

UN Global Compact Communication on Progress Report

POMPdeLUX ApS 2020



COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

POMPDE LUX®

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Intro

For the first time we have included the UN Sustainable Developments Goals (SDG) in our report, and we will continue to work with those in the coming years. At POMPdeLUX we have chosen to focus our efforts on SDG 8, 12 and 13; Decent Work and Economic Growth (8), Responsible Consumption and Production (12) and Climate Action (13).

The 10 Global Compact principles concerning human rights, labour rights, the environment and anti-corruption are also included in the report. As an international fashion company, with partners and manufactures in Turkey, China, India, Bangladesh and Ukraine, we are very aware of our responsibility to act and produce in a way that puts as little strain on the environment and climate as possible. We will go through those efforts in the following.



POMPdeLUX in numbers

Founded by Marianne Hofmann Dyrbøl in **2006**

60 employees at the HQ in Aarhus, Denmark

2 collections a year: Spring/Summer and Autumn/Winter

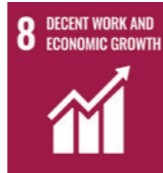
325 consultants in 8 countries

4 salespoints: our Home Shopping consultants, pompdelux.com and our 2 POMPdeLUX outlet stores

SDG 8

DECENT WORK AND ECONOMIC GROWTH

UNGC principles: 1, 2, 3, 4, 5, 6, 7, 10



The Sustainable Development Goal about Decent Work and Economic Growth regards both the workers in our HQ in Denmark as well as the employees in our global supply chain. Within this section the UN Global Compact concerning human rights, labour and anti-corruption principles are covered as well.

Work environment at the HQ

In 2020 we continued our focus on a healthy working environment at POMPdeLUX, and there were made no changes in the benefits, lunch programme, health insurance etc. The extra focus on exercise that was initiated in the autumn of 2019 continued into 2020 with an exercise-day, 'step-counting' competition, walk & talks and desk bikes.

As with almost every other aspect of our daily lives, the pandemic impacted the work environment at the HQ as we sent our employees home in lockdown periods. When they returned it was with extra precautions, online meetings, protective equipment and increased distance. We focused on transparency and communication regarding the restrictions and will hopefully fully dissolve all restrictions in the autumn of 2021.

In the coming years we will focus on updating the physical surroundings at the HQ in Aarhus, in order to incite even more creativity and wellbeing for our employees.



Global Compact principles

- PRINCIPLE 1:** The company should support and respect the protection of internationally proclaimed human rights
- PRINCIPLE 2:** The company should make sure it is not complicit in human rights abuse
- PRINCIPLE 3:** The company should uphold the freedom of association and the effective recognition of the right to collective bargaining
- PRINCIPLE 4:** The company should uphold the elimination of all forms of forced and compulsory labour
- PRINCIPLE 5:** The company should uphold the effective abolition of child labour
- PRINCIPLE 6:** The company should support the elimination of discrimination in respect to employment and occupation
- Principle 7:** The company should support a precautionary approach to environmental challenges
- PRINCIPLE 8:** Business should undertake initiatives to promote greater environmental responsibility
- PRINCIPLE 9:** Business should encourage the development and diffusion of environmentally friendly technologies
- PRINCIPLE 10:** The company should be against corruption in all its forms, including extortion and bribery



“By cultivating long-term, close relationships with agents and suppliers, we make sure that they know our values and live up to the standards that we expect



Anti-corruption and bribery

We support the 10th principle of the UNGC and have a clear and unambiguous anti-corruption strategy, covering bribery, corruption, gifts and other facility payments. We have implemented our policy in our organization, and we strive to influence our suppliers to uphold the same standards in their range of influence.

Through our membership of BSCI (Business Social Compliance Initiative) we have implemented our policies and Code of Conduct in our supply chain. By cultivating long-term, close relationships with agents and suppliers, we make sure that they know our values and live up to the standards that we expect from partners, for example in regard to bribery and corruption.

During the year POMDeLUX and our employees usually receive presents from our business partners – which is divided between all POMDeLUX employees via a Christmas lottery.

BSCI Code of Conduct

Since 2010 we have been a part of the BSCI and through this concept we are obliged to respect human rights and basic labour standards in our supply chain and to have factories audited through third party auditors. In 2020 68% of our suppliers were audited according to BSCI or corresponding standards (SEDEX). We aim to continue to include more of our suppliers in a third-party audit system in the coming years.

SDG 12

RESPONSIBLE CONSUMPTION AND PRODUCTION

UNGC principles:



8: Business should undertake initiatives to promote greater environmental responsibility

9: Business should encourage the development and diffusion of environmentally friendly technologies

Responsible and thoughtful production methods, materials and consumption are key focus points for POMPdeLUX and have been since its foundation in 2006. Being a part of the fashion industry, a responsible approach to consumption and production is vital. It has always been part of the POMPdeLUX DNA, and we are proud of how far we have come as a small player in the industry – but the work with a responsible approach continues and will never end; there will always be ways of improving, which we will continue to explore in the coming years.

Chemical code of conduct

We have a 100% signed commitment to our Chemical Code of Conduct and our suppliers are obligated to inform if any production deviates. Our Chemical Code of Conduct follows OEKO-TEX 100 class 1 values; which means that all our products follow the standards – also if they are not certified and labelled with OEKO-TEX. Bureau Veritas do random chemical tests, so we make sure that our Code of Conduct is followed and they found no chemical violations in their tests in 2020.

Better, not more

Chemical restrictions and certifications are measurable ways of acting responsible towards consumption and production. A respectful approach to production and consumption is embedded in the core of



CASE:

Unisex styles (Brussels & Dublin)

In 2020 we extended our very popular basics collection with a unisex version, making sure that the items can be inherited no matter the gender and thereby live longer. We also introduced a GOTS certified sweat set that was designed with high quality in mind, and no gender specific purpose.



“ *Responsible and thoughtful production methods, materials and consumption are key focus points for POMPdeLUX* ”



POMPdeLUX and we believe that the way towards a more sustainable fashion industry does not only include certifications etc., but also comes from a thought of better, not more. At POMPdeLUX we focus on high quality materials, trans-seasonality and unisex styles in order to prolong the life of our clothes.

No waste concept

POMPdeLUX presents two collections a year and is only available through our own sales channels. We distance ourselves from overproduction and destruction of clothes, which have been a topic of criticism in the industry in the past years.

To avoid this, we analyse and balance our numbers season to season, making sure that we only buy the clothes we believe we can sell. After the season and sales period, we distribute our remaining stock to our two outlet stores. Lastly we either donate or sell the remaining stock to a broker, thereby making sure that we do not waste any of the clothes we produce.



CASE:

Re-runners

When Covid-19 hit in the spring, we experienced an immediate decline in sales which affected the entire Spring/Summer20 season. Fortunately, due to our close to market concept, we were able to adjust our buying volume going into Autumn/Winter20 as well as letting a larger number of Spring/summer20 styles than ever before feature in our Autumn/Winter20 collection as re-runners. With these adjustments we were able to continue our No waste concept despite the challenges. We consider the re-runner concept a success that made it possible to come back to more normal sales figures in Autumn/Winter20.

We strive to have as much of our clothes labelled with certifications like OEKO-TEX or GOTS

SDG 13 CLIMATE ACTION



UNGC principles:

8: Business should undertake initiatives to promote greater environmental responsibility

9: Business should encourage the development and diffusion of environmentally friendly technologies

Our corporate responsibility in terms of environmental impact has always been a part of the POMPdeLUX DNA. This includes our local impact from our HQ in Aarhus, as well as our supply chain around the world. Therefore, we continuously track the impact and actions we take regarding our climate. This section includes both the 13th SDG regarding Climate action and aspects of the UNGC principles 8 and 9.

TRANSPORTATION

Our position on transportation has not changed in 2020 and is clear; we endeavour to avoid flying clothes to Denmark unless absolutely necessary. We prefer sea freight whenever possible and have succeeded with an increase in ship transportation, while keeping our use of airfreight at the same level as 2019, despite difficulties and delays in production due to Covid-19 – which we are very satisfied with.

Transport in numbers:

%	2018	2019	2020
Ship	63%	71%	79%
Air	16%	9%	9%
Truck	8%	16%	10%
Rail	13%	4%	2%

HQ CONSUMPTION

In 2020 we continued to measure our consumption of water, waste, cardboard recycling, heating and electricity at our HQ. By continuously measuring our consumption, we make sure that it stays at an acceptable level. In 2020 the numbers were affected by the lockdown in the spring, where all employees worked from home. Our electricity and waste numbers are therefore remarkably lower than usual and will therefore likely be back to the level from 2019 in 2021.

(Pr. employee)	2018	2019	2020
Water in m3	8,7	7,8	7,5
Waste in KG	425	357	243
Cardboard for recycling in KG	852	897	894
Heating in m3	401	490	525
Electricity in KwH	3420	4347	3661



CERTIFICATIONS

We strive to have as much of our clothes labelled with certifications like OEKO-TEX or GOTS, as well as choosing materials such as ECO-VERO and recycled polyester whenever possible. In 2020 we succeeded in increasing our production with these materials. We wish to continue this positive trend in the coming years, but we are experiencing challenges with supply. Organic cotton has for example proven to be more difficult to source during and in the aftermaths of the pandemic and we are therefore not confident that the same increase will be evident in 2021.

% of buying volume	2018	2019	2020
OEKO-TEX	36%	35%	10%
GOTS	7,2%	14%	12%
OEKO-TEX + GOTS	3%	6%	14%
ORGANIC Cotton		0,5%	11%
ECO-VERO		0,71%	8%
Recycled polyester			4%

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Statement of continued support

Going into 2020 no one could have imagined what we were about to experience and the consequences that everyone has felt from Covid-19. It has affected almost every part of our daily life, and for our company it affected supply, markets and demands and we were forced to adapt our business to the new reality in 2020. Both our actions and progress results have naturally been affected by the global pandemic, and unfortunately the consequences of the pandemic are not over yet. Despite the challenges, our vision is still the same, as we aim to design and produce high quality, affordable products under the best possible conditions with the lowest possible impact, ensuring that POMPdeLUX garments can last for years.

In our opinion overproduction is an overwhelming issue in the fashion industry. It's an issue that we are very conscious of as a responsible fashion brand. Our fight against overproduction permeates our concept with only two collections a year and the way we continuously balance our stock season to season. Our B2C concept makes it possible for us to stay close to market, which proved its worth in 2020.

In product terms the focus on overproduction becomes evident in a better, not more—belief and with high quality products that can live longer. Transseasonal styles and longevity are key concepts in our effort to lower our impact from producing garments. Our continued fabric-focus, combined with styles that can live longer, both in terms of design and quality, is our main focus and a vital part of being a responsible fashion company. Despite challenging times, this work continued in 2020 and this report outlines our actions, the results of our work and how we aim to keep working to lower our impact from producing clothes in the future. There are always new and innovative ways to produce clothes and we will continue to explore these in order to provide the best possible products to our customers. With these introductory notes and the following communication of progress report, I state POMPdeLUX's continued support of the UN Global Compact.



Hinnerup 2020-18-06

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CEO

POMPdeLUX Aps