

COP REPORT 2020 UPDATED

UN GLOBAL COMPACT

PILGRIM

STATEMENT OF SUPPORT FROM OUR CEO

The year 2020 was challenging for everyone, including Pilgrim.

The new and unprecedented global situation left us on new ground. The importance of protecting our planet and the people inhabiting it was made clearer than ever.

There is a rapidly increasing global awareness of sustainability, and the need for sustainable solutions in the fashion and lifestyle industry is greater than ever. We eagerly applaud and embrace this development in all aspects of our business.

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

14 years ago, in 2007, we signed the UN Global Compact. This is a testimony to the fact that we are committed to a long-term dedication to 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 optimistic approach to continuously develop our business in a sustainable direction is proof that we are in it for the long haul.

Moving forward, circularity, resource efficiency and decreasing carbon emissions will be our primary focus areas, as these are essential ingredients to pivot the industry towards a more sustainable future. Furthermore, we will be focusing on finding more sustainable solutions in relation to materials.

As we face increasing demands from our customers and at the same time are introduced to 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 with regards to a sustainable business is a strategic decision, which we have already taken.

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

On behalf of the Pilgrim organisation, we commit to drive the change needed to pursue a better future for our planet and the people inhabiting it.

Christian Broe

A woman with long brown hair is lying down, wearing a shimmering blue short-sleeved top and a gold bracelet on her left wrist. She is looking towards the camera with a slight smile. The background is dark and out of focus.

Description
of PILGRIM

**JEWELLERY IS OUR PASSION;
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 COME FROM. PILGRIM IS STILL
ALL ABOUT GOING OUT AND SEEKING NEW
THINGS, NEW WAYS, AND NEW ADVENTURES.
BUT IT IS NOT JUST THE DESTINATION THAT
MATTERS – IT'S HOW WE GET THERE. WE ARE
A DYNAMIC BRAND, CONSTANTLY MOVING
AND DEVELOPING.**



OUR COMMITMENT TO THE PRINCIPLES

At Pilgrim, we have made a strategic decision to support the UN Global Compact initiatives and thus ensure that we follow the 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 goal we have chosen to primarily focus on is goal no. 12 “Responsible consumption and production”. We believe this goal to be the one where we have the best possibilities of making a significant and positive change by virtue of our line of business.

HUMAN - AND LABOUR RIGHTS

专票号码:	细表		
客户	02	出库日:	5,31
品名	大耳环		
订单号	KW-1368		
小型号			
数量	左 3674 + 66749 Pcs		
重量	共 102.24 kg	单价	¥ 1.2
部署	细2	接收TEAM	张
送货人	张	接收人	张

专票号码:	车间出		
客户	细表		
品名	大耳环		
订单号	KW-1368		
小型号			
数量			
重量			
部署			
送货人			
kg	单价	Pcs	
接收TEAM	¥		
接收人			



**SO FAR PILGRIM
HAVE DONATED
MORE THAN
15 MILLION DKK
TO MSF**

CLOSE TO OUR HEARTS

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

Since 2003, Pilgrim has supported **Médecins Sans Frontières** (Doctors Without Borders) and helped provide doctors in areas where people are in acute need for medical assistance. In 2020, this need was more pressing than ever. Therefore, we created a campaign in the days after the first reopening of the Danish society. During these days, the surplus was donated to MSF and the battling of COVID-19. The result of the campaign was a 225.000 DKK donation. We also donated an additional 194.000 DKK to MSF making our overall donation amount since 2003 exceed 15 million DKK.

Furthermore, we have provided financial support to three additional organizations; DINNødhjælp, Make Them Smile Kenya and Momentum Trust.

DINNødhjælp is a great organisation that helps vulnerable children in Africa to a new and safe future. They have received a donation of 114.000 DKK.

Make Them Smile Kenya is an orphanage in Kenya where the overall goal is to give children a better chance of becoming active parts of the local community and its decision processes and enforce their personal rights. They too have received a donation of 114.000 DKK.

Momentum Trust provides loans and knowledge for Kenyan farmers to improve their living standards and eradicate malnutrition and hunger. They have also received a donation of 114.000 DKK.



WORKING CONDITIONS

Our supply chain consists of 7 suppliers, based primarily in China. We have worked continuously with these suppliers for more than 13 years and have built strong relationships with them.

Our auditing and training program for suppliers and workers has existed for the past 13 years and has evolved in many directions during these years.

Our suppliers are audited at least once a year, using our own trained staff to conduct these audits, while at the same time providing training on remediation. We believe that this is the right approach for a continuous respectful cooperation between Pilgrim and our suppliers. It is important to us, that we do not just point out things to improve, but also highlight their continuous efforts and give them guidance where knowledge or resources are lacking.

We have a Code of Conduct addressing the principles of Pilgrim and the UN Global Compact, and a set of chemical restrictions. Both of these are signed by all our suppliers. All new suppliers must sign these policies before beginning a business relationship with Pilgrim.

As part of a responsible sourcing strategy, we rarely change our suppliers. We know our suppliers well, and they know us. We aim to remain respectful partners in business, not only to ensure great product development and quality, but also because we know their social- and environmental performance. We have been with our suppliers through their challenges and successes, and we know that they have the right mindset to understand our wishes for a more sustainable future – and most importantly – they share it.

This year, the audits only found small opportunities for improvement regarding fire safety. The im-

provements have been made within the timeline given in the corrective action plans.

Fortunately, the issues were minor and easy to resolve by on-site personnel and our focus will therefore be on conducting re-audits to ensure that the necessary corrections and additions have been made and to avoid recurrent issues.

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. In addition, we have also begun the process of mapping other tiers.

In 2020, we worked on becoming more transparent. We gathered data about the audits and progress of our suppliers throughout the previous years.

We had plans for implementing management systems in our factories, as well as staff education. However, the implementations of such plans both required close contact and geographical proximity, which unfortunately was not possible due to the circumstances surrounding the COVID-19 pandemic.

The Sustainable development goal, where we have our biggest leverage is Goal no. 12: Responsible Consumption and Production. Our auditing program, sourcing policy, and the ongoing training of our suppliers are all examples of our actions towards achieving this goal.

**Working
conditions**

OUR PLANS FOR 2021

To our great despair, we saw some of our ambitions for 2020 unfulfilled because of the circumstances surrounding COVID-19. Therefore, many of our plans for 2020 are continued in 2021.

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 13 years. We have learned so much and gathered much information about the progress of our suppliers.

SDG no.12 is a twofold goal, including both production and consumption. Our role in ensuring responsible production is natural, and there is no denying the impact can make by focusing on this. Still, as we are fully committed to the goal in its entirety, we are also deeply focused on enabling responsible consumption, and this is a key element of our planned progress in 2021

We will do so by providing education and training for our staff in the shops, teaching them about our social- and environmental efforts in our supply chain and our new initiatives in packaging and designing for disassembly.

We want to raise awareness of our achievements, but also inform our consumers of their responsibility in terms of treating their products correctly and dispose them in the most sustainable way. The shop staff hold a unique position through their direct contact with our customers and therefore has a crucial role in passing on this information.

**NEW
SUSTAINABLE
PACKAGING
INTRODUCED
IN 2020**



ENVIRONMENT

We are aware that we have a negative environmental impact in our supply chain. However, we also know that we have the opportunity to change it to a positive impact, over time.

This can be done through our own actions, but also in collaboration with key stakeholders in our value chain. In 2020, we developed a sustainability strategy, stretching far out into the future, which includes a strategic approach to the SDG. In 2020, we took actions within different areas of our value chain as stated below.

Responsible production:

Our Code of Conduct addresses the environmental impacts of our supply chain. 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.

In 2020, we expanded our auditing program to include the plating factories. We are happy to say that all factories gained environmental certificates, meaning that their wastewater treatment has been approved by local authorities.

Materials:

We work closely with suppliers to reuse any parts from the production that are reusable. Still, we also know that there is always more to do and more to learn. In 2020, we set out an investigation to discover whether the moulding materials used in the factories can be reused. Fortunately, they are. Further actions in this area are planned to be made after an investigation in the most efficient and safest procedures with regards to the process of reusing materials.

Packaging (production – warehouse):

In 2020, we introduced a full ban on the use of bubble wrap in the packaging of our products.

We also began the initial stages of our sustainable packaging strategy, by investigating better options for future solutions. At the end of the year, we still had conventional packaging in stock. We will be using this until we run out of stock.

Close the loop:

In 2020, we collaborated with the Spinnin' project facilitated by Lifestyle & Design Cluster. The goal was to find a way to reuse Pilgrim jewellery, to ensure that no useful resource goes to waste. Unfortunately, this proved to be more difficult than expected, with significant cons to all viable solutions. We have therefore not settled on an upcycling solution yet.

Environment

OUR PLANS FOR 2021

Responsible production:

Pilgrim is in a Due Diligence process, where we continuously investigate issues in our supply chain and resolve them. This is an ongoing process, and there will always be areas to improve.

In 2021, we will continue the expansion of our auditing to tiers beyond Tier 1. We will also investigate the possibility of production solutions facilitating the upcycling process.

Materials:

We are currently investigating new and more sustainable alternatives to materials used in our products. In 2021, we aim to map our materials use and begin the implementation of new and more sustainable materials in our production, including recycled options.

Packaging:

We plan to stop the use of all unsustainable materials surrounding our products, such as polybags, hangtags, etc. The traditional polybags will be switched to polybags made from recycled plastic instead.

All paper or cardboard packaging surrounding the product, will be switched to FSC certified options during 2021.

Responsible consumption:

In 2021, we will be focusing on training our staff in the shops on the sustainable initiatives we are taking in Pilgrim. Through a "Green Guide" we will be educating them on how our products are produced and what we are doing to check the conditions on our production sites.

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, for us to excel at 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 underlying motivations will be part of our consumer-oriented communication. We want to nudge them to become more responsible consumers of jewellery and embrace the fact that packaging and wrapping solutions are changing.

Closing the loop:

In 2021, we will be further investigating the best possible options for prolonging the life of our products and their materials, to reduce unnecessary waste and close the material loop. We aim to start our upcycling process in the second half of 2021.

Transportation:

In 2021, we will continue the mapping of our CO2 emissions from our transportation. Based on the findings we will create a future strategy for a reduction of the emissions.

Carbon neutral E-commerce:

One of our goals for 2021 is to reduce our carbon emissions. Therefore, we will once again be collaborating with Spinnin' through Lifestyle and Design Cluster. This year's project will investigate how we can make our webshop carbon neutral.

A close-up, artistic portrait of a woman with light skin and blonde hair. She is wearing a small, multi-strand diamond earring and a delicate necklace. Her hand is raised near her face, and her expression is contemplative. The lighting is soft and directional, creating subtle shadows.

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. If any corruption is detected, Pilgrim will end the cooperation immediately.

In 2020, we have detected no incidents of corruption in our supply chain.

In 2020, we developed an anti-corruption policy. The policy serves to guide our suppliers as to how they may avoid becoming involved in different forms of corruptions, and what they should do if they find themselves exposed to any kind of corruption.

OUR PLANS FOR 2021

In 2021 we will be sending out our newly developed anti-corruption policy and collecting the required signatures from our suppliers.

**THIS REPORT WILL BE UPDATED
ON AN ANNUAL BASIS.**

**WE WELCOME BACK ANY FEEDBACK
ON THE REPORT'S CONTENT
TO MAIL@PILGRIM.DK**

JOIN THE JOURNEY

www.pilgrim.dk

PILGRIM

