

# DUE DILIGENCE POLICY

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## BIRGER CHRISTENSEN DUE DILIGENCE POLICY

- INTRODUCTION
- PURPOSE
- SCOPE

### Introduction

Due diligence is a permanent process that enables us to identify and mitigate risks across our value chain and covers all individuals and communities affected. It covers both risks to the environment and to the people.

For own operations see Internal Code of Conduct policy. Our industry and its countries of operations are subject to a wide spectrum of risks, with various intensities. In a similar manner, we are subject to ever evolving government policies. We consider due diligence to strengthen the basis of mutual confidence between us and our Suppliers as well as between us and our Retailers and Customers.

The key principles of our due diligence policy are based on the International Bill of Human Rights, OECD guidelines, Amfori BSCI and BEPI codes of conduct, UN Guiding Principles on Business and Human Rights (UNGPs) and the relevant ILO Conventions and Recommendations. We also collaborate with other Danish textile brands as part of working groups at DE. Our policy can be found in detail in our Code of conducts.

### Purpose

This policy describes the method established to ensure that Birger Christensen collective conducts comprehensive due diligence processes in various business activities, including mergers and acquisitions, investments, partnerships, and other transactions. The policy outlines the principles, procedures, and responsibilities related to due diligence.

### Scope

This policy is applicable to all individuals and communities affected by our supply chain. For own operations see Internal Code of Conduct.

# OUR DUE DILIGENCE PROCESSES

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## OUR DUE DILIGENCE PROCESSES

### 1. Build and update our internal policies and processes.

Our due diligence policy is enforced through 3 key documents, Agreement, Supplier manual and Code of conduct. They explain in full transparency our commitments and our expectations around key topics like environmental practices, human rights and business ethics. Those documents are the base of our commitment and are enforced through the training of our teams, and a shared dialogue from day 1. We update them on a yearly basis as a minimum to ensure they are relevant and aligned with international law and best practice in the industry.

### 2. Identify risks and impacts of our activities.

On a yearly basis, during our materiality assessment, we conduct a risk assessment of our human rights, environmental and chemical risks, to help us identify potential or confirmed adverse impact. Using a double materiality framework, we assess the impact we have on the planet and on people, as well as the impact sustainability challenges have on us. This evaluation relies on multiple sources of industry and country reports, regulations updates, and engagement with our stakeholders. This assessment helps us update our strategy and initiatives and prioritize our actions on our salient environmental and Human Rights Risk.

Table 2. Sector Risks in the garment and footwear sector\*

Human rights & Labour risks	Enviromental risks	Integrity risks
Child labour	Hazardous chemicals	Bribery and corruption
Discrimination	Water consumption	
Forced Labor	Water pollution	
Occupational health and safety (e.g. worker related injury and ill health)	Greenhouse Gas (GHG) emissions	
Violations of the right of workers to establish or join a trade union and bargain collectively		
Non-compliance with minimum wage laws		
Wages do not meet basic needs of workers and their families		

\*Sector are not limited to the above

## OECD Due diligence Guidance for Responsible Supply Chains in the Garment and Footwear sector – 2018

Our salient environmental and human rights risk identification assessment 24/25

### Salient human and labour rights risk

Risk Area	India	China	Türkey
Working hours and leave	High Risk	High Risk	High Risk
Wages & Benefits	High Risk	Moderate Risk	Moderate Risk
Forced Labour	Moderate Risk	Moderate Risk	Moderate Risk
Child Labour	Low Risk	Low Risk	Low Risk
Employment conditions	High Risk	Moderate Risk	Moderate Risk
Discrimination, Diversity & Harassment	High Risk	Moderate Risk	High Risk
Freedom of association & collective bargaining	High Risk	High Risk	High Risk
Workplace Dialogue & Grievance Mechanisms	High Risk	High Risk	Moderate Risk
Occupational Health & Safety	High Risk	High Risk	Very High Risk
Extreme Temperatures	High Risk	Low Risk	Low Risk

### Salient Environmental risk

Chemicals	Moderate Risk	Moderate Risk	Low Risk
Air quality and climate	Moderate Risk	Low Risk	Low Risk
Water resources	Moderate Risk	Low Risk	Moderate Risk
Waste, re-use and recycling management	Low Risk	Low Risk	Low Risk

### Other risk

Animal Welfare	Moderate Risk	Moderate Risk	Moderate Risk
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**3. Collect, Prevent & mitigate.**

Once identified and graded, those impacts and risks order to prevent them, or to mitigate them through-out our business activity. We use those results to update our requirements, policies and procedures, and to invest resources in risk mitigation.

Birger Christensen collective’s due diligence process starts during the onboarding phase. We ask our suppliers to clearly map their chain of value before engaging in production and communicate the MID code of each of the facilities that will process our orders. The due diligence process is then updated on a yearly basis.

In this document, we will detail the steps and documentation we require from our Supplier: Map their chain of value and communicate the MID code of the facilities that will process our orders. Send a valid Social audit covered by a third-party Send Corrective action plans if relevant and update us on their status of progress.

Share internal policies, quality processes and Grievance and whistleblowing mechanisms.

We are currently also working on collecting more detailed environmental data including carbon emissions. This new requirement will help us gather more in-depth information to measure chemical & carbon risk at different steps of our chain of value.

**4. Track & monitor progress.**

Based on the identified risks, we monitor improvement and corrective action plan, through direct engagement, grievance & whistleblowing channels, mutual assessment, and partnerships.

Ongoing monitoring and evaluation ensure compliance with agreed-upon terms and conditions, and

progress towards our Sustainability goals.

We also get support from specialized organizations like testing center, NGO, and experts to build controls and improvements plans on sensitive areas from product to company levels.

**5. Communicate and report.**

We use our Sustainability report to disclose those risks and how we work on them, as well as the key metrics we track progress on.

**6. COOPERATE & IMPROVE.**

We favor an open dialogue with our stakeholders and seek direct feedback to help us identify potentially adverse impacts and work on positive change. On a yearly basis we conduct an anonymous survey through our independent partner Better Buying to gather feedback on our practices and collaboration, and use it as base to improve our processes and behaviors.

We also opened a Grievance & whistleblowing process for our employees and partners to report concerns about impacts on human rights and the environment. We have a non-tolerance policy towards intimidation or retaliation against anyone who raises a concern.

Where impacts on human rights and the environment are directly linked to our operations, we will use our influence to support actions and address those impacts, through direct action or influence.

Our Due Diligence Policy will be regularly assessed and updated to align with regulations, best practices, and the evolving needs of our stakeholders.

**7. Approval and Implementation**

This policy is effective upon approval by the CEO. All employees are expected to adhere to and support the implementation of this policy.

DocuSigned by:  
*Nikolay Kragh*  
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