must receive care, medical treatment as needed, diet / lodging and schooling.

They fight to ensure the future of these children and fight the superstition that initially causes that the children are tortured, expelled and killed. Therefore, our mission is also to inform and educate locals and thus develop the local community.

www.dinnoedhjaelp.dk/en/

Momentum Trust

Their primary goal is to provide an opportunity for farmers to become food-secure, self-reliant and to increase their yield to a level, where they can make a profit out of it. We believe in Momentum Trust and their approach to alleviate poverty and hunger and improve the farmers' livelihoods.

Their mission is, to create change and development for and with small scale-farmers across the African continent, through this unique business approach.

www.momentumtrust.com

Eventure

Eventure is a Danish association who wish to create the opportunity for personal and professional development in third world countries. This applies both to the development of the local population as well as the development of voluntary Westerners. The association's stated goal is to improve living conditions and quality of life for people in developing countries through long-term, sustainable development.

www.eventure.dk

Karen Blixen Camp

More specifically we support the Mararienda beadproject at Mara North Conservancy - an initiative by Karen Blixen Camp to empower the women and to safeguard the traditional Maasai handicraft. Further their ambition is to create a best-practice, world-class conservancy with long term commitments to the environment, the wildlife and the Maasai communities in general.

www.karenblixencamp.com

JEWELLERY FOR A GOOD CAUSE

In addition, Pilgrim has a tradition of helping whenever possible through its charitable work. We have raised funds for MSF (Doctors without Borders), the Danish Fundraising Campaign, Project Playground (in Sweden) among many others.





ANTI-CORRUPTION

Vision

Pilgrim has a zero tolerance policy for all forms of corruption, including bribery. We do not accept corruption of any sorts that can be related to our business. At Pilgrim we expect all of our employees, suppliers and partners to embrace our policy which is also a part of our Code of Conduct. We do not accept commission from anybody, corporate, private or official, or any actions that are questionable in regards to the UN Global Compact.

Progress

Through our collaborations and suppliers internationally we constantly work to secure that we are not complicit in any corruption or other illegal activities. An anti-corruption policy is evident in our Code of Conduct, which is reviewed on an annual basis.

Results

We have not registered or been made aware of any cases from our office in China or in regards of suppliers in relation to corruption. If this should happen, we will take it seriously and act immediately. If violations are too comprehensive, we will cease cooperation with the accused party.



PILGRIM

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