

PRINCIPLE 1

BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

PRINCIPLE 2

BUSINESSES SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

Our commitment or policy

- Clipper A/S supports the United Nations Universal Declaration of Human Rights. During 2019 we will implement the principles in our company code of conduct.
- Clipper A/S and all suppliers must comply with our principles regarding social responsibility. In our company, no one is allowed to discriminate because of race, sex, colour or religion. We expect the same from our business partners.
- Our vision is to be an attractive partner for our employees and suppliers, and at the same time to be the preferred knitwear brand.

Our focus areas

- Our code of conduct (hereinafter referred to as CoC) contains many points regarding social responsibility.
- According to Danish legislation, each employee in Denmark must have an individual contract which does not allow any discrimination of any sort. Clipper A/S strictly adheres to this legislation.

Actions implemented in the plan for next year

- In 2019 all our suppliers must sign and commit to our updated CoC.
- In February 2019 our own knitwear factory in Latvia will be audited for the SMETA 4 pillar certificate. Previously, the factory was audited for the 2-pillar system.
- During 2019 we will visit and inspect 6 of our most important yarn and garment suppliers' production facilities.
- We will map our suppliers regarding their certifications.

Measurable results or outcomes

- Signed copies of the CoC
- SEDEX report from our own factory in Latvia
- A written survey from each visit at our suppliers
- A filing system for certificates from our suppliers

PRINCIPLE 3

BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

PRINCIPLE 4

BUSINESSES SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR

PRINCIPLE 5

BUSINESSES SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR

PRINCIPLE 6

BUSINESSES SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

Our commitment or policy

- We strongly support all 4 principles, which are also covered in our CoC.
- We respect the rights of association and collective bargaining, all work must be voluntary, there must be safe and hygienic working conditions and lodgings at our suppliers (if applicable).
- Child labour shall not be used and we follow ILO's principles on these issues. If we find that this is violated, the children will be protected and a transition plan will be prepared in order to ensure their educational and financial safety until they are adults.
- According to our CoC, all suppliers must comply with national legislation. In the event that our CoC offers better conditions for the employees, our CoC must be followed.

Our focus areas

- In Denmark, we follow Danish legislation and all employees have individual contracts.
- Additionally, each employee has a planned appraisal interview once a year. We discuss the employees job satisfaction and personal well-being within the company. We talk about the daily work life and the ambitions for the coming year. We welcome an open and honest dialogue to grow our common understanding.
- All employees have 6 weeks' vacation each year and an 8% private pension paid by the company.
- In accordance with Danish legislation, we have a safety committee with representatives from the employees and the management, which is monitored by the labour inspectorate.
- Our policies towards our suppliers are included in our CoC. We strive for long term relationships with our supplier base and seldomly change suppliers. We believe, that together we can grow. Our suppliers have shown great interest in supporting our CoC, and they all have a very constructive view on human rights. Furthermore, they have workers standards which, in most cases, are higher than required by local legislation.

Actions implemented in the plan for next year

- In 2019 all our suppliers must sign and commit to our updated CoC.
- In February 2019 our own knitwear factory in Latvia will be audited for the SMETA 4 pillar certificate. Previously, the factory was audited for the 2-pillar system.
- During 2019, we will visit and inspect 6 of our most important yarn and garment suppliers' production facilities.
- We will map our suppliers according to their certifications.

Measurable results or outcomes

- Signed copies of the CoC
- SEDEX report from our own factory in Latvia
- A written survey from each visit at our suppliers
- Make the safety committee more visible
- Appraisal interviews

PRINCIPLE 7

BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

PRINCIPLE 8

BUSINESSES SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

PRINCIPLE 9

BUSINESSES SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

Our commitment or policy

- We are aware of our environmental responsibilities. We strive to make our production as sustainable as possible, knowing that any production will lead to a negative impact on the environment.
- We educate ourselves to become aware of the possibilities that still comply within our business in fast fashion.
- We expect all suppliers to live up to the REACH regulations, and will randomly make inspections to see if our garments can pass the tests.

Our focus areas

- Our environmental requirements towards our suppliers (yarn, production and finished goods).
- Self-education regarding chemical laws and focus points.
- Sourcing new suppliers who focus on reducing the use of chemicals, water and dyestuff.

Actions implemented in the plan for next year

- In 2019 we have hired a CSR consultant who helps us define our chemical requirements.
- Our catalogues will be printed according to the standards of Nordic Ecolabelling.
- We will use recycled Nordic Eco labelled paper whenever possible and encourage all to save paper and think before they print.
- In our e-mail signature we have included the below mentioned sentence, to encourage the receivers to be aware of the environment and to think before they print; *"Clipper A/S cares – we hope you do, too – please consider before printing!"*
- At the head office, we help each other remember to turn off screens and other electrical devices when not in use.
- Old-fashioned (incandescent) light bulbs and strip lights will gradually be changed into more environmentally friendly LED lighting.
- From 2019 we will stop using plastic cups in our canteen.
- From 2019 we will start sorting our waste and recycle paper and cardboard.
- To increase awareness of chemicals and dyestuff, we will participate in courses and learn from our suppliers.
- We have changed our care label instructions to include tips to end consumers on how to be environmentally conscious when cleaning and caring for our garments.
- Instead of using new cartons when packing goods, we re-use the export cartons from our suppliers whenever possible.
- We encourage our suppliers to always think and act environmentally friendly and to avoid all unnecessary use of chemicals. The REACH regulations must always be followed.
- We strive to reach the shipment dates in due time, to avoid any airfreight.

Measurable results or outcomes

- Focus on environmental issues are top of mind for our designers and purchasers. They are working constructively to implement this in our collections. It cannot be measured yet, but awareness is the first step, as we know that the biggest impact is in the supply chain. We work with our suppliers on these issues, but we also believe we need governmental help to really make an impact.

PRINCIPLE 10

BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY

Our commitment or policy

- We refrain from any sort of corruption or bribery. It is our company policy, that bribery must not be offered, accepted or demanded at any time.
- According to Danish legislation, bribery is forbidden and no employees at Clipper A/S are allowed to receive any personal gifts from suppliers or business partners.
- We do not have any procedures to monitor our employees in Denmark as we consider this irrelevant. We believe in freedom with responsibility.
- Working against bribery is a part of our CoC.
- We believe that it is relevant to focus on this principle together with our suppliers in China and India, where bribery and extortion is more commonly accepted. We will fight corruption, bribery and extortion wherever and whenever possible and raise awareness among our suppliers.

Our focus areas:

- We believe that working directly with the factories (yarn, production, finished goods) will decrease the risk of corruption or bribery.
- We will act openly and honestly towards our suppliers and strive to pay a fair price for products, thus decreasing the risk that our suppliers will resort to bribery or extortion.

Actions implemented in the plan for next year

- Fair negotiation with an as open as possible calculation.
- In 2019 all our suppliers must sign and commit to our updated CoC.
- In February 2019 our own knitwear factory in Latvia will be audited for the SMETA 4 pillar certificate. Previously, the factory was audited for the 2-pillar system.
- During 2019 we will visit and inspect 6 of our most important yarn and garment suppliers' production facilities.
- We will map our suppliers according to their certifications.

Measurable results or outcomes

- Signed copies of the CoC
- SEDEX report from our own factory in Latvia

