

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2021



CLIPPER A/S

CEO STATEMENT

Clipper A/S was established in 1955 in Herning and is built on strong traditions and fine craftsmanship. Over the years, the company has grown into an international business, providing key items for the classic gentleman and corporate wear for professionals within many different industries all over Europe.

Since 2012, Clipper A/S has actively supported and participated in the UN Global Compact. Every year, we strive to improve our quality, our production processes, and our CSR profile. The UN Global Compact initiative is our beacon, setting the standard for both our internal and external activities.

We urge our suppliers and business partners to support and live up to the Ten Principles. This is also a part of our Code of Conduct. Striving for long term relations with our suppliers and business partners, we keep a constant focus on this subject.

The year 2020 has been challenging for everyone due to the COVID-19 pandemic. However, we are convinced that once the virus is under control, the "new normal" will have brought changes, that benefit us as a company, society in general, and even the climate. For example, we will continue to use online meetings, saving travel expenses and the planet's resources, and we will experience an increased awareness of corporate social responsibility in general.

With that in mind, we are continuing our journey in 2021 with anticipation, and with even more focus on sustainability and CSR - proud to play our part in creating a better tomorrow.


Torben Bang
CEO, Clipper A/S



HUMAN RIGHTS – PEOPLE

– Our core capital

Internally

At Clipper A/S we strive to respect basic human rights conventions in Denmark and in the countries in which our products are produced. Our customers should feel confident when doing business with us, knowing that we do our very best to meet fundamental responsibilities in the areas of human rights, labour and anti-corruption.

We support the internationally declared human rights and will not discriminate against any person on the grounds of race, religion, gender, age or disability. At Clipper A/S, we boast an equal gender mix with all ages represented. We care for our employees, involve them in our planning and decision-making processes, and ask for their feedback.

In 2019, we decided to perform the mandatory workplace evaluation (the "APV") every year, instead of every three years, which is the minimum requirement. The evaluation gives us valuable feed-back from each employee and helps us improve the work environment, thus boosting physical and mental health among our employees.

Once a year, each employee has a one-to-one meeting with his/her superior to discuss wages and a personal appraisal interview. The employee and his/her superior evaluate their cooperation and the daily work life, and discuss their ambitions for the coming year. At Clipper A/S we welcome this kind of open and honest dialogue to grow our common understanding and boost employee satisfaction.



"... we do our very best to meet fundamental responsibilities in the areas of human rights, labour and anti-corruption."

All of our employees have six weeks of holiday each year and an 8% private pension paid by the company. Furthermore, each employee is offered a non-obligatory healthcare insurance.

We refrain from any sort of corruption or bribery. It is our company policy, that bribery may 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.

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.

Clipper A/S acknowledges the increased focus on the environment and CSR. We therefore strive to attract employees with the same mindset and determination as the existing personnel. As a result, it is one of our key focus points to improve both internal and external working conditions as well as environmental awareness.



Externally

Our policies towards our suppliers are included in our CoC. We strive for long term relations with our supplier base and rarely 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.

We respect the rights of association and collective bargaining. All work must be voluntary, and there must be safe and hygienic working conditions and lodging 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 reach adulthood.

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.

We use selected audits as a means of ensuring that our suppliers respect and comply with the principal rights of their workers. Amfori BSCI, SMETA and ACCORD are some of the common compliances that we ask our suppliers for. We also do accept other similar certifications if demands are equal or higher, for example Inditex audits.

We generally prefer to control the complete value chain, as this ensures transparency for us and for our customers. At our own factory in Latvia, we maintain full control of the value chain, and when working with subcontractors, we usually buy raw materials such as yarn, zippers and thread ourselves.



"We strive for long term relations with our supplier base and rarely change suppliers. We believe, that together we can grow."

HUMAN RIGHTS – PEOPLE

Achievements in 2020

— We implemented gymnastics every day to benefit daily well-being and strengthen social relations.

To further strengthen social relations, we increased the number of social activities through our staff association.

— We updated our Code of Conduct and our suppliers re-signed accordingly.

We supported DINNødthjælp and sponsored a nurse for the orphanage.



— To learn new skills and increase knowledge, several employees attended courses in e.g. Illustrator, Excel, flat knit and circular knit. This has benefitted the staff as well as Clipper's knowledge base.

We had a workshop with Sustainawear, to educate and inspire our sales team regarding CSR. Among other things, we talked about green-hushing versus green-washing. The sales team got a good basic knowledge and is now better prepared to answer questions from our customers regarding sustainability and CSR in general.

— Based on their prior audit reports, we worked on common remediation plans with our core suppliers. We supported and helped them if possible.

HUMAN RIGHTS – PEOPLE

Actions in 2021

■ We will continue gymnastics every day to benefit the daily well-being and strengthen social relations.

We will continue to develop and educate our employees, to keep them competent and motivated.

■ We will perform a new APV (workplace evaluation).

We will continue to update our Code of Conduct and ask our suppliers to re-sign it accordingly.

■ We will continue to support DINNødhjælp and to sponsor a nurse for the orphanage.

We will work on common remediation plans with our core suppliers based on their prior audit reports. We will help and support our suppliers if possible.

■ We will change our ERP system which will create more efficiency and an improved daily work flow for everybody. We also foresee a more transparent and lean system which will benefit all of our customers, suppliers and employees.



ENVIRONMENT

– Plan Planet Earth

Internally

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 exist within our business in fashion and corporate wear.

Externally

We expect all of our suppliers to live up to the REACH regulations and the STANDARD 100 by OEKOTEX® for raw materials. We make random inspections to see if our garments can pass the tests.

Sourcing new suppliers who focus on reducing the use of chemicals, water and dyestuff is always a main focus point. We would rather go the extra mile to find the right environmental solution than choose the easier and cheaper one.

We continuously work with our suppliers, educating them and sharing our knowledge with them. Everyone is openly discussing challenges and possibilities, recognising that this is crucial to maintain a positive development.



"We are aware of our environmental responsibilities."

A large flock of sheep, mostly brown and some white, are walking across a paved road. The sheep are seen from behind, moving away from the camera. The background shows rolling hills under a clear sky.

ENVIRONMENT

Achievements 2020

We care for both people and animals
- all of our products are now 100%
mulesing free

ENVIRONMENT

Achievements 2020

— We launched a new range of 100% wool garments, produced with reduced water-use, mulesing free yarn and in a quality offering a longer product life span, thus saving the environment.

We gained insight into the CO₂ emission results of our forwarding agents and their ambitions and strategy for reducing their environmental impact. —

— We changed to electricity from renewable sources and started monitoring our consumption of electricity and our use of water to reduce both.



We re-used our import boxes for export. To raise awareness, we covered the old packing stickers with new ones with the statement: "We Recycle". —

— To keep updated and to participate in networking meetings, we continued our membership of the CSR programme by Sustainawear.

To use our overproduced raw materials in a sustainable way, we manufactured products for selected private label customers from leftover yarn or yardage. —

— We donated leftover samples to different kinds of charity.

We strived to consolidate our shipments and reduce the number of shipments by air. —

ENVIRONMENT

Achievements 2020

Our forwarding agents are stepping up to reduce the environmental footprint of the transport industry.

These are our primary forwarding agents. Click their logos to learn more about their environmental policies.



ENVIRONMENT

Actions 2021

- It is a strategic goal to source more environmentally friendly materials, and in 2021 we are going to launch more products with recycled fibres.

Our goal is still to gain insight into the CO₂ emission results of our forwarding agents and their ambitions and strategy for reducing their environmental impact.

- We will work closely with some of our biggest clients on e.g. reducing the consumption of polybags.

We will continue to re-use our import boxes for export. To raise awareness, we cover the old packing stickers with new ones with the statement: "We Recycle".

- We will continue our membership of the CSR programme by Sustainawear to keep updated and to participate in networking meetings.

We will continue to use overproduced raw materials, such as yarn or yardage, to manufacture products for selected private label customers.

- We continue to donate leftover samples to charity.

We will continuously try to consolidate our shipments and reduce the number of shipments by air.

- We will gradually start using recycled materials and materials of more sustainable origin (FSC certified) for all accessories (neck labels, hangtags etc.). We will also stop using safety pins for our hang tags.

For the good of the environment, we strive to source more durable and functional fibres and products.

- To guide our customers towards sustainable choices when it comes to products as well as the entire supply chain, we will inform them of alternative production methods, compositions, sustainable yarns, knitting and weaving methods, logistics options etc.



ENVIRONMENT

Actions 2021

We reinvent ourselves every day –
sustainable accessories is our new
take on acting responsible in a world
short on resources



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