



UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS 2019

PILGRIM



### STATEMENT ON CONTINUED SUPPORT

We are pleased to confirm that Pilgrim A/S continues to support the ten principles of the UN Global Compact in the areas of Human and Labour Rights, Environmental protection and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Sustainable Development Goals and the United Nations Global Compact and its principles into our business strategy, culture and daily operations. We do also commit to sharing this information with our primary stakeholders using our direct channels of communication.

This is Pilgrims tenth Communication on Progress and it constitutes a milestone in regards of our commitment to social responsibility. Social responsibility has been a key driver to get Pilgrim to where it is today and will certainly be something that will continue to be as important in the years to come. Our social responsibility is a vital part of our business and we seek to extend that philosophy to all of our partners and suppliers in regards of the materials we use, manufacturing processes and working conditions - wherever our products are made.

## SUSTAINABLE DEVELOPMENT GOALS BY UN GLOBAL COMPACT

As something new, we have chosen to incorporate the Sustainable Development Goals (SDG) into our Communication on Progress. We continue to work with sustainability and we feel it is a natural step forward to incorporate the SDGs into our strategy. We feel that a natural first step is to determine which goals are important to Pilgrim and analyze where we can have a meaningful impact and make a contribution.

We have selected five goals out of the seventeen where we believe we can work with through our business activities and make a real contribution that we can build on in the years to come. Especially three goals have been important during 2018 and into 2019. These goals are number three "Good health and well-being", number six "Clean water and sanitation" and number seventeen "Partnership for the goals". These goals represent areas where we find most potential for Pilgrim to make a positive contribution. However, we will describe how we activity work with each of the five goals during this communication on progress.





## HUMAN & LABOUR RIGHTS

We believe that beautiful and sturdy designs and products are made from people that are treated with respect and decency. This do not only accounts for our own employees and designers but also the employees of our suppliers. At Pilgrim we wish to make a difference and we believe that our engagement must stretch beyond adherence to local laws and compliance with Human and Labour Rights as described in the UN Global Compact. We have a minimum standard and strict policies to ensure that we are in no way complicit in any kind of Human og Labour Rights abuses but we do more to inspire our suppliers.

We want to promote a culture with consideration to all persons that we are in direct contact with. Since most of our production is in China, we focus primarily on how we inspire our suppliers to improve working conditions and the Labour Rights in relation to the Sustainable Development Goal number eight. From the beginning we have tried to focus on close collaborations and create mutual understanding to why it important to improve these conditions. We believe that this approach has a far greater chance of long-term success compared to a controlling approach. Since we started our production in China, due diligence has been our most important focal point and a challenge we have elaborated on continually in our Communication on Progress. Our due diligence process has been so important to us and we will continue to put in even more hard work to mature our framework and auditing processes

In 2007 we established the Pilgrim Fond that supports activities in Africa because we wanted to provide help for self-help. Our CSR Strategy is built on the same ideology and development goal number three is in particular evident in the work and projects conducted by the fond. Since the start of Pilgrim Foundation, we have held courses, seminars and presentations for suppliers' CSR education and promoted Best Practices of social conduct for our suppliers. This work also led to the creation of our positive auditing scheme which we review each year and update if necessary. We are aware that due diligence is important to conduct on regular basis in regard of our policies. We have to take into consideration that our business conduct and supply chain is not only in Denmark but is global. We have previously used the services of the auditing company SGS, but as we now have an office in China working in accordance with the Code of Conduct, and performing these audits. From experience we have learned that independent auditing companies can be difficult to adjust in regards of our own auditing scheme. As a consequence, we decided to establish the office in China and hire our own people to conduct and follow up on our positive auditing. This meant that we could have a closer relationship with the suppliers and that we internally had someone with knowledge of the cultural differences that can be so difficult to understand.

We still demand that our suppliers adhere to our Code of Conduct. This documentation ensures that our suppliers understand just how important Human and Labour Rights are to Pilgrim. All of our suppliers have signed our Code of Conduct. Even though we have not experienced that we need to terminate a contract with any of our suppliers we feel that it is important to have a written agreement in case our standards met.

## ENVIRONMENT

Sustainability has always been a cornerstone to our business. Since Pilgrim was founded our vision regarding environmental awareness has always been a central topic and we can see that this is an increasingly important issue to our customers. Every year we analyze our environmental footprint and we systematically try to point out the areas where change will have an impact to our company and to our surroundings in general. We feel obligated to make sure we have a clear communication about sustainability and the projects we are working on and help contribute to the Sustainable Development Goal number twelve.

At Pilgrim we recognize that our business activity and actions have an impact on the environment and we wish to take our responsibility seriously and contribute to a future with a greener environment. With our Communication on Progress we wish to find a balance between a healthy working environment, social sustainability and a production that focuses on responsible production. We attempt to avoid and minimize any impact on the surrounding society, by following sustainable and ethical production criteria. We want to create jewelry that is strong in material and will stand the test of time while it is feminine and inspires the consumer to cherish and savor them.

In 2019 we are focusing on is the packaging of our jewelry from our suppliers as one of our main projects. The packaging has several functions and this is why the project will be divided into different phases. To begin with we are looking at the possibility to minimize the amount of materials used to pack the jewelry so we reduce unnecessary transportation of materials and reduce waste to landfills. This will be analysed while we take into consideration that the jewelry must be protected against damage during transportation and storage.

At Pilgrim we work hard to change our behavior and find new ways to reduce our impact on the environment. During 2018 we have worked closely with partners and internally to contribute to SDG number six. As a company we have decided to lower our carbon footprint in regards of the water we consume and his accounts for meetings, exhibitions and in the everyday routines of our workers. This initiative has resulted in a reduction of no less than 180 kilo CO2 per m2 we consume compared to normal bottled water. Further we have changed our published material to be FSC certified. FSC is the only certification system that is internationally recognized and it is the best way we can ensure that we are not complicit in deforestation and that we are not overusing the existing resources when with our catalogues and other printed materials.



## SELECTED PROJECTS

The recent years has been characterized with projects that relate to SDG number six and seventeen. Together with Grundfos and the employee driven program "Water2Life" we have designed two necklaces. They show the outlines of the American continents and attached is a blue drop encased. We support this initiative as we believe that clean water is essential to a good health and it is a basic human right. The American continents is shown to signify where the project will operate for the next couple of years. The blue encased drop is symbolizing the mission for clean water. In 2019 the partnership continues and this year we have also designed earrings.

Once again, we support MSF (Doctors without Borders). The collaboration with MSF means a great deal to Pilgrim. All countries can be affected by disasters of one kind or another and humans can be in need of a doctor. We believe that everyone, regardless of where they come from, who they are, and what they believe in, is entitled to medical care. The collaboration has been active since 2003 and we are very happy to continue to support the important work that is done by the courageous people from MSF.

DINNødhjælp is a charity that operates in Nigeria and have a mission to save and give a better life to the vulnerable children. With the aim of focusing on the great work and dedication that DINNødhjælp provides to children in Nigeria, Pilgrim has in collaboration with Anja Lovén, designed a beautiful necklace that symbolizes the organization's work.





## ANTI-CORRUPTION

Pilgrim has a zero-tolerance policy in regards to bribery and corruption. Our dedication to addressing and advancing anticorruption and uphold our business integrity aspect is embedded in our Code of Conduct and our positive auditing scheme. If we should encounter any concerns about a supplier violating the guidelines, our Code of Conduct allows us to terminate any cooperation immediately.

This report is finalised with help from





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