



# UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS 2020

PILGRIM







## STATEMENT OF SUPPORT FROM OUR CEO

It has been an exciting year for Pilgrim.

We have experienced a rapidly increasing global awareness of sustainability, and the need for sustainable solutions in the fashion- and lifestyle industry. We eagerly applaud and embrace this development in all aspects of our business and personal lives.

Throughout the year, we have investigated options to contribute to this development and have come up with great solutions, that we are proud to share with you in this Communication on Progress.

Having signed the UN Global Compact 12 years ago in 2007 is a testimony to the fact that we are committed to a long-term dedication in supporting the ten principles of human rights, labour rights, environment and anti-corruption. Our almost 40 years of dedication to designing and producing jewellery and our enthusiasm to always develop our business in a sustainable direction, is a proof that we are in for the long haul.

Moving forward, circularity and resource efficiency will be a major focus area, as this is an essential ingredient to pivot the industry towards a more sustainable future.

As we are getting increasing demands from our customers, and are referred different tools to meet these requirements, we will try to use this COP to address our commitment to these requirements as well. Embedding and documenting our progress in regard to a sustainable business is a strategic decision that we have already taken.

In the following COP report, we outline our progress and ambitious goals for the future.

On behalf of the Pilgrim organization, we are committed to drive the change needed to pursue a better future for people and the planet.

*Christian Broe*

## **DESCRIPTION OF PILGRIM**

Jewellery is our passions; 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.

### **Our commitment to the principles:**

At Pilgrim we have made a strategic decision to support the UN Global Compact Initiative and ensure that we follow the fundamental principles of responsible business management.

Our commitment refers to internationally recognized principles for sustainable development expressed by UN Global Compact and made operational by the UN Guiding Principles on Business and Human Rights (the UNGPs) and the OECD Guidelines for Multinational Enterprises (the OECD) including core labour rights from the ILO declaration on Fundamental Principles and Rights to Work, the Rio Declaration on Environment and Development, the UN Convention against Corruption, and the UN Principles for Responsible Investment (PRI).

Besides meeting fundamental responsibilities and complying with corporate governance, this report also shows our support towards the 17 UN Sustainable Development Goals (SDGs) and how we embrace the commitments that this entails. The most important goal for Pilgrim is goal no. 12 on responsible consumption and production.



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## HUMAN – AND LABOUR RIGHTS (WORKING CONDITIONS)

Our supply chain consists of 7 number of suppliers, based primarily in China. We have worked continuously with these suppliers for more than 12 years and have built great relationships with them.

Our auditing and training program for suppliers and workers have existed for these past 12 years and have evolved in many directions during those years.

Our suppliers are audited once a year, using our own trained staff in conducting these audits, while providing training on remediation. We believe that this is the right approach for a continuous respectful cooperation between pilgrim and our suppliers. We are not just pointing out things to improve, but also valuing their continuous efforts and gives them guidance on where knowledge or resources are lacking.

We have a code of conduct, that addresses the principles of Pilgrim and the UN Global Compact, and a set of chemical restrictions. These policies are signed by all of our suppliers. All new suppliers must sign these policies before embarking on a business relationship with Pilgrim.

As part of a responsible sourcing strategy, we rarely change suppliers. We know our suppliers well, and they know us. We aim to remain respectful partners in business, both to ensure great product development and quality, but also because we know their social- and environmental performance and we have been with them through their challenges and success and we know that they have the right mindset to understand our wishes for a more sustainable future – and most importantly – they share it.

The audits this year, show minor issues in the factories, that has been corrected within the timeline given in the corrective action plans. Issues evolve around lack of management systems, to ensure, that the factories remain tidy and that fire safety is not compromised under no-circumstances.

The lack of management systems, or implementation of the same, is where we will address our focus during 2020, in order to avoid recurrent issues.

The UN Guiding Principles on Human Rights is an integral part of our Code of Conduct and we have implemented a due diligence system to mitigate adverse risks on Human Rights in our supply chain .

Pilgrim has traceability to production facilities and plating facilities of the entire supply chain. All of our tier 1 suppliers (production facilities) are part of our auditing program . The Sustainable development goal, where we have our biggest leverage is Goal no. 12: Responsible Consumption and production. Our auditing program, our sourcing policy and the ongoing training of our suppliers, are examples of our actions towards achieving this goal.

As we will also elaborate on below; goals no. 3, 6 and 17 are also a focus for Pilgrim this year.



### Close to our hearts

Each year we support projects that are close to our hearts. This year was no exception.

We are always true to the initiatives that we support, which is why we have supported the same projects again this year, as last year. Pilgrim have designed jewellery in support for the employee driven Water2Life project from Grundfos. And we have donated DKK 250.000 to MSF (Doctors without Borders), which means that, since 2003, we have donated DKK15 mio to the organisation, helping to provide doctors to areas with people in acute need for medical assistance.

Through these projects we support the Sustainable Development Goal 3 and 6, and due to the partnerships involved in these projects, we also support goal no. 17.

The Pilgrim foundation have during 2019 supported the organization DINNødhjælp. We have contributed with DKK 100.000 to their excellent efforts in helping vulnerable children in Africa to a new and safe future.





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### **Our plans for 2020**

As mentioned during the introduction, we are experiencing increasing awareness around sustainability and we are getting more requirements to meet certain standards and documentation.

Pilgrim is proud of the fact, that we have developed ourselves and our supply chain in a more sustainable direction for the past 12 years. We have learned so much and gathered so much information about the progress of our suppliers.

In 2020, we are working on building more transparency. We will be gathering data about the audits and progress of our suppliers throughout the last many years, and the progress they have made .

Training in management systems for the factories will have high priority in 2020.

In regard to our commitment towards SDG no. 12, we will continue to work on improvements in our supply chain, but one of the key elements of our progress in 2020, will be to enable responsible consumption. We will do this by educating our staff in the shops on our social- and environmental efforts in our supply chain as well as the new initiatives on packaging and the take-back system.

The first step towards responsible consumption is to raise awareness of our achievements now, and also the consumers responsibility in using the product the right way, taking good care of it, and dispose of it, in the right way.







## ENVIRONMENT

We are aware that we have a negative environmental impact in our supply chain. But we also know that we have the opportunity to change it to a positive impact, over time. Both through our own actions, but also in collaboration with key stakeholders in our value chain. We have taken actions during 2019 within areas of our value chain.

### **Responsible production:**

Our code of conduct addresses the environmental impacts in our supply chain and our suppliers have signed to adhere to these requirements.

Through our due diligence process, we check that the plating factories are adhering to local requirements on wastewater treatment, chemical handling and chemical waste .

### **Materials:**

We are working closely with suppliers to re-use any parts from the production, that are re-usable.

### **Packaging (production – warehouse):**

We have made a decision not to use bubble plastic. We plan to expand this ban on bubble plastic to the rest of the packaging as well .

## Our plans for 2020

### **Sustainable development goals:**

Pilgrim is working strategically with goal no. 12, but we have also mentioned goal no. 3, 6 and 17 during the report. In 2020, we will be making a sustainability strategy, that will enable a strategic approach to the Sustainable Development Goals, and establish areas in which we can truly make a difference and set goals for our own actions.

During 2020, we will be developing a specific environmental policy that goes beyond the requirement in our Code of Conduct and addresses the environmental impacts throughout our entire value chain as well as our own internal operations. A strategy will be developed for reducing our general environmental footprint in our value chain .

We will be changing our energy sources to more sustainable alternatives within our own premises. Also, a focus on food and food waste will be established in 2020 for our canteen at the main office in Denmark.

### **Responsible production:**

We will expand our auditing program to also include the plating factories, to ensure that they adhere to local environmental legislations .

### **Materials:**

We are currently investigating re-using the moulding material in the factories which we will elaborate on further in the next COP report. A mapping of all materials used, and the sustainable alternatives available, will also be mapped out and a strategy for sustainable materials will be made based on the data .



**Packaging (production – warehouse):**

The use of Bubble Plastic will cease entirely in 2020, we will find other alternatives .

All packaging surrounding the product (for example hangtags), will be FSC certified and eco friendly during 2020.

We are still in the process of investigating the best alternative to the plastic polybag, that we need to package our jewellery in. But a sustainable solution/decision will be made and executed on within 2020 .

**Packaging (warehouse – consumer):**

All wrapping from Pilgrim to the end consumer, will be done using only sustainable wrapping materials. Unsustainable options for packaging and wrapping, will not be available.

When purchasing through our web shop, customers will be asked whether wrapping is necessary, otherwise we will save the resources .

**Responsible consumption:**

During 2020, we will be focusing on training our staff in the shops on the sustainable initiatives we are taking in Pilgrim. Through the development of a “Green Guide” we will be educating them on how our products are produced and what we are doing to check the conditions there.

A take-back system will be launched to ensure, that jewellery is either re-used or recycled or at least disposed of, in a correct way. The staff in our shops, will need to be familiar with the concept of this system and understand the reasons behind. So, in order for us to really excel in the area of guiding our consumers in a more sustainable direction, we need to focus on the training of our internal staff first.

However, the take-back system and the reason behind, will be part of our communication to consumers. We want to nudge them to become more responsible consumers of jewellery and embrace the fact that packaging and wrapping solutions, are changing.

**Design for disassembly:**

During 2020, we aim to learn more about designing for disassembly, which will help us greatly once we start to receive jewellery from our take-back system .

**Transportation:**

A mapping of the Co2 emission we currently have on our transportation will be conducted in 2020, on which we will base our further strategy to reduce in the future.



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## **ANTI-CORRUPTION**

Pilgrim dissociate with Corruption in all shapes and forms. Our Code of Conduct states the importance of suppliers working against all forms of corruption and if any corruption is detected, Pilgrim will cease cooperation with said supplier immediately.

Our suppliers have signed our Code of Conduct and therefore accepted these terms.

During 2019, we have detected no incidents of corruption in our supply chain.

### **Our plans for 2020**

It is our plan to develop an Anti-corruption policy during 2020. A policy that will be guiding our suppliers towards how they may avoid being involved in the different forms of corruption and what to do, if they are somehow exposed to this.



This report will be updated on an annual basis. We welcome back any feedback on the report's content to [kst@pilgrim.dk](mailto:kst@pilgrim.dk)









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