



This is our **Communication on Progress**
in implementing the principles of the
United Nations Global Compact.

We welcome feedback on its contents.

UN GLOBAL COMPACT
COMMUNICATION ON PROGRESS 2016

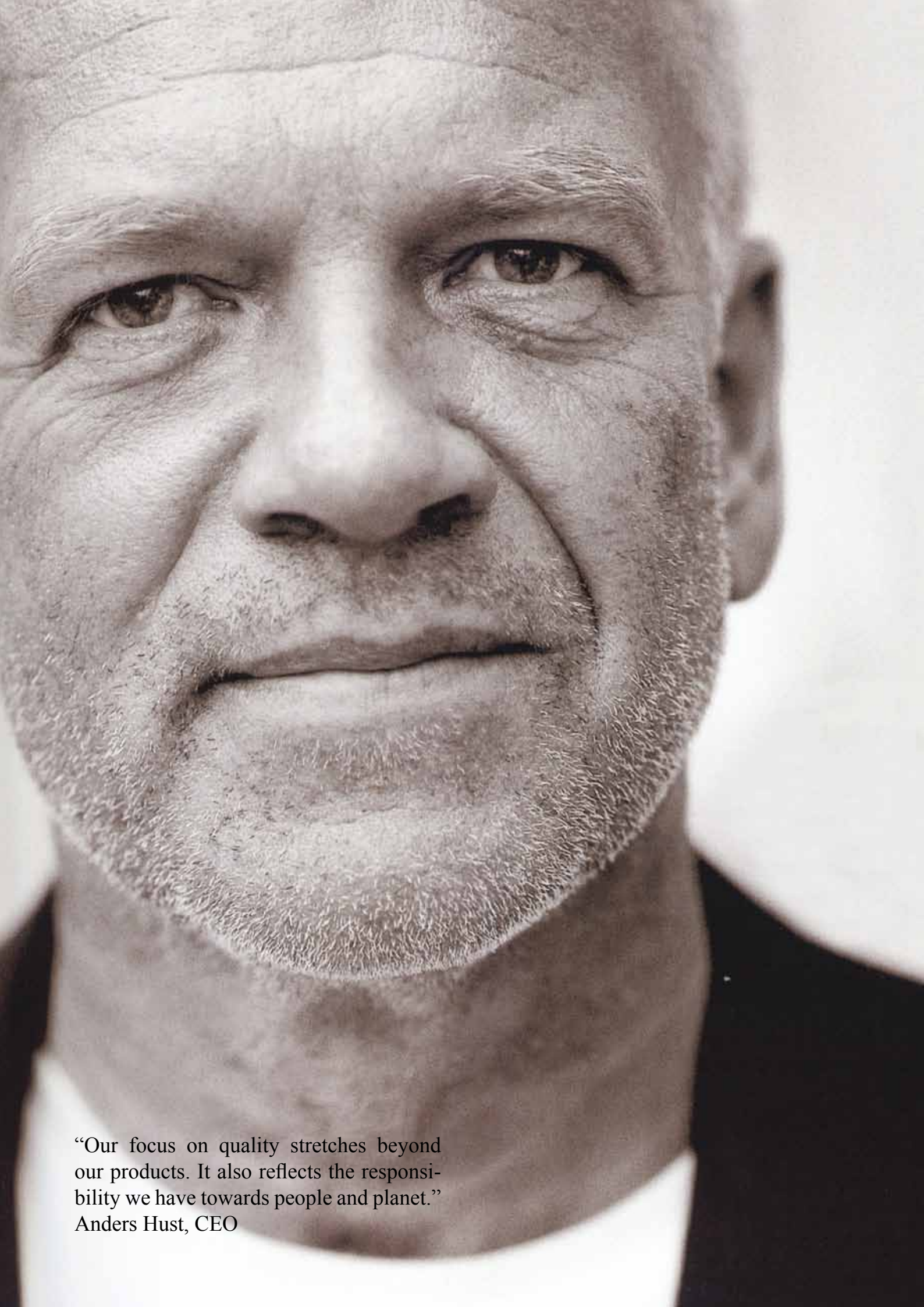
CLAIRE GROUP A/S





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“Our focus on quality stretches beyond our products. It also reflects the responsibility we have towards people and planet.”
Anders Hust, CEO

Statement of support

Claire Group is an international fashion house with roots in Denmark founded in 1975 with the vision to create clothes on a sustainable basis. Our mission is to create stylish and casual clothes that appeal to fashion conscious women and children and build a company we can be proud of.

Our products are sold around the world through own shops and retailers. We are dedicated to fulfil the intentions of the 10 principles outlined by the UN Global Compact Initiative.

We strive to influence our suppliers and business partners to support, to live up to and to participate in the Global Compact Initiative. Claire Group has been an active part of the UN Global Compact initiative since January 2010 and our support is unchanged.

It is our conviction that business must be sound and sustainable for all involved in the process. Since 2009, Claire Group has been a member of BSCI (Business Social Compliance Initiative) because we believe auditing our suppliers is a tool to obtain a responsible supply chain.

Since 2012, we have been the only fashion house in Scandinavia to be certified with the ethic standard, SA 8000, and in 2015 our certificate was renewed. We have also committed ourselves to uphold a strong animal welfare policy and comply with an anti-corruption programme. Finally, we are supporting a CSR project for young textile entrepreneurs in our local community.

We continue setting targets within the 10 principles in UN Global Compact and we measure our performance year by year. We are proud to contribute to a more sustainable world, today and in the future.

Ikast, June 26, 2017

Anders Hust, CEO

Sign: _____





” It is our vision to create clothes on a sustainable basis and build a company we can be proud of”
- Anders Hust, CEO

About Claire Group

Brief description of nature of business.

Claire Group is a family-owned company (Ltd.) established in 1975, with headquarters in Ikast, Denmark. Claire Group is an international fashion house. Together our collections make a complete concept for modern women and children with an active life style. Most products are produced by our suppliers in Europe, China and India.

Company info:	Claire Group A/S	Date:	26-06-2017
Address:	Marsvej 6 - 10 7430 Ikast	Membership date:	11-01-2010
Telephone:	+45 97153122	Employees:	32
Country:	DK - Denmark	Sector:	Textile
Contact name:	Ulla Dam		
Contact position:	Supply chain manager	Contact mail:	ud@claire.dk

You can read about our different memberships, our certification and our sustainable product marks on www.clairewoman.com or www.hustandclaire.com





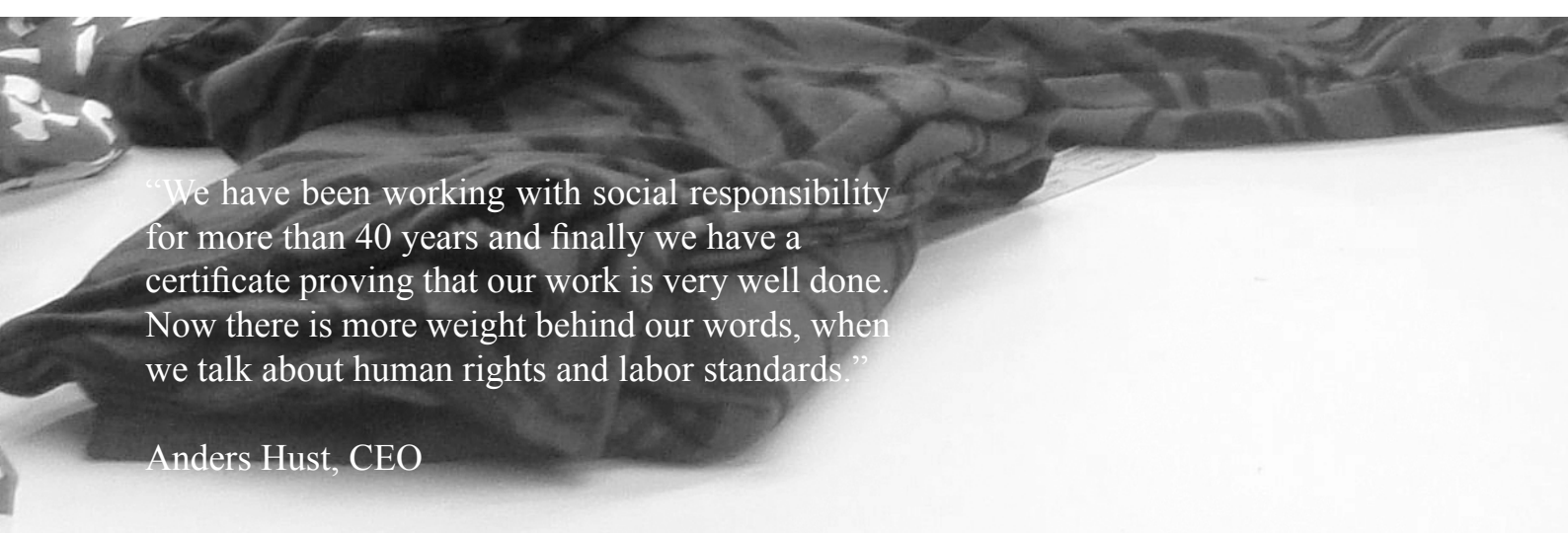
Human Rights - People

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights and

Principle 2: Make sure that they are not complicit in human right abuses.

What we want

In Claire Group we are obliged not to violate basic human rights conventions in Denmark and where our clothes are produced. We support the international declared human rights and we will not discriminate against any person on grounds of race, religion, gender, age or disability. It is one of our core values that we are aware of our social responsibility towards our employees, the local society and workers in our supply chain. Everybody should be given fair opportunities to build careers. We want to have a sustainable supply chain as well. Through our membership of the Business Social Compliance Initiative we are obliged to respect the fundamental human rights conventions no matter where our production is situated, and we can document that we fulfill our commitment to BSCI.



“We have been working with social responsibility for more than 40 years and finally we have a certificate proving that our work is very well done. Now there is more weight behind our words, when we talk about human rights and labor standards.”

Anders Hust, CEO



Processes and activities

We have a clear written policy on sustainability incl. responsible production. Our values together with our in-house SA 8000 procedures and our BSCI membership ensure us against discrimination. To prevent discrimination to happen we have implemented proactive procedures for hiring, promoting and dismissal. At the same time our headquarters in Denmark are under strict Danish legislation, which we comply with. We have established a whistleblower system to handle any complaints. We have in-house awareness training of employees in human rights and SA 8000 issues. We have an annual in-house audit and a Bureau Veritas audit every year. Since May 2016, we have been supporting a CSR-project for young textile entrepreneurs in our local community, situated on our location as they use our machinery.

Outcome

Our SA 8000 procedures and our BSCI Code of Conduct have prevented us from violating the human right conventions in Denmark and on factory level at our main suppliers. We are in compliance with Danish laws and collective agreements. Bureau Veritas has successfully certified our company with SA 8000 in 2012, and in June 2015 we were re-certified. To monitor our effort, and measure our progress in the supply chain we are auditing our suppliers according to an audit plan and corrective action plans are issued in case of NON COMPLIANCE. See our figures below.

- Claire Group was certified with the ethic standard SA 8000 in 2012 and re-certified in 2015.
- In 2016 81 % of our employees are covered by a collective agreement.
- In 2016 84 % of all employees have received SA 8000 training.
- In 2016 62 % of employees on management level or in a position of trust were women.
- In 2016 74 % of our suppliers (BV) are audited with the result A, B or C in the BSCI 2.0 system. The rest have been screened and have now started preparation for auditing procedure.





“With our SA 8000 certificate we show our suppliers, that we take our own medicine. That has definitely given us more respect in our supply chain.”

Anders Hust, CEO

Labor principles - People

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

What we want

We want to be one of the very best companies in the textile business handling CSR-related issues. We believe fundamentally that our social responsibility should encompass not only our own activities in Denmark but also activities in our supply chain. We think that freedom of association and the right to collective bargaining are fundamental rights, which should be upheld.

We take the working environment extremely seriously, because we believe that working environment and job satisfaction goes hand in hand. We care about health and safety for every employee. We want to have a creative working environment and believe that this requires good conditions as to employee safety and health of a top standard level. We want to motivate and educate our staff and make the best possible use of our resources.

We condemn child labour, dangerous work, unreasonably long working days or salaries, which is lower than the current industrial rate in the country of production. We support a world wide effort to deal with the challenges of living wage.

Processes and activities

Employees in headquarters are organized in unions as we respect freedom of association and the right to collective bargaining. The company is covered by three collective agreements. Compensation and overtime payment meet the Danish minimum standard or the relevant collective agreement.

We have a clear written policy on Occupational Health and Safety. We continually improve our working environment, according to Danish legislation and our SA 8000 standard and procedures. We have an Occupational Health and Safety committee with representatives from the workers and the management group. Our Occupa-

tional, Health and Safety work is very well organized. We assess any labour related risk or accident at Claire Group A/S as well as any “close to” accidents. We have 6 weeks of vacation and paid sick leave. We have an employer-paid health insurance. All employees have access to paid education within their area of responsibility. We have employees on special terms e.g. trainees or work ability testing.

Our values together with our in-house SA 8000 procedures and our BSCI membership ensure us against violation of basic labor standards in Denmark and in our supply chain. We have established a whistleblower system to handle any complaints. We have in-house awareness training of employees in Occupational, Health and Safety and in SA 8000 issues every second year.

Through our membership of BSCI we have implemented policies and the BSCI 2.0 Code of Conduct in our supply chain. The BSCI Code of Conduct set out the minimum criterias for labour standards to all our suppliers.

Outcome

We are in compliance with Danish laws and collective agreements and Bureau Veritas has successfully re-certified our company with SA 8000 in 2015. Our staff is extremely loyal and as a consequence we have a lot of long term relationships. Our absenteeism is 1,31 %. When cleaned from longterm illness and maternity leave it is 1,13 %, which is very low in DK. This is due to a very high jobsatisfaction. We are auditing our suppliers according to an audit plan and we are making corrective action plans whenever a supplier is not in compliance with the Code of Conduct. There is no forced or compulsory labour in the company or at our supplier premises and all basic labor standards are observed, and audited at our core suppliers. Our SA 8000 procedures and our commitment to BSCI have prevented us from violating basic workers standards, national legislation and collective agreements in Denmark. On factory level at our main suppliers any nonconformity are complied with. See our figures below.

- Our Occupational, Health and Safety work is well organised and works successfully according to the intentions of the Danish laws.
- 84 % of our staff has received training in our CSR-programme and SA 8000 issues.
- We have employees on special terms corresponding to ½ man year.
- 100 % of all employees have a private health insurance.
- 81 % of all employees are covered by a collective agreement.
- 34 % of all employees have first aid certificate.
- We have established a whistleblower system.
- In 2016 74 % of our suppliers (BV) are audited A, B or C in the BSCI 2.0 system. The rest have been screened and have now started preparation for the auditing procedure.

Environment - Planet

Principle 7: Businesses should support a precautionary approach to environmental challenges ; and

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

What we want

At Claire Group we are aware of our environmental responsibility. We seek to be a more and more green company on a daily basis not only because there is money to be earned by safeguarding the environment but also because we owe this to our grandchildren. We consider environmental awareness as a wide range of initiatives that includes running our headquarters in Ikaast on a sustainable basis and reducing our CO2 emission from producing our products. We care about chemicals in clothes, zippers and buttons, and we observe the EU-REACH and Norwegian legislation as a minimum. We support environmentally friendly technologies and help to improve the general knowledge of environmentally friendly fabrics and labels.

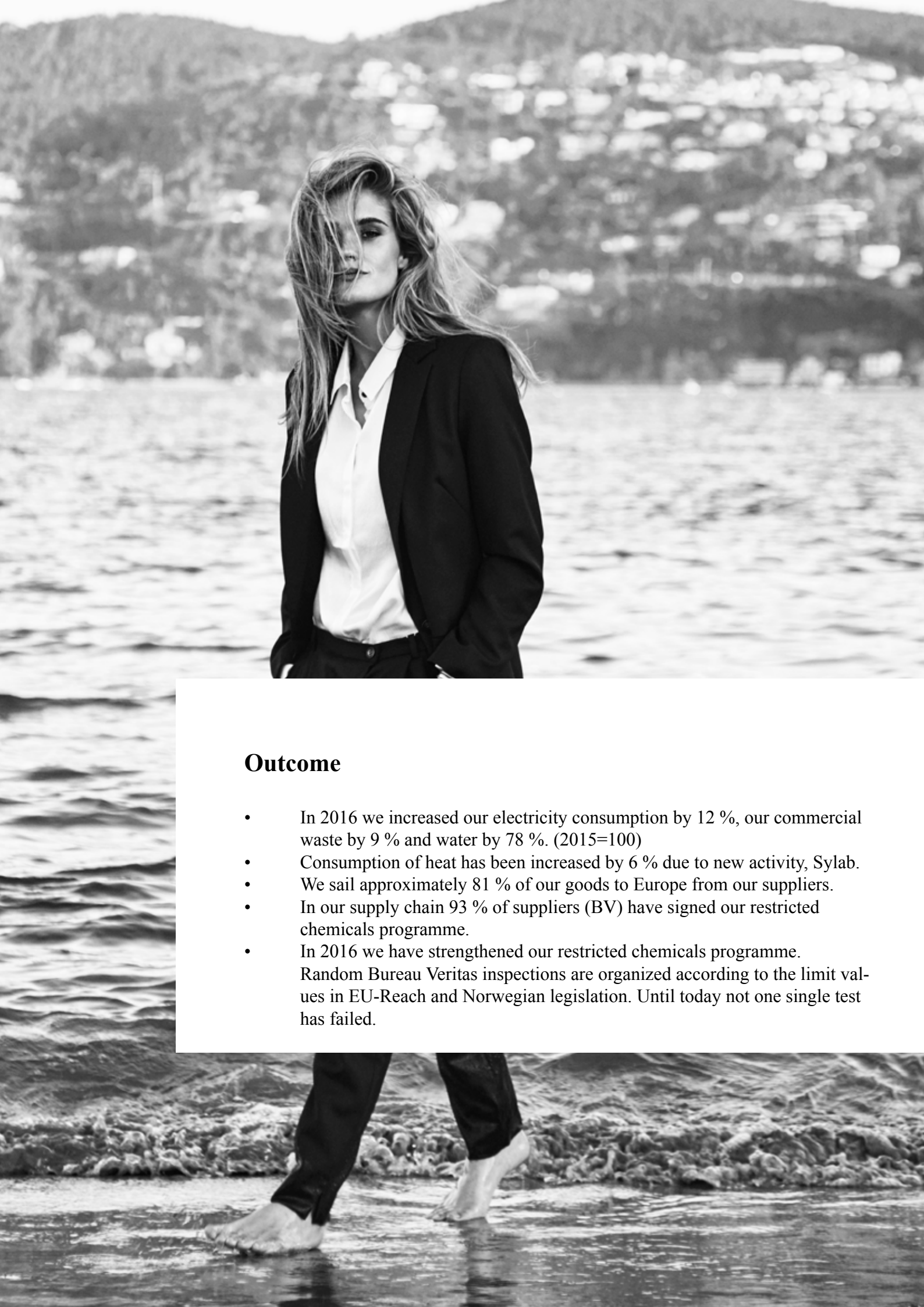
Processes and activities

We have a policy on environment and transportation. In our efforts to be a more green company we recycle whenever it is possible and we measure our in-house consumption of resources. We encourage our suppliers always to use an environmentally friendly method and to avoid all unnecessary use of chemicals. Besides we have a restricted chemicals programme, which our suppliers must follow including tests made by Bureau Veritas. We have a collection of organic styles for children (GOTS) and a collection of styles made of bamboo fibres. We also increased the number of styles with Oeko-Tex 100 year after year. We have joined the wash campaign: **Clever Care**, since 40 % of the CO2 emission lies with the consumer.

Outcome

We have established figures for our calculation and picked relevant Key Performance Indicators. In 2010 we invested a considerable amount in saving electricity and changing bulbs into LED bulbs. The reduction in electricity did not continue in 2016 and our total consumption of electricity for last year has been increased by 12 % compared to 2015. We believe this is due to larger activity in Sylab, a local CSR project. Our investment in low energy lighting have proven successful and has been earned back over a 5 years period. We are focused on reduction of our waste and we recycle as much as possible. We have increased our waste by 9 % (2015=100) Our transport by air has increased to 19 % due to a decision to exploit a favorable sales situation. See our total measurements on last page.





Outcome

- In 2016 we increased our electricity consumption by 12 %, our commercial waste by 9 % and water by 78 %. (2015=100)
- Consumption of heat has been increased by 6 % due to new activity, Syllab.
- We sail approximately 81 % of our goods to Europe from our suppliers.
- In our supply chain 93 % of suppliers (BV) have signed our restricted chemicals programme.
- In 2016 we have strengthened our restricted chemicals programme. Random Bureau Veritas inspections are organized according to the limit values in EU-Reach and Norwegian legislation. Until today not one single test has failed.



“Sustainable fashion is not only about where the clothes is coming from and how it is produced, it is also about a sustainable consumer behavior since 40 % of the CO2 emission lies with the consumer.”

Anders Hust, CEO

Anti-Corruption - Profit

Principle 10: Businesses should work against corruption in all its forms, including extortion and - bribery.

What we want

At Claire Group corruption is not acceptable and we are strongly against bribery, extortion or any other form of facility payments. We want to run a profitable company and respect people and planet. We influence our business partners with our attitudes to bribery and corruption.

Processes and activities

We have a formulated company policy about bribery and anti-corruption, implemented in our staff handbook. In 2014 our policy was strengthened and we issued an anti-corruption guideline. We do not pay illegitimate payments and no employee must either give or receive gifts above a value limit of 50 Euro. Our employees are encouraged to express complaints, suspicions or concerns anonymously to the company by using the whistleblower. Bribery is a part of our in-house employer training in environmental issues and SA 8000.

Outcome

Our anti-corruption policy and our transparent rules and procedures have prevented us from any cases of bribery, anti-corruption etc. in 2016. We are in compliance with Danish laws and Bureau Veritas has successfully certified our company with SA 8000 in 2012 and again in 2015.

- Since 2012 our anti-corruption policy has been a part of our staff handbook. In 2014 the policy was revised and made stronger.
- In 2016 we had no cases regarding bribery or anti-corruption from the whistleblower scheme.
- In 2016 74 % of our suppliers (BV) are audited A, B or C in BSCI 2.0 system.

How do you intend to make this COP available to your stakeholders?

A summary of our social performance for 2016 can be found on last page. This COP will be available at the Global Compact homepage and can be found on www.clairewoman.com and www.hustandclaire.com.

The report is also available to all employees, boardmembers and visitors in our house.

Measurements and goals

Key Performance Indicators	Policy	System	Measurements 2016 Headquarters																								
Human Rights	YES	Headquarters: SA 8000 management system + Three collective agreements Suppliers: BSCI 2.0 – Code of Conduct + audits	Headquarters: <ul style="list-style-type: none"> SA 8000 re-certification in June 2015 84 % of all employees with SA-8000 training 62 % of employees on management level or in a position of trust are women 81 % of employees covered by a collective agreement 																								
Labour Standards	YES	Headquarters: SA 8000 management system + Three collective agreements Suppliers: BSCI 2.0 – Code of Conduct + audits	Headquarters: <ul style="list-style-type: none"> SA 8000 re-certification in June 2015 84 % of all employees with SA-8000 training ½ man-year employed on special terms 81 % of employees covered by a collective agreement 34 % of all employees have first aid certificate 																								
Environment	YES	Headquarters: Environment program Clever Care Campaign Suppliers: Restricted chemicals programme + tests.	<table border="1"> <thead> <tr> <th></th><th>2014</th><th>2015</th><th>2016</th></tr> </thead> <tbody> <tr> <td>Waste in KG</td><td>12960</td><td>11936</td><td>12976</td></tr> <tr> <td>Electricity in Kwh</td><td>133958</td><td>130964</td><td>147032</td></tr> <tr> <td>Water in M3</td><td>362</td><td>407</td><td>723</td></tr> <tr> <td>Heat in Kwh</td><td>645722</td><td>662975</td><td>707453</td></tr> <tr> <td>Transportation by Ship/aeroplane</td><td>89% / 11%</td><td>94 % / 6 %</td><td>81 % / 19 %</td></tr> </tbody> </table>		2014	2015	2016	Waste in KG	12960	11936	12976	Electricity in Kwh	133958	130964	147032	Water in M3	362	407	723	Heat in Kwh	645722	662975	707453	Transportation by Ship/aeroplane	89% / 11%	94 % / 6 %	81 % / 19 %
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Anti-corruption	YES	Headquarters: SA 8000 management system Whistleblower Suppliers: Code of Conduct	Headquarters: <ul style="list-style-type: none"> No cases regarding Anti-corruption 																								

Measurements 2016 Suppliers	Goals/Objectives 2017 Headquaters	Goals/Objectives 2017 Suppliers												
Suppliers: 1. 74 % of BV are audited A, B or C in BSCI 2.0 system. 2. The rest of the suppliers with screening.	Headquarters: • 90 % of all employees with SA-8000 training and increasing focus on internal training in general • A balanced representation of men and women on manage- ment level. • 81 % of employees covered by a collective agreement	Suppliers: 1. 75 % of BV are audited A, B or C in BSCI 2.0 system . 2. The rest of the suppliers with screening.												
Suppliers: 1. 81 % of BV with first audit 2. 74 % of BV are audited A, B or C in BSCI 2.0 system. 3. The rest of the suppliers with screening.	Headquarters: • 90 % of all employees with SA-8000 training and increasing focus on internal training in general • ½ man-year employed on special terms • 81 % of employees covered by a collective agreement • 10 % with first aid certificate • 10% with fire fighting certificate	Suppliers: 1. 75 % of BV are audited A, B or C in BSCI 2.0 system . 2. The rest of the suppliers with screening.												
Suppliers: • 93 % of BV with signed chemicals programme.	<table border="1"><tr><td></td><td>2017</td></tr><tr><td>Waste in KG</td><td>12000</td></tr><tr><td>Electricity in Kwh</td><td>150000</td></tr><tr><td>Water in M3</td><td>400</td></tr><tr><td>Heat in Kwh</td><td>710000</td></tr><tr><td>Transportation by Ship/aeroplane</td><td>90 % / 10 %</td></tr></table>		2017	Waste in KG	12000	Electricity in Kwh	150000	Water in M3	400	Heat in Kwh	710000	Transportation by Ship/aeroplane	90 % / 10 %	Suppliers: • 90 % of BV with signed chemi- cals program • Random inspections by Bureau Veritas on readymade garment from core suppliers are intensi- vated.
	2017													
Waste in KG	12000													
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Suppliers: 1. 81 % of BV with first audit 2. 74 % of BV are audited A, B or C in BSCI 2.0 system. 3. The rest of the suppliers with screening.	Headquarters: • All cases solved	Suppliers: 1. 75 % of BV are audited A, B or C in BSCI 2.0 system . 2. The rest of the suppliers with screening.												



BUREAU VERITAS
Certification



CLAIRE GROUP A/S

MARSVEJ 6-10, 7430 IKAST, DENMARK.

Bureau Veritas Certification certify that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standard detailed below

Standard

SA 8000:2008

Scope of certification

**International fashion house with Danish design,
development, innovation, purchase, logistic centre,
marketing and sales to retail customers**

Certification cycle start date: **26 July 2015**

Subject to the continued satisfactory operation of the organisation's Management System, this certificate expires on: **25 July 2018**

Original certification date: **25 July 2012**

Certificate No. **IND15.1542** Version : 1 Revision date: **17 July 2015**

Certification Authority



Local office Address

Bureau Veritas Certification Denmark A/S,
Oldenborggade 1B, DK-7000 Fredericia, Denmark

Managing office address

"Marwah Centre" 6th Floor, Krishanlal Marwah Marg,
Opp. Ansa Industrial Estate, Off Saki Vihar Road,
Andheri (East), Mumbai - 400 072, India.

Disclaimer :

"Social Accountability International and other stakeholders in the SA8000 process only recognize SA8000 certificates issued by qualified CBs granted accreditation by SAAS and do not recognize the validity of SA8000 certificates issued by unaccredited organizations or organizations accredited by any entity other than SAAS."

To check this certificate validity please call: **+ 45 77 311000** or visit SAAS website @ www.saasaccreditation.org/certification

Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organisation.



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