UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS 2017

PILGRIM



STATEMENT OF CONTINUED SUPPORT

This report is our ninth Communication on Progress, and Pilgrim is thrilled to declare our dedication to the principles of the United Nations Global Compact and the promotion of responsible business practices. As before, we will examine our business conduct in the areas of human rights, labour rights, environment and anti-corruption. We have been participating since 2007 and will continue to do so, as there will always be room for improvement in our ethical and sustainability efforts.

Since Pilgrim was founded in 1983 – in humble and modest circumstances – our business has slowly but effectively grown in size and scale, designing exquisite jewellery, watches and sunglasses for sale through 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 undertake 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 all about going out and seeking new things, new ways and new adventures. It is not just the destination that matters, but also how we get there. We are a living brand in constant movement and development.

HUMAN & LABOUR RIGHTS

Vision

Pilgrim emphasises due diligence in regard to all aspects of the UN Global Compact and its principles. We make strenuous efforts to ensure that there are no violations of human and labour rights, and we are firm supporters of the Universal Declaration of Human Rights and the European Convention on Human Rights. We also comply with Danish law which obliges us to avoid engaging in any form of human rights abuse.

We aim to ensure that all employees of Pilgrim have the right to collective bargaining and that we do not use any kind of child or forced labour. We strive to ensure diversity and non-discrimination throughout our supply chain. Our auditing scheme has one sole purpose - to adhere more closely to the principles of the UN Global Compact in all aspects of our business conduct and enhance the well-being not only of our own staff but also of the employees of our subcontractors and suppliers.

Progress

Pilgrim supports the International Labor Organization Declaration on Fundamental Principles and Rights at Work and complies with Danish employment law. It is important to Pilgrim that all suppliers adhere to the UN Global Compact and its principles.

Our commitment to human rights has always been important to us, and this was also the reason why we updated our auditing scheme last year. We are aware that due diligence is necessary on an ongoing basis, especially as our business takes us to many different places around the world when we are exploring new trends and designs, seeking inspiration or looking for new suppliers.

Avoiding these kinds of violation is obvious to us, but unfortunately not many countries outside Europe have the same level of security for workers and employees in general. That is also why we find it so important to communicate our strong commitment to conducting our business in a sustainable, fair and decent way.

We believe in decent working and employment conditions and that all employees' interests should be considered. Our Code of Conduct describes our policy towards labour-related issues and consist of 36 paragraphs covering implementation, monitoring and follow-up and signature to comply with our ethical and social responsibility.

Our new auditing scheme has been a success and it is clear to us that it promotes our open-minded and positive approach to Corporate Social Responsibility. Through our auditing scheme we aim to create a bond with our suppliers and develop a genuine approach to improving conditions for employees, and to and promote and support a positive change towards better working conditions. We still inspect our largest suppliers in China, and our local employees will continue to make visits so Pilgrim can feel confident that our auditing scheme is taken seriously.





Results

This is the second time we have run our new auditing procedure. We are satisfied that the factories and our office in China have been excellent in their cooperation amongst themselves and their willingness to perform the survey with our suppliers. On the other hand, we have noticed some challenges as our suppliers have found it difficult to understand our objectives in carrying out the audit. The results are almost identical to last year, so we have not achieved the progress that we hoped for. We have decided to improve the description of each result, and we will try to explain more clearly what we expect each time we conduct an audit.

We aim to improve on every aspect concerning human and labour rights, both in our supply chain and at our own facilities. We want to make a positive impact on general labour standards through our suppliers in less developed countries, and believe that continuous work towards improving our auditing scheme and our collaboration with our suppliers is the right path to follow. If we want our suppliers to undertake initiatives towards improving in these areas, a close partnership is of the utmost importance.

ENVIRONMENT

Vision

We are dedicated to building a better and greener future, and we believe that this goes beyond our legal commitment to comply with the applicable environmental laws and regulations. As stated earlier, all suppliers have to sign our Code of Conduct, promising that they will follow the guidelines in the UN Global Compact and its principles.

Progress

We will continue to focus on developing sustainable solutions within the company and on our general environmental performance. Corporate Social Responsibility has always been a big part of Pilgrim and is reflected in our unique Pilgrim Design collections. We focus on all aspects of production – from the materials we use to manufacturing processes and working conditions. We know how important this is to the employees and management of Pilgrim, but we are also aware that our customers expect us to take responsibility. When we say that we make jewellery with heart and soul, we mean it, and we want to emphasise that we are aware of the responsibility that comes with statements like this.

Our values remain the same. We cherish respect, responsibility and trust and we feel bound to strive for the least possible impact on the world around us. We aim to produce high-quality designs with a responsible attitude to chemical use and disposal; we carefully monitor harmful substances and use only pure metals and 100% nickel-free material.

We still focus primarily on our Chinese suppliers as most of our production is carried out there. China is also the country where we are making the greatest effort to test our positive auditing methods.

Results

Our Chinese suppliers are still our main focus and this is likely to be the case in the next couple of 'Communications on Progress'. It is our main area of production, and we still have a long way to go before we are satisfied and can feel that the standards at the production facilities meet all of our expectations. This is also where we believe we can have the biggest possible impact in terms of general improvements on the principles of the UN Global Compact. While we would like to do everything at once, we know that focus, strategic planning and determination are the key to a successful and sustainable future – not only for our company but also for the world around us.

We still review all documentation from our suppliers in relation to our environmental expectations. We pay great attention to the gap between our expectations of our suppliers and the information we deliver and our communication on how to address different issues.

We will continue to support our partners, suppliers, customers and authorities in a constant effort to improve our environmental impact and recognise our responsibility to make a positive contribution to these challenges. Our internal procedures are also revised on an annual basis. We recycle as much as possible of the waste we produce, we have removed plastic bags from our range, and we are currently working on biodegradable bags to replace them. We have also conducted a review of all our printed matter and have chosen an environmentally responsible partner which takes an eco-friendly approach to printed material.





SPONSORSHIPS

Pilgrim foundation

Our foundation is still active and our main area of support is humanitarian projects. This year our foundation decided primarily to fund DINNødhjælp (see description of the organisation below).

Since 2007 Pilgrim has donated close to EUR 2,000,000 to the foundation and each year we select different projects and NGOs we believe have the power to influence the world for the better.

DINNødhjælp

This organisation does important educational work to break down superstition in Nigeria, which is the reason why many children and young people who are accused of being witches are tortured, expelled or killed by the local community and/or die from their injuries. DINNødhjælp helps African children to a life with the same rights as you and me, and believes that all children have a right to care, medical treatment, food, housing and schooling.

It fights to secure the future of these children and combat the superstition that causes them to be tortured, expelled and killed. So our mission is also to inform and educate local people and so develop the local community. www.dinnoedhjaelp.dk/en/

Since our last Communication on Progress, Pilgrim has made the following contributions:

Project Playground

Their vision is a safe world where all children can grow up with a belief in the future and the possibility of influencing their own lives. When you care about your own life and have a positive view of the future, you can break negative patterns and exclusion.

Project Playground works at the individual level on inspiring, motivating and engaging children and young people to draw on their inner strength and potential through organised social activities and sports. Read more about Project Playground here www.project-playground.org

Diabetesforeningen

The Danish Diabetes Association has supported diabetics in Denmark since 1940. They contribute in three major areas:

- Improving quality of life with diabetes
- Doing scientific research on diabetes in order to find a cure
- Preventing diabetes and diabetes-related complications
- www.diabetes.dk

HusForbi

HusForbi is a Danish-language street newspaper covering stories on homelessness, mostly written by homeless people. It is produced monthly and distributed by a network of around 500 street vendors, who are homeless or formerly homeless, across Denmark. The first edition was published in August 1996. www.husforbi.dk/ Every year we get a lot of requests for donations and we always pick out a select few where we donate our products instead of money. This year has been no exception, and we are proud that our designs can be used to raise awareness and funds to charitable work.





JEWELLERY FOR A GOOD CAUSE







ANTI-CORRUPTION

Vision

Pilgrim has a zero-tolerance policy towards all forms of corruption, including bribery. We do not accept corruption of any kind that might 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, whether corporate, private or official, or any actions that are questionable in regard to the UN Global Compact.

Progress

Through our international collaborations and supplier relationships, we are constantly working to ensure that we are not complicit in any corruption or other illegal activities. An anti-corruption policy is a prominent part of our Code of Conduct, which is reviewed on an annual basis.

Results

We have not recorded or been made aware of any cases of corruption from our office in China or from any of our suppliers. If we do, we will take the matter seriously and act immediately. If the violations are too great, we will stop working with the party concerned.



This report is finalised with help from

the conference and

PILGRIM

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