



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 2018

CLAIRE GROUP A/S



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



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Our legacy and values

- We build our business on relations and decency
- We are innovative in our ambition to obtain results
- We treasure sustainable initiatives

Further information available
on www.clairewoman.com &
www.hustandclaire.com

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Statement of support

Claire Group A/S 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.

This Responsibility Report gives information and data on our CSR activities. We are dedicated to fulfilling the intentions of the 10 principles outlined in the UN Global Compact Initiative and be inspired and work with the Sustainable Development Goals.

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 A/S has been an active part of this 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 A/S has been a member of Amfori – BSCI (Business Social Compliance Initiative) because we believe auditing is a necessary tool to maintain a responsible supply chain.

Since 2012, we have been the only fashion house in Scandinavia to be certified with the ethic standard, SA 8000. We have also committed ourselves to uphold a strong animal welfare policy, to minimize our carbon footprint, to comply with an anti-corruption programme and a substantial chemical testing programme. Finally, we are supporting a CSR project for young textile entrepreneurs in our local community and we continuously strive to employ a worker in risk of losing connection to the labour marked equivalent to half a man-year.

The year 2018 has been a year with re-certification of SA 8000 and preparations of our environmental certification with GOTS (Global Organic Textile Standard) due in spring 2019.

We continue setting targets within the framework of 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 19, 2019

Anders Hust, CEO





” 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 lifestyle. Our products are produced by our suppliers in Europe, China and India.

Company info:	Claire Group A/S	Date:	26-06-2019
Address:	Marsvej 6 - 10 7430 Ikast	Membership date:	11-01-2010
Telephone:	+45 97153122	Employees:	34
Country:	DK - Denmark	Sector:	Textile
Contact name:	Ulla Dam		
Contact position:	Supply chain & CSR manager	Contact mail:	ud@claire.dk

You can read about our certifications and our sustainable productmarks on www.clairewoman.com or www.hustandclaire.com



Global goals - everyday efforts

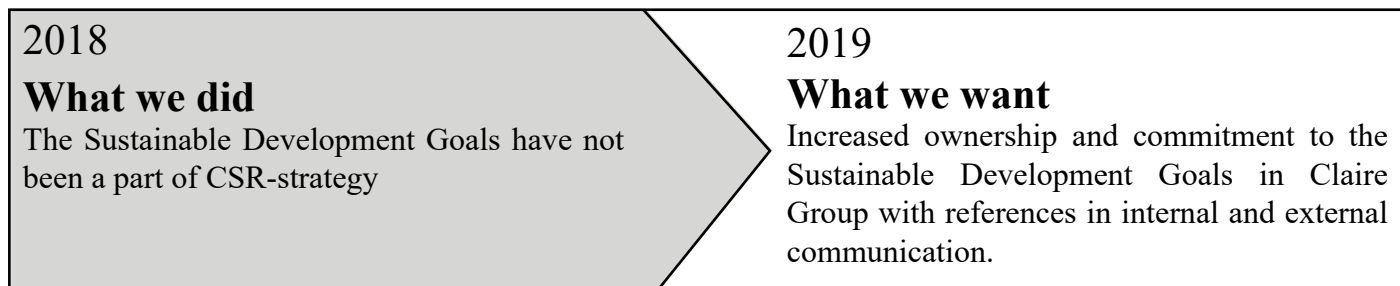
As a private company we believe that every country, organisation and private company must contribute to achieving the sustainable development goals and the Paris Agreement. The challenge is to generate global goals into local business supporting our business development.

We manufacture products and we are inspired from the SDG goals and take part in a worldwide effort to reach the goals. Our products do not contribute to fulfilment the Global Goals, but we have experienced that we can manufacture clothes in respect of people and nature. By complying with human rights and labour laws and with a strong focus on our carbon footprint, we trust we contribute to fulfilment of several of the goals.

One of the ways we have chosen is to focus on four of the Goals that relate most to our business. For Claire Group A/S SDG 5, SGD 8, SGD 12 and SGD 13 are at the heart of our CSR efforts.

The Goals create values through our activities. Social benefits from companies taking, responsibility for vulnerable people in the labour market, for training employees or contributing to increasing the consciousness about sustainable clothing.

How we contribute to achieving the SDGs is outlined to the right and examples of our efforts are given on the following pages.





“Our business is most directly linked to four of the 17 SDGs; however we believe we are inspired by all of them to turn global goals into everyday efforts”.

- Ulla Dam, Supply chain & CSR manager

5. Gender equality

Achieve gender equality.

Gender equality in our organisation is important because gender equality is not only a fundamental human right, it is a necessary foundation for a homogeneous and prosperous organisation. In our store men as well as women should be able to handle all work. At management level our women managers provide different and sustainable views to all kind of challenges. Gender equality is implemented at all level in our organisation because we see gender equality as a part of our general focus on anti-discrimination and diversity in our organisation.

12. Responsible consumption and production

Ensure sustainable production patterns.

We see sustainable consumption and production as promoting sustainable production, providing access to basic goods, green and decent jobs and a better quality of life for all. Implementation helps to achieve overall development goals, reduce future footprint from production, strengthen economic competitiveness and reduce poverty. We prioritize significant on operating our supply chain, involving everyone from producer to final consumer. This includes educating consumers on sustainable consumption and lifestyles, providing them with adequate information through standards and labels on garment.

8. Decent work & economic growth

Decent work for all employees.

We believe the most efficient way to contribute to a sustainable economic growth for our organisation as well as everybody involved in the manufacturing of our clothes is by providing all workers with decent work with a fair salary. We became member of Amfori-BSCI – an audit-based initiative for handling suppliers in 2012. We will contribute to putting an end to workers lack of income and ensure a sustainable livelihood. In this way we have influenced our suppliers always to pay legal wages and step by step be bound to implement living wages.

13. Climate change

Urgent action to combat climate change.

We take pride in taking urgent action to combat climate change and its impacts in Denmark and cascade our position to our supply chain and business partners worldwide. We address all opportunities to minimize our impact from manufacturing clothes in Far East with distribution in Europe. We endeavour to address challenges regarding air, water, waste and pollution in general. Sustainable consumption and production aim at “doing more with less,” and minimize our footprint. Our work is organized in an environmental management system in order to obtain results.

Examples of our impact on the SDGs



A balanced representation of men and women at all levels in the organisation taking part in decision making.



Men as well as women can work at all levels in our organisation.



Jobs with fair remuneration according to Amfori-BSCI Code of Conduct, due to factory audits in the supply chain.



We provide safe jobs due to our focus on Occupational Health and Safety in house and at our suppliers' facilities. OHS work is a high priority topic to us.

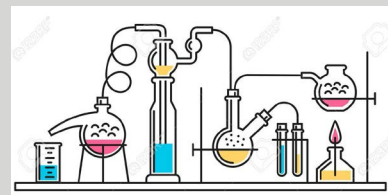




A responsible supply chain is our main priority since 2007. Claire clothes must be produced at factories with a satisfactory audit result according to Amfori-BSCI system.



Our responsible chemical programme is intended to secure good health to workers in contact with our clothes and to provide our customers with clothes without chemicals above the set limit values for the relevant garment.



We will promote our environmentally certification, GOTS and extend the number of products in our collection with GOTS and the OEKO-TEX 100.



Reducing carbon footprint from transportation by ship/air/ transportation begins with measuring and setting goals. Due to extremely well-organized production planning in the design and PU-department and very good cooperation with our suppliers we have reduced our transportation by air.



Responsible management of waste and resources.





Human Rights - People

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

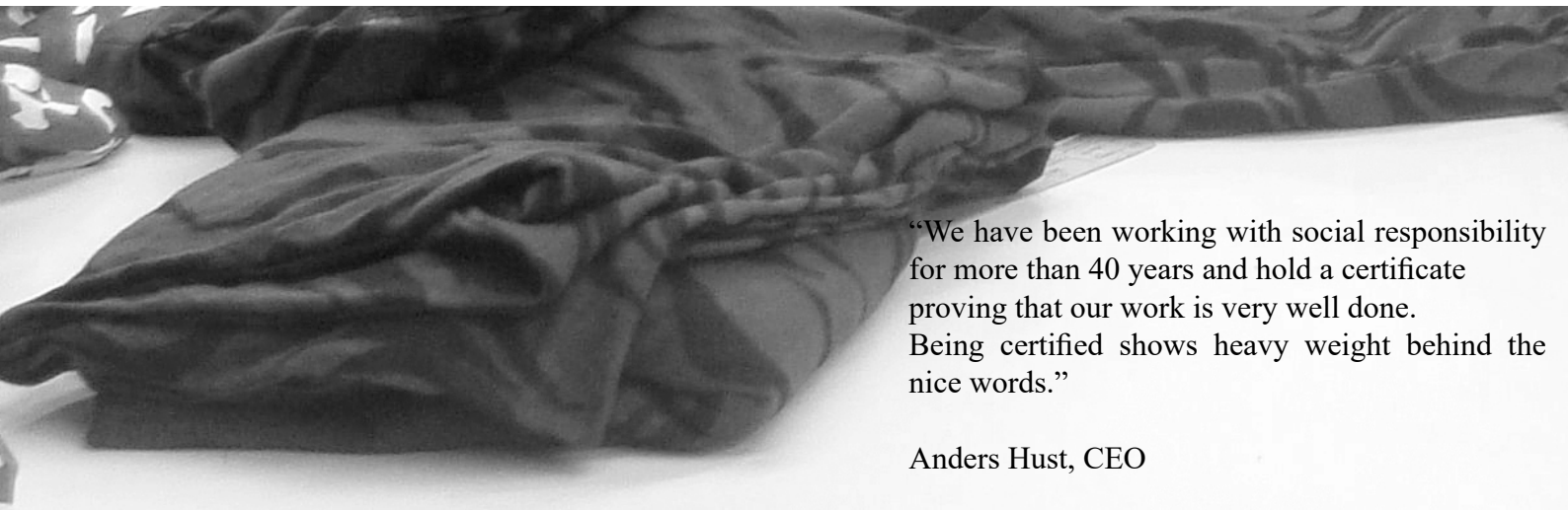
and

Principle 2:

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

Commitment

We are committed not to violate basic human rights conventions in Denmark and wherever 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 employees, local society and workers in our supply chain. Everybody should be given fair opportunities to build careers. We are committed to have a sustainable supply chain and through our membership of Amfori-BSCI we are obliged to respect the fundamental human rights conventions no matter where our production is situated.



“We have been working with social responsibility for more than 40 years and hold a certificate proving that our work is very well done. Being certified shows heavy weight behind the nice words.”

Anders Hust, CEO



Activities

We have a clear written policy on sustainability incl. responsible production. Our values together with our in-house SA 8000 procedures and our Amfori-BSCI membership ensure us against discrimination. To prevent discrimination to happen we have implemented proactive procedures for hiring, promoting and dismissal. Our headquarters in Denmark are under strict Danish legislation, which we comply with. We have established a whistleblower system to handle 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 sewing facilities.

Outcome

Our SA 8000 procedures and our Amfori-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, 2015 and in 2018. To monitor our effort, and measure our progress in the supply chain, we are auditing our suppliers according to an audit plan. Corrective action plans are issued accordingly. See our figures below.

- Claire Group was certified with the ethic standard SA 8000 in 2012, 2015 and 2018.
- In 2018 78 % of our employees are covered by a collective agreement.
- In 2018 84 % of all employees have received SA 8000 training.
- In 2018 70 % of employees on management level or in a position of trust were women.
- In 2018 86 % of our suppliers (BV) are audited with the result A, B or C in the Amfori-BSCI 2.0 system. The rest have been screened with the purpose to prepare for auditing.



“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.

and

Principle 4:

The elimination of all forms of forced and compulsory labour.

and

Principle 5:

The effective abolition of child labour.

and

Principle 6:

The elimination of discrimination in respect of employment and occupation.

Commitment

We want to be one of the very best companies in the fashion industry handling CSR-related issues. We believe fundamentally that our social responsibility effort 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 safe employees a working environment of a top standard level. We want to motivate our staff to educate further and make the best possible use of our resources.

We condemn child labour, dangerous work, unreasonably long working days or salaries below the current industrial rate in production countries. We take in a world wide effort to deal with the challenges of living wage.

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 Occupational, 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 Amfori-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 Amfori-BSCI we have implemented policies and the Amfori-BSCI Code of Conduct in our supply chain. The Amfori-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 2018. Our staff is extremely loyal and as a consequence we have a lot of long term relationships. Our absenteeism is 3,16 %, due to one longterm sickness. When cleaned from longterm illness and maternity leave it is 0,91 %, which is extremely low in DK. This is due to a very high jobsatisfaction. In 2017 we tested our psychological working enviroment and the result was very satisfactory. We are auditing our suppliers according to an audit plan and we are monitoring that corrective action plans are completed 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 suppliers. Our SA 8000 procedures and our commitment to Amfori-BSCI have prevented us from violating basic worker standards, national legislation and collective agreements in Denmark.

- 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.
- 78 % of all employees are covered by a collective agreement.
- 43 % of all employees have first aid certificate.
- We have established a whistleblower system.
- In 2018 86 % of our suppliers (BV) are audited A, B or C in the Amfori-BSCI. 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.

Commitment

We strive to minimize the footprint we set from producing garments and we are aware of our environmental responsibility. We seek to be greener everyday not only because there is money to be earned by safeguarding the environment but also because it is our values. We have a policy on environment and transportation. We consider environmental awareness as a wide range of initiatives that includes running our headquarters in Ikast 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 general knowledge of environmentally friendly labels, OEKO-TEX 100 and GOTS(Global Organic Standard).

Activities

Our waste management system forces us to 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. We have a restricted chemicals programme, which our suppliers must follow including tests made by Bureau Veritas. We sell a collection of organic styles for children (GOTS) and a collection of styles made of bamboo fibres. We also increase the number of styles with OEKO-TEX 100 year after year. We have joined the wash campaign: **Clever Care**, since 40 % of the Co2 emmission lies with the consumer. Our focus on reducing footprint from transportation has been succesfull due to hard work and extremely wellorganized workflow with supplies.

Outcome

We have established figures for our calculation and picked relevant Key Performance Indicators. The reduction in electricity in 2018 has decreased by 5 % compared to 2016. Our investment in low energy lighting have prooven succesfull 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. In 2018, our figures are back at 2016 level which we find satisfactory. Our transport by air is 6 %. We have tested 52 styles in 2018 according to out test programme. Only very few tests failed and we were able to solve the problem. See our total measurements on last page.

Outcome

- In 2018 we decreased our electricity consumption by 5 %, water by 45 %, and commercial waste has decreased by 8%. (2016=100)
- Consumption of heat is back to 2016 level.
- We sail approximately 94 % of our goods to Europe from our Far East suppliers.
- In our supply chain 95 % of suppliers (BV) have signed our restricted chemicals programme.
- In 2018 we have extented our restricted chemicals programme. Random Bureau Veritas inspections are organized according to the limit values in EU-Reach and Norwegian legislation. In 2018 only very few test failed out of 52 styles.





Anti-Corruption - Profit

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

Commitment

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.

Activities

We have a 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 2018. We are in compliance with Danish laws and Bureau Veritas has successfully certified our company with SA 8000 lasted in June 2018.

- Since 2012 our anti-corruption policy has been a part of our staff handbook. In 2014 the policy was revised and made stronger.
- In 2018 we had no cases regarding bribery or anti-corruption from the whistleblower scheme.
- In 2018 86 % of our suppliers (BV) are audited A, B or C in Amfori-BSCI system.

Publication

We intend to make this COP available to all our stakeholders.

A summary of our social performance for 2018 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 2018 Headquarters																								
Human Rights	YES	<p>Headquarters: SA 8000 management system + Three collective agreements</p> <p>Suppliers: Amfori-BSCI – Code of Conduct + audits</p>	<p>Headquarters:</p> <ul style="list-style-type: none"> SA 8000 re-certification in June 2018 84 % of all employees with SA-8000 training 66 % of employees on management level or in a position of trust are women 78 % of employees covered by a collective agreement 																								
Labour Standards	YES	<p>Headquarters: SA 8000 management system + Three collective agreements</p> <p>Suppliers: Amfori-BSCI – Code of Conduct + audits</p>	<p>Headquarters:</p> <ul style="list-style-type: none"> SA 8000 re-certification in June 2018 84 % of all employees with SA-8000 training ½ man-year employed on special terms 78 % of employees covered by a collective agreement 43 % of all employees with first aid certificate 28 % with fire fighting certificate 																								
Environment	YES	<p>Headquarters: Environment program Clever Care Campaign</p> <p>Suppliers: Restricted chemicals programme + tests.</p>	<table border="1"> <thead> <tr> <th></th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Waste in KG</td> <td>12976</td> <td>14132</td> <td>12050</td> </tr> <tr> <td>Electricity in Kwh</td> <td>147032</td> <td>135654</td> <td>140577</td> </tr> <tr> <td>Water in M3</td> <td>723</td> <td>399</td> <td>397</td> </tr> <tr> <td>Heat in Kwh</td> <td>707453</td> <td>741874</td> <td>704409</td> </tr> <tr> <td>Transportation by Ship/aeroplane</td> <td>81 % / 19 %</td> <td>93 % / 7 %</td> <td>94 % / 6 %</td> </tr> </tbody> </table>		2016	2017	2018	Waste in KG	12976	14132	12050	Electricity in Kwh	147032	135654	140577	Water in M3	723	399	397	Heat in Kwh	707453	741874	704409	Transportation by Ship/aeroplane	81 % / 19 %	93 % / 7 %	94 % / 6 %
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Anti-corruption	YES	<p>Headquarters: SA 8000 management system Whistleblower</p> <p>Suppliers: Code of Conduct + audits</p>	<p>Headquarters:</p> <ul style="list-style-type: none"> No cases regarding Anti-corruption 																								

Measurements 2018 Suppliers	Goals/Objectives 2019 Headquarters	Goals/Objectives 2019 Suppliers												
<p>Suppliers:</p> <ol style="list-style-type: none"> 86 % of BV are audited A, B or C in Amfori-BSCI. The rest of the suppliers with screening. 	<p>Headquarters:</p> <ul style="list-style-type: none"> 95 % of all employees with SA-8000 training and increasing focus on internal training in general A balanced representation of men and women on management level. 80 % of employees covered by a collective agreement 	<p>Suppliers:</p> <ol style="list-style-type: none"> 86 % of BV are audited A, B or C in Amfori-BSCI. The rest of the suppliers with screening. 												
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	2019													
Waste in KG	12000													
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BUREAU VERITAS
Certification



Claire Group A/S

Marsvej 6-10, 7430 Ikast, Denmark

Bureau Veritas Certification Holding SAS 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 8000:2014

Scope of certification

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

Certification cycle start date: 26-11-2018

Subject to the continued satisfactory operation of the organisation's Social Accountability Management System, this certificate expires on: 25-11-2021

Original certification date: 25-07-2012

Certificate No. IND.18.10597 Version : 1 Revision date: 26-11-2018

Signed on behalf of
Bureau Veritas Certification Holding SAS



Certification Body Address: Bureau Veritas Certification Holding SAS
Le Triangle de l'Arche, 8, cours du Triangle - CS 90096
92937 Paris la Defense Cedex - France

Local Office address: Bureau Veritas Certification Denmark A/S
Oldenborggade 25-31, 7000 Fredericia, Denmark.

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: + 9122 62742000 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 organization.



CLAIRE GROUP A/S

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