

BIRGER CHRISTENSEN COLLECTIVE

SUSTAINABILITY REPORT 2022

HIGHLIGHTS FROM 2022

**LAUNCH OF 2025
SUSTAINABILITY AGENDA**

**1ST PREFERRED
MATERIAL GUIDELINES**

**WE JOINED
BETTER BUYING™**

**WE INVESTED IN
OUR EMPLOYEES**

**WE JOINED
THE METAVERSE**

**WE BUILT NEW
RESEARCH PARTNERSHIPS**

WORD FROM THE CEO

We are a collective for change, and 2022 was the ignition of a new path for us.

We are deeply proud of the amazing people that work with us and of the energy and ideas they bring to structure and accelerate this change. We will not make fashion sustainable alone, but we can aim to be a better version of ourselves everyday.

Thanks to the strength of our collective and partners, we aim high and we hope you will do the same.

Denise Christensen, CEO

WORD FROM THE CEO

FOR MORE THAN 150 YEARS NOW...

Birger Christensen has been a synonym of high quality, and consideration to people. These values are rooted in our company's unique history, and gave us the capacity to adapt every time our customers needed us to - change is part of our DNA.

After a radical evolution of our business model in 2017, since 2022, we have engaged in a transformative path towards sustainability, and this is the story we are proud to share in our first ever report.

We believe that being part of the necessary change of fashion, starts by challenging ourselves as individuals and as a company. We acknowledge our limitations and our need to improve, and we use our creativity to make things better, starting with our own actions. We will not make fashion sustainable alone, but we can aim to be a better version of ourselves every day.

In 2022, we launched our Sustainability agenda with a stronger ambition than ever. Structured around 3 pillars - Innovation, People, Planet - it reflects our DNA and vision, that together we can be a force for positive change. We see it as a guide to make informed decisions at every stage of our activities, and to ensure we keep on moving in the right direction.

The report details our strategy and structure, current achievements, future goals and a map for the changes we wish to bring in the years to come. The report will act as a platform to onboard our team into new initiatives, attract new talents and partners, and instill pride in being part of a collective with a passion for change.

INNOVATION - FROM PAGE 20.

In 2022, we took a step into digital fashion with the launch of our first NFT, we engaged in circular business models with rental platforms, we started working with regenerated fibers, as well as initiating several research partnerships around materials and social behaviors, and onboarding new development tools that aim to decrease our samples.

The dedication to innovation was shared across all teams, and continues to progress into 2023 with refreshed eyes to researching and integrating new ways of making fashion.

PEOPLE - FROM PAGE 28

Since 2022, we initiated a People first approach to foster collaboration, creativity and confidence, with all our stakeholders.

In 2022, we reached a point in our growth that allowed us to onboard new talent, with 40% of our team being here for less than 1 year. With this renewed structure, we redesigned all our HR activities to ensure we are a great place to work and joined the Better Buying principles to become better partners to our suppliers.

PLANET - FROM PAGE 39




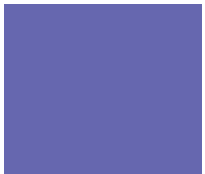


Quality and durability has always been our focus, but we know we need to do even better. 2022 was the opportunity to move past initiatives and integrate environmental sustainability from design.

We built a roadmap around our materials, production and logistics. We invested in education and our materials to allow a rapid change, and are very proud that 64% of our production is already made of Preferred materials.

We are now focusing on reaching 100% and bringing transparency and data to measure our impacts. We want to foster long-term changes within our practices, but also with our partners and customers.



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01 BCC WHO WE ARE

Transforming fashion
one step at a time

01 BCC - WHO WE ARE

+150 YEARS OF PASSION

From fur and luxury retail to our current Fashion Collective, hosting 3 creative brands, Birger Christensen has been in motion for 150 years, cultivating the voices of tomorrow, always curious and eternally flexible.

Our long-lasting focus on customer satisfaction explains the company's longevity, as well as a unique capacity to change radically with no misplaced pride. A company born from a Danish mindset, within a growing International setting.



01 BCC – WHO WE ARE

WE ARE A COLLECTIVE FOR CHANGE

Birger Christensen Collective is the foundation of a new fashion movement. We acknowledge that fashion needs a radical change. A change that starts with us – by bringing out a better version of ourselves every day, every step of the way.

We help people blossom and bring their unique self to the team, so we together, can achieve our mission to radically transform fashion. We identify and nurture transformational ideas and technologies to help them reach their potential faster.

We create emerging brands for the long run, with a commitment to being true to ourselves and defining solutions for the future as the back bone for everything we do.

As a company we represent a foundation that allows our collaborators to innovate at the highest level of creativity with our organization acting as the structural framework of each project.

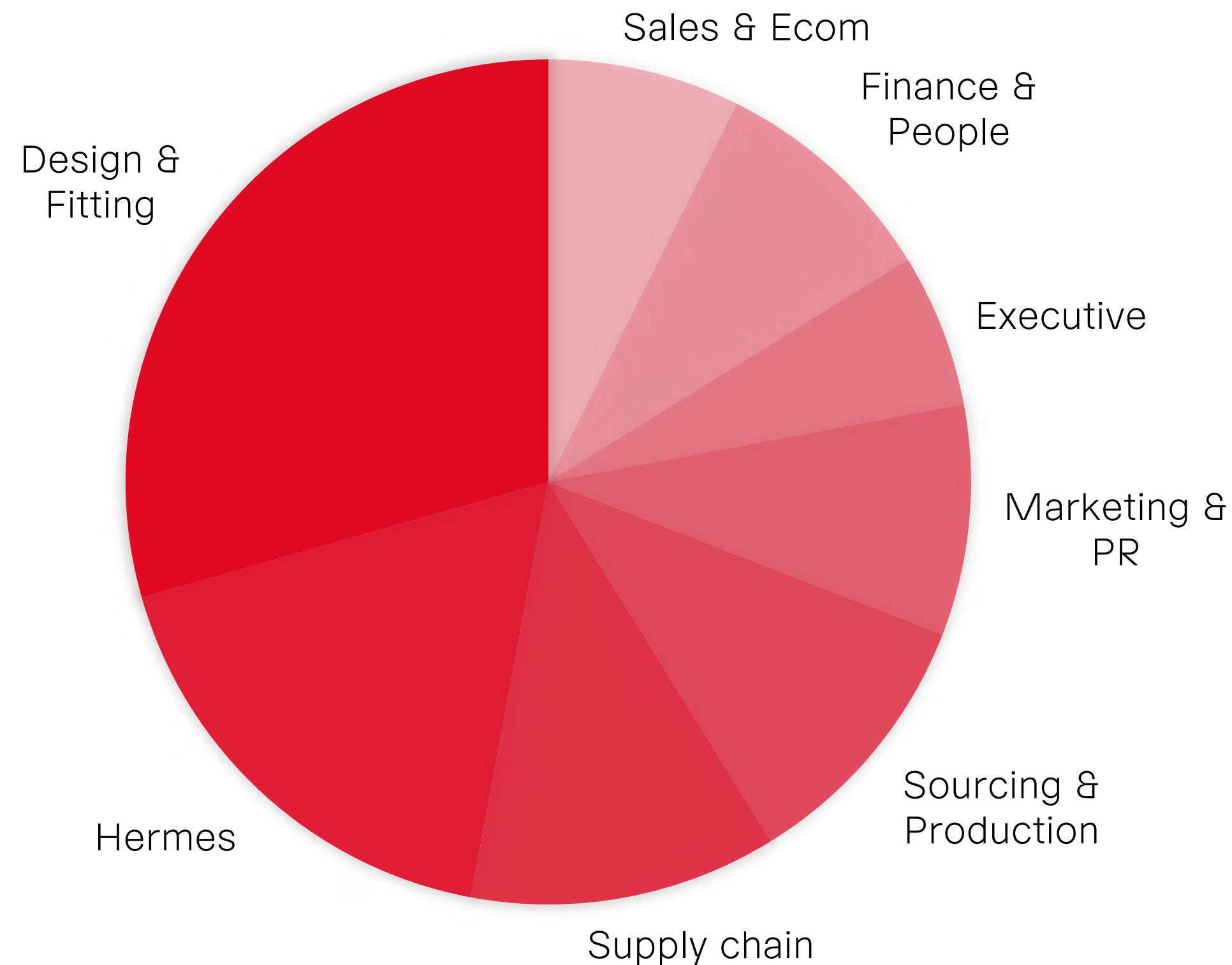
We insist on challenging industry standards and think differently across innovation, people and planet to make fashion we can all be proud of.



01 BCC – WHO WE ARE

OUR COLLECTIVE AT A GLANCE

EMPLOYEE'S REPARTITION PER FUNCTION

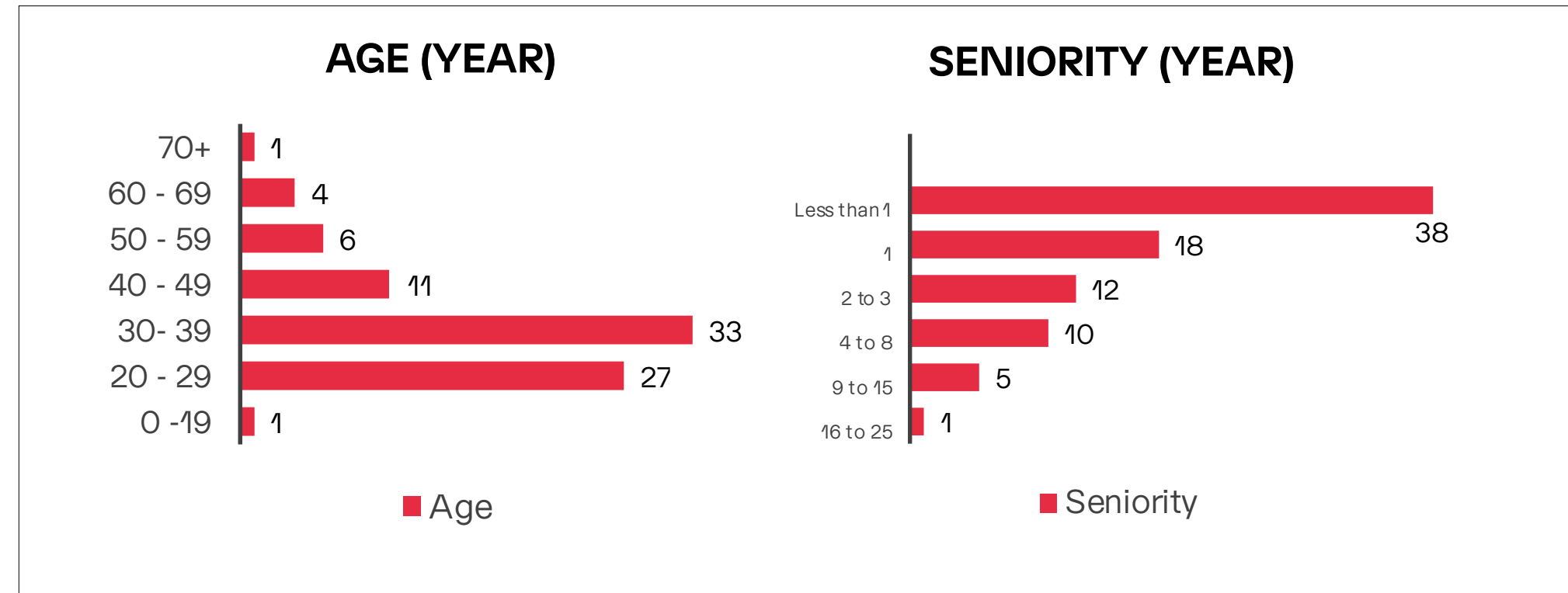


Our form is end-to-end, from initial idea to market. Our structure allows us to unite our resources so that we can benefit from the experience and capacity of a larger, skilled and committed team. That is the force of our collective.

Design and product development teams are split per brand, but share good practices together. All the other teams act at the collective level, and follow the same ambition and objectives, to deliver operational efficiency to each brand.

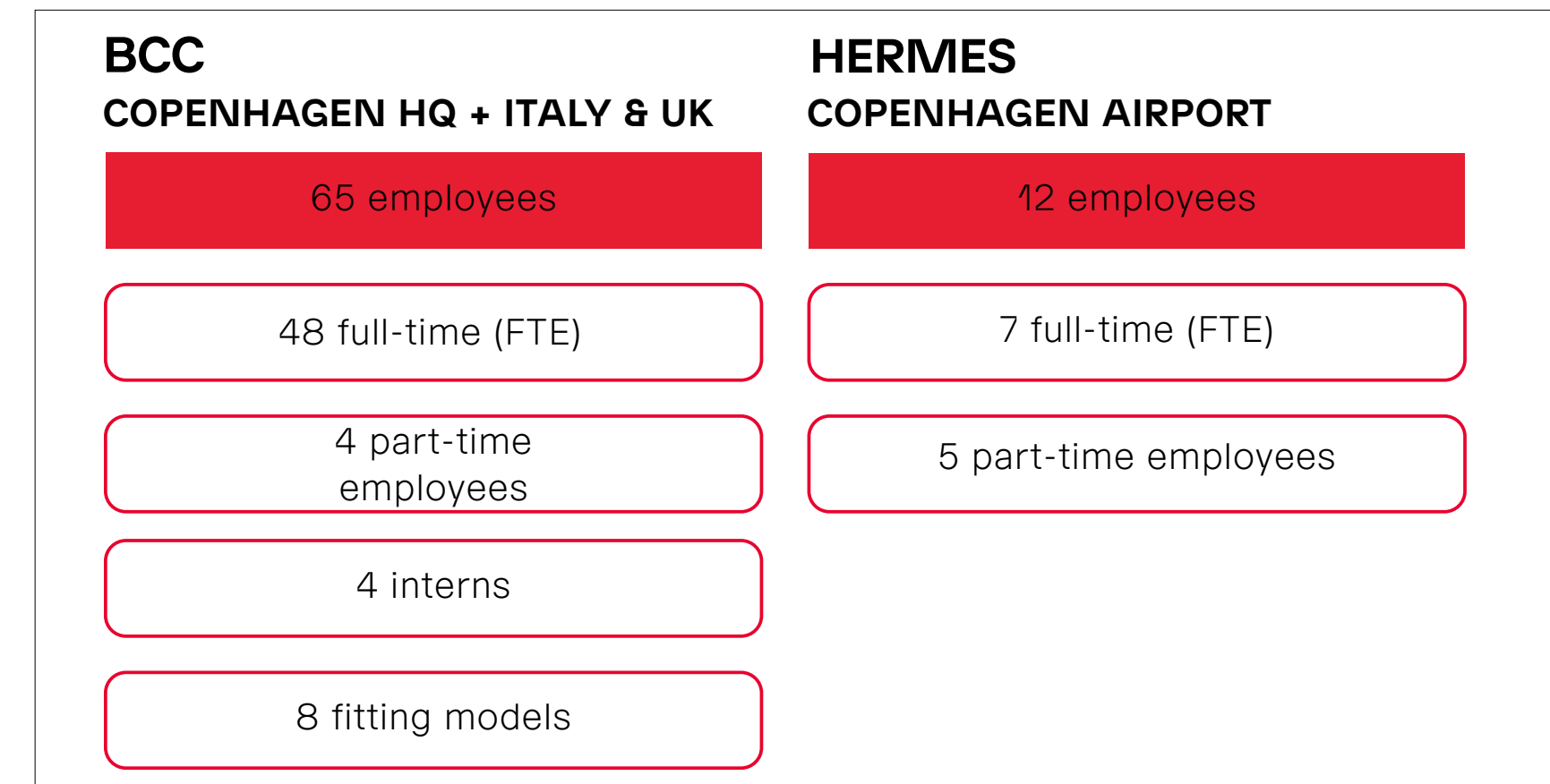
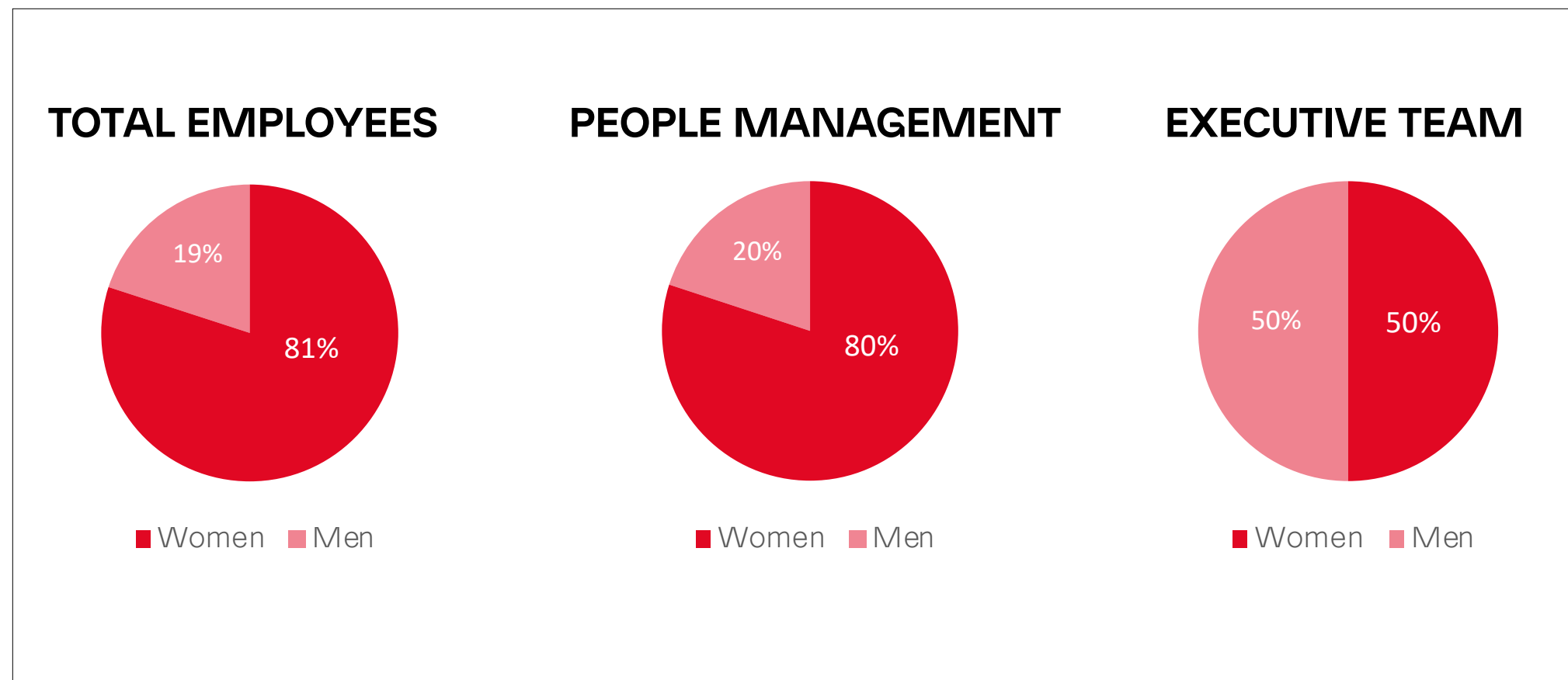
Being a collective allows us to share both risks and opportunities, to secure a sustainable growth.

01 BCC - WHO WE ARE



On 31.12.22, we ended this pivot year with a collective of 65 employees, 4 interns and 8 fitting models.

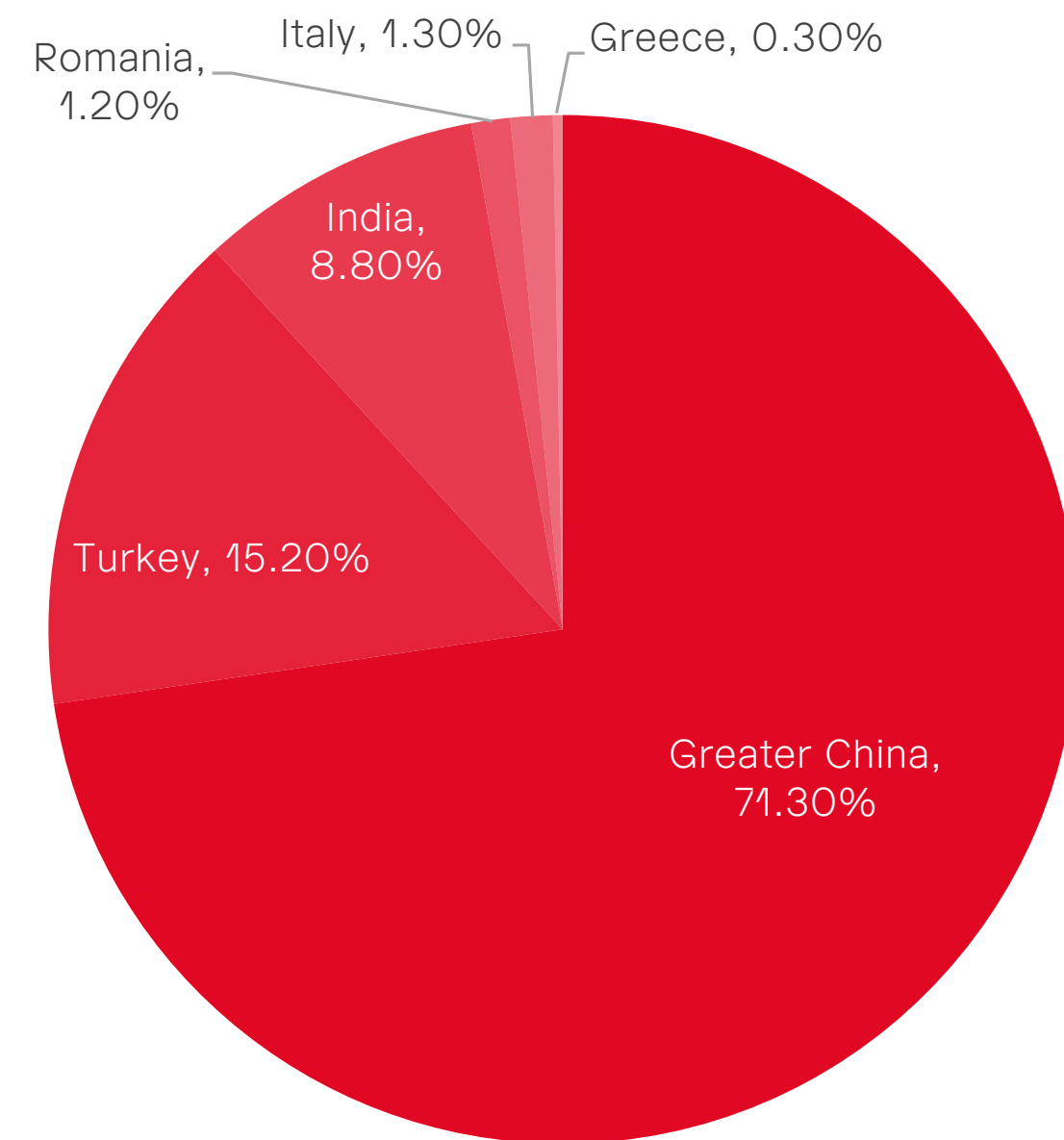
Our amazing growth has allowed us to welcome 38 new employees, adding to our long committed team that has brought us to success. With 40% internationals, we have built a strong and respectful culture, that we wish can be inspiring for the fashion world.



01 BCC – WHO WE ARE

INTERNATIONAL CHAIN OF VALUE

REPARTITION OF OUR COUNTRIES OF ORIGIN



We rely on a large variety of partners to help us turn a creative idea into the garment you cherish at home.

With focus on high quality at affordable prices, most of our garments are manufactured in Asia, with strong variations depending on our brands and product categories.

The complexity of our garments' tailoring and finishing has driven our choice of countries of operation from the start, to secure a great quality and attention to details at affordable prices. Since 2020, we have onboarded new suppliers as we grew in volume and increased our sourcing requirements for certified and preferred materials. We also worked on expanding our countries of operation outside of Asia, with the aim to source closer from home. This work will be reinforced in 2023 with a dedicated new organization to help sustain our operations for the future, in direct link with our Sustainability agenda. From 2023, we will continue to focus on initiatives that can map our chain of value, and we aim to disclose further results in our next report.

01 BCC - WHO WE ARE

SELLING EVERYWHERE YOU GO

TOP 10 COUNTRIES	Share %
United Kingdom	17%
Germany	9%
United States	8.5%
Denmark	8%
Italy	8%
Canada	7.5%
Sweden	6%
Norway	4%
South Korea	3.5%
China	3.5%

From one of Denmark's leading luxury retailers to a strong wholesale collective across 55 countries and 6 continents, BCC has scaled way beyond its roots. We are currently active in more than 500 of the leading fashion stores in the world, with a focus on international territories across Europe, Middle East and USA, and new implementations within stores.

Our brands have proven to be relevant across the world, and our balanced market shares across countries has brought us both the safety and freedom to experiment and enlarge our product range, in respect to our customers demands. Italy, UK, Scandinavia, Germany, USA and UAE are currently hold our strongest market shares.

With high standards of creativity, craftsmanship and materials, this growth has allowed us to invest in our people, in our processes to deliver better products, and to be strong partners for our retailers, suppliers and end customers.

02 THE CHANGE WE WANT TO BE

Sustainability is a path,
ours just started

02 THE CHANGE WE WANT TO BE

Our growth journey has been driven by unparalleled creativity and a sense of pride & community around our garments. Yet, we are aware of the negative impacts that the fashion industry has yet to tackle.

In 2022, we onboarded many talented team members, bringing with them a wealth of experience and fresh motivation to help us restructure our activities, and clarify our ambition for the future.

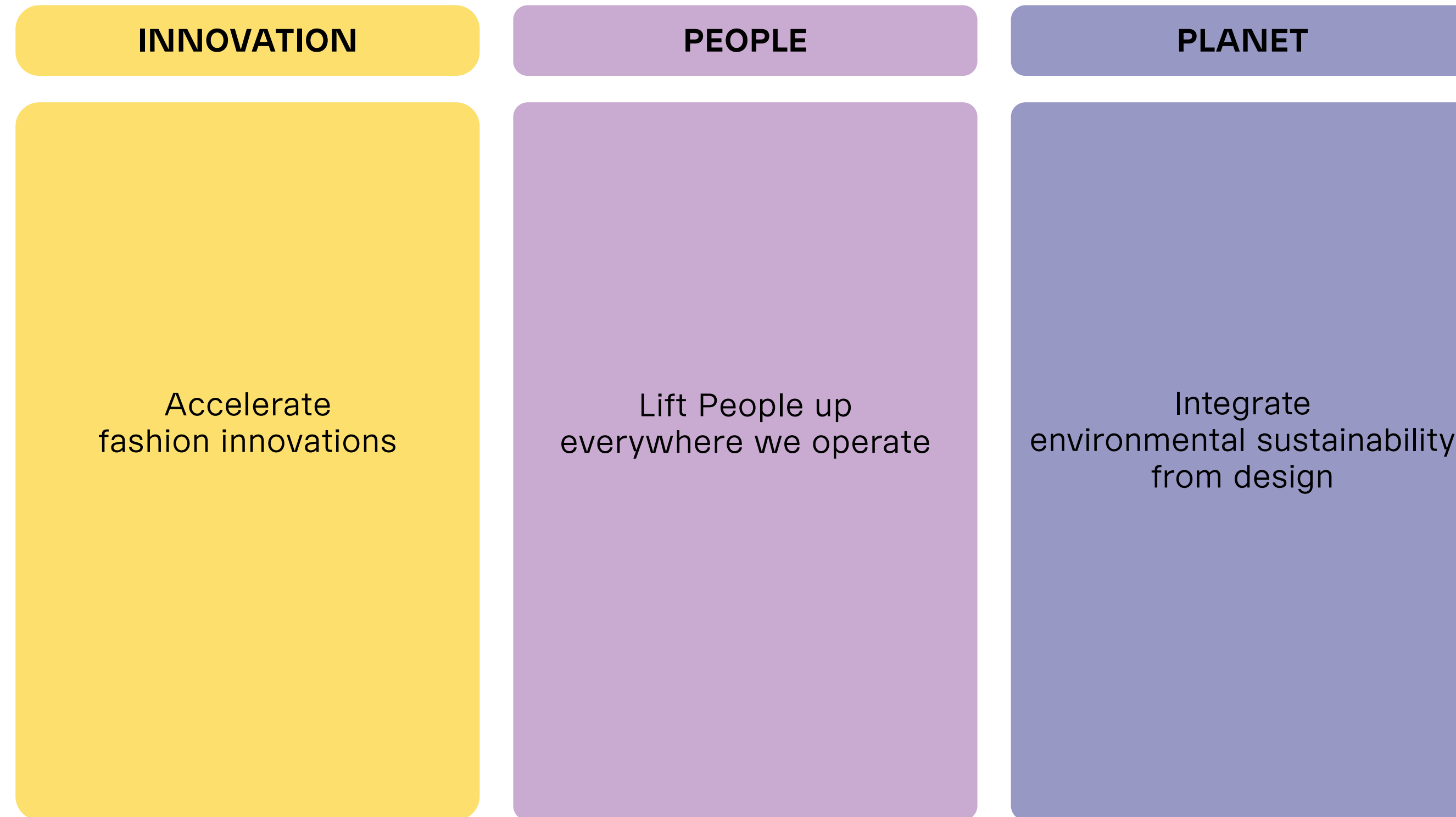
Along with the support from our customers and partners, we have been able to start a radical path towards change, to stay true to our company DNA and take pride in our position in the fashion industry.

Our 2025 Sustainability Strategy has been brought to life through the education, and existing skills & mindset within our departments and teams. We know the success of the strategy lies in our capacity to own and apply it in the every day. Our focus is to identify key actions to implement now, so that change does not become an empty promise but an immediate reachable plan.

We are proud to present our Sustainability Agenda for 2025, a beacon that helps us make the right decisions everyday, and that aligns our operations and business ambitions, with our values and vision.

02 THE CHANGE WE WANT TO BE

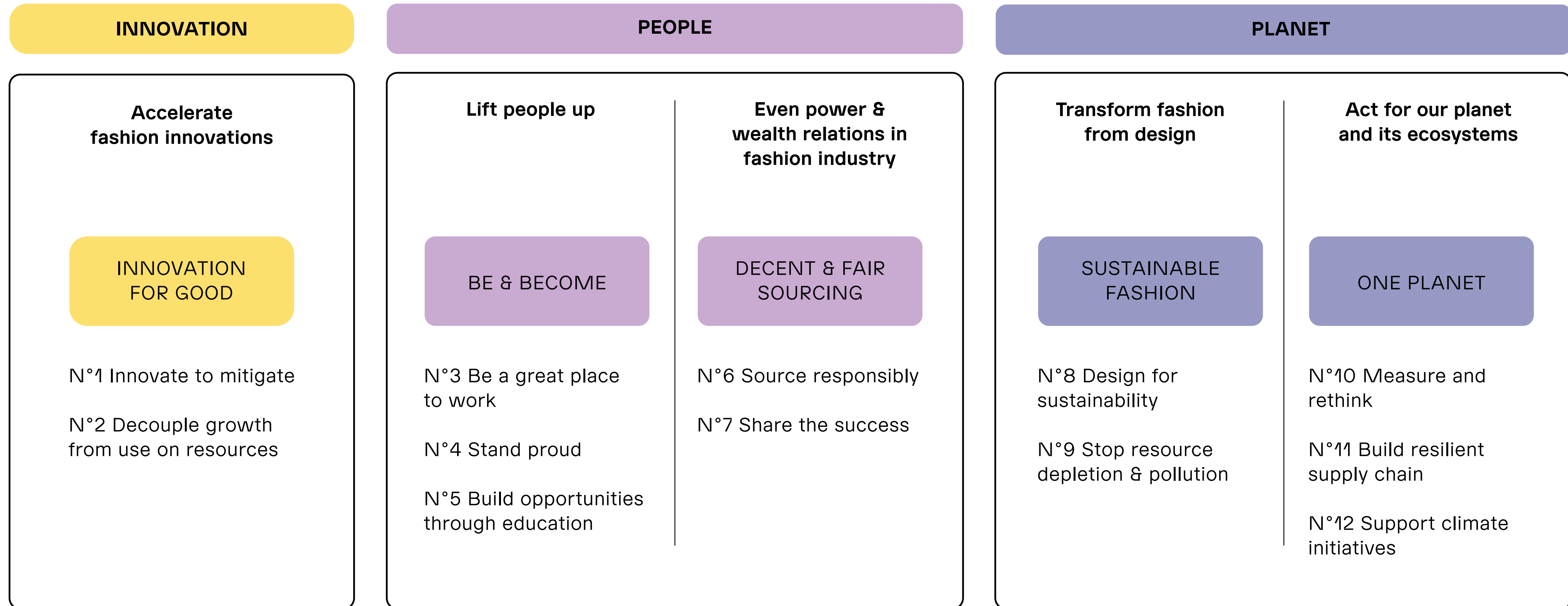
OUR SUSTAINABILITY STRATEGY IS A 3-PILLAR GUIDE TO HELP US TAKE THE RIGHT DECISIONS EVERYDAY, BY ALIGNING OUR VALUES, OUR OPERATIONS AND OUR BUSINESS AMBITION.



5 CORE UN SUSTAINABLE DEVELOPMENT GOALS
11 OVER 17 ADDRESSED BY OUR STRATEGY

02 THE CHANGE WE WANT TO BE

OUR SUSTAINABILITY STRATEGY IS STRUCTURED IN **12 INITIATIVES**,
IN FULL ALIGNMENT WITH THE UN SUSTAINABLE GOALS AND UN GLOBAL COMPACT PRINCIPLES.



02 THE CHANGE WE WANT TO BE

OUR SUSTAINABILITY STRATEGY IS AMBITIOUS, ACHIEVABLE AND FOCUSED ON SHORT-TERM TARGETS BECAUSE NOW IS EVERYTHING.

ACT NOW

40 % TARGETS SET WITHIN A YEAR
91% FOR 2025

50% LESS PROTOTYPE
SAMPLES BY 2025

CERTIFIED GREAT
PLACE TO WORK BY
2025

BETTER BUYING
PARTNER BY 2025

100% PREFERRED
MATERIALS BY 2025
0% VIRGIN
MATERIAL BY 2030

-50% OF CARBON
EMISSION BY 2030



03 INNOVATION

We believe in innovation
as a force of change

Innovation is a mindset. Whilst it can come from new technology, it also comes from us challenging our approaches. We support internal and external innovation that can bring change to fashion for good, and help us tackle the growing challenges of our industry. This starts by rethinking our processes, our culture and our skills.

OUR AMBITION 2025

ACCELERATE THE SPREAD OF FASHION INNOVATIONS

01. INNOVATE TO MITIGATE

What physical and digital innovations can help us compensate the negative externalities of fashion?

The first projects will focus on reducing the waste in product development through 3D modelling, increasing the use time and recycling ratio of our garments, and investing in innovative more sustainable fabrics and trims.

02. DECOUPLE GROWTH FROM USE OF RESOURCES

How do we separate our success from using new resources?

Making new clothes is putting a lot of pressure on the planet. We intend to explore opportunities to thrive as a business without relying on more resources from our planet. Our primary focus is in our Digital Fashion experimentation, exploring innovation in NFTs, AR and the metaverse. Secondly, through Circular business models initiatives.

03 INNOVATION

WHAT WE ACHIEVED IN 2022



03 INNOVATION

N°1 INNOVATE TO MITIGATE

RESEARCH PROJECTS

Since 2022, we initiated several research partnerships with schools and researchers. Some innovations are accessible for SMEs like us, some are yet to be identified for us to design better, to source better material options and to become strong partners to our stakeholders.

In 2022, we launched the following projects:

“FUTURE SUSTAINABLE FASHION CONSUMER”

We partnered with KEA - Copenhagen School of Design & Technology and Design School Kolding, to study the behaviors of our customers, and identify how to engage better with them around sustainability information. Our focus was part of a wider study around consumer behaviors around sustainability.



“MAKE PARTY DRESSES MORE SUSTAINABLE”

We initiated a research project with Technical University Eindhoven TU/e, around our party dresses and their sequins & glitter components. We have been working with recycled content and have now a high ratio in our collections but we want to go further and rethink the sourcing and conception of our garments. How can we keep the party spirit with lower impact throughout the life cycle of our garments?

Results expected in Q2 2023.



03 INNOVATION

N°1 INNOVATE TO MITIGATE

NETWORKS AND WORKING GROUPS

We also intensified our partnerships with local cluster and professional organizations focusing on Sustainability and Innovation:

DM&T, the Danish organization of Fashion and textile is supporting our industry with consulting and working groups towards all fields of human and environmental impact.

For some time now, we are an active member of their CSR group. The 2022 focus has been on identifying best practices in due diligence and harmonizing our parallel work throughout our supply chain. The network is also a great way for us, SMEs to support one another through the challenges and opportunities of the sustainability path.



LIFESTYLE & DESIGN CLUSTER, a professional cluster that promotes innovation and circular principles in all design-related industries in Denmark. After several business trips to expand our possibilities, we partnered to conduct several innovation projects around NFT, Metaverse and circular design.

More to come in 2023 !



Lifestyle & Design Cluster.

03 INNOVATION

N°1 INNOVATE TO MITIGATE

DECREASE SAMPLE WASTE

The process of making garment has many negative impacts. What can we rethink and challenge at our level, to initiate a change? Because we focus on pre-orders, our deadstock is very limited, and always find its way to the market. Yet, waste is always generated during the development stage.

LIMIT SAMPLE CREATION WITH CLO3D

We aim to limit our samples from design by developing the use of the software CLO3D and also by working closer with our suppliers at early stage. We aim to decrease our proto samples by 50%, by 2025, thanks to this digital platform that helps identify and improve design from the 1st sketch.

2022 was our launch year, with a first round of training for the teams, and support of external experts. 2023 is planned to be the extension of it, to allow us to measure the first results.

NEW LIFE FOR OUR DEVELOPMENT WASTE

Still, samples will always need to be made. So what do we do with them?

Last year, we organized several sample sales to find new owners to our samples. Those in good shape were sold at low price to new loving owners. Those damaged or partial joined design schools, as part of our partnerships to train a new generation of designers to make wonderful garments from old ones.

03 INNOVATION

N°2 DECOUPLE GROWTH FROM USE OF RESOURCES

RENTAL PARTNERSHIPS

We currently partner with 2 international players, Hurr and Rent the Runway, where you can access a wide selection of our collections.

The continued success of our garments in rental platforms, emphasised the quality, durability and demand for our products.



03 INNOVATION

N°2 DECOUPLE GROWTH FROM USE OF RESOURCES

DIGITAL FASHION

The process of making garments has many negative impacts but as we challenge this to initiate change, we look to redefine how our audience experience fashion beyond the physical. The use of Web3 and AR technology has allowed us to bring our clothing to life in a totally new way, where our customers can engage with our brands on a deeper level. Innovation for change is a key pillar at BCC. We advocate the use of 3D design software, which reduces materials but crucially creates digital garments that can be given new life, in the digital universe.

We are creating digital styles without constraints – our most popular pieces can be worn with designs that are not available or even possible in real life. At Copenhagen Fashion Week in 2022 we unveiled our first digital ROTATE dress and in collaboration with The Dematerialised was sold as exclusive NFTs selling within seconds. With this success, we continue to drive our digital fashion initiative forward where we design digital only garments with less constraints and impact on the environment.



04 PEOPLE

We believe each individual deserves respect
and a chance to build a good life

Birger Christensen collective has always been about People. In more than 150 years of history, the people are the ones that have made us who we are. Based on more than 35 interviews that took place in May/June 2022, we gathered precious feedback from our employees to better understand our past, present and future.

This became the ground work of a new People focused strategy. As an industry relying heavily on Women's talent, creativity, craftsmanship and ambition, we have a responsibility to help them feel safe and empowered.

04 PEOPLE

OUR 2025 AMBITION

LIFT PEOPLE UP EVERYWHERE WE OPERATE

03. BE A GREAT PLACE TO WORK

Can our creative fashion industry also be a great place to work?

We want to challenge our processes and workflows to focus on quality and people's development, so that every talent feels considered and able to grow with us.

04. STAND PROUD

How can fashion help our stakeholders stand proud and powerful?

It is in our collective DNA to focus on women's rights to own their body and to feel empowered everyday.

From 2023, we reinforce this commitment with several initiatives on body representation, expansion of our size ranges and support of NGOs fighting for women's rights.



05. OPPORTUNITIES THROUGH EDUCATION

How can we support positive change through education?

The future of fashion is now, and we need to work together to rethink and seize opportunities. Our initiative focuses on sustainability education but also on supporting fashion schools and talents.

6. SOURCE RESPONSIBLY

What can make us a Better partner for our supply chain?

Our relationships with our suppliers play a direct role in the social and environmental practices in our supply chain. On top of our due diligence processes, we partner with Better buying to identify our need for change and build meaningful partnerships based on trust, traceability and continuous improvement.

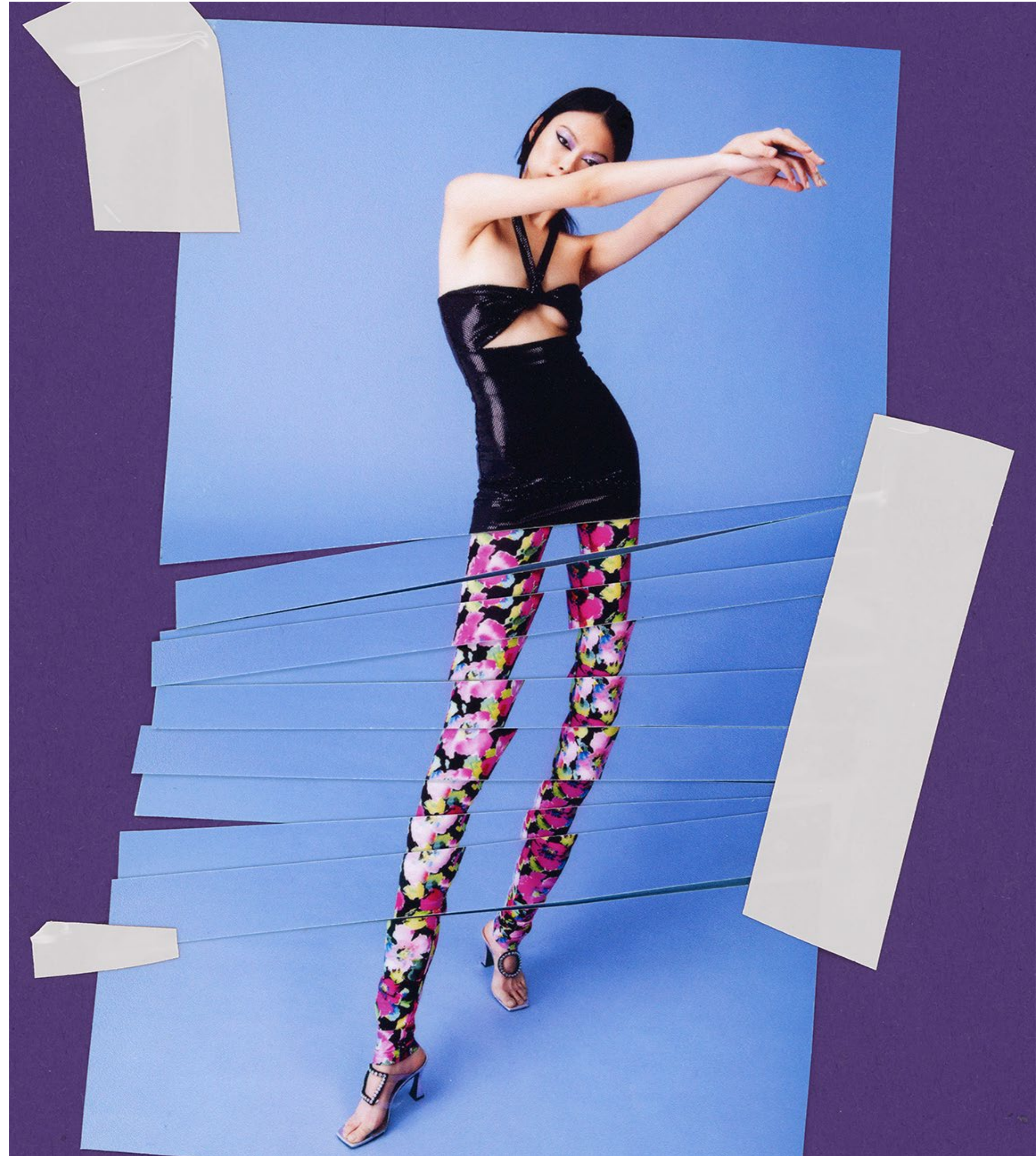
7. SHARE THE SUCCESS

How can our success benefit our partners?

Our success relies heavily on the strong partnerships we build. Our focus will be to increase knowledge sharing with our talented partners, and redefinition of our contracts to share the success and favor positive changes.

04 PEOPLE

WHAT WE ACHIEVED IN 2022



04 PEOPLE

N°3 GREAT PLACE TO WORK

In 2022, we reached a pivotal period in our company's evolution, with the end of the retail business model, and a new staff force. This presented an opportunity to rethink and optimize both our processes and functions.

We decided to put a strong focus on our People so that every talent feels safe, considered and empowered to grow with us.

The first actions launched in 2022 were:

- **Develop our HR service and reorganize our executive and management team**
- **Define our values and the culture we are reaching for**
- **Share our vision and define together what success looks like**
- **Favor open communications and collective work, through organizational change and new forums**
- **Clarify job expectations and offer opportunities to learn, grow and develop**
- **Show appreciation and support each others**

04 PEOPLE

N°3 GREAT PLACE TO WORK

VALUES AND CULTURE

Redefining our mission is central to building a strong culture.

After the radical change in business model and employee structure that was implemented in 2017, 2022 gave us a chance to re-align on what makes us stand out as a company.

All employees have been onboarded to our core values, and have access to a handbook, explaining what lies behind them.



04 PEOPLE

N°3 GREAT PLACE TO WORK

OUR FIRST SUMMIT

In November 2022, we held our first company day, working together to build the future. With one key question in mind: what does *success look like*?

From the individual level to the collective one, we embraced this opportunity to connect and build together, removing all barriers of team and function. Working together with Lego Serious Play as a visual and intuitive tool to express ourselves, talk about our values and culture, and create something we can be proud of. Our approach encouraged connection, ambition but crucially team bonding.

We also took the time to remember the road that led us to where we are today. We used the learnings and ideas from the morning to talk about our culture and how we wish to implement the collective ideas and passions into our company strategy. Followed by an engaging talk on the future of work with Louise Opprud.

We aim to replicate the Summit on a yearly basis to encourage togetherness, thought provoking conversation and inspiration. We are a collective of unique individuals united to succeed in our sustainability ambition, and we wish to maintain a platform for this growth.



04 PEOPLE

N°4 STAND PROUD

REPRESENTATION MATTERS

Our collective has always celebrated individualism and encourages individuals to be proud of who they are. All industry employees, service/product providers, and contractors deserve respect and protection of their health and safety.

We wish to promote diversity and healthy habits across all aspects of the business, from staff to the selection of models that represent the diversity of our customers in: age, ethnicity, ability, gender, religion, sexual orientation, socio-economic status, size, etc.

OUR AREAS OF FOCUS

- **Represent from design: extension of our sizes up to 46 & various fitting options in our collections**
- **Recruit diverse and healthy models**
- **Enforce respectful behavior**
- **Pay for the work**

Our first step was to build awareness and a clear set of principles, now the change is in motion.



04 PEOPLE

N°5 OPPORTUNITIES THROUGH EDUCATION

THERE IS NO ACTION WITHOUT UNDERSTANDING

From September 2022, we initiated training sessions within our collective around Sustainability.

This training focuses on sharing a common definition of sustainability, and explaining why it is such an important topic within our collective. The second part then presents our ambition and initiatives for 2025, with a focus on how each team/employees can participate in them.

In 2023, we will keep on training each new recruits as part of the onboarding process, and we will also present our annual reporting to all the collective, to favor transparency on our actions and to encourage everyone to take part.

Our next step is to build educational opportunities for our external stakeholders, and our first focus is fashion schools. We know the direct access to companies and understanding of their practical challenges is an essential part to prepare students for work life.

We want to use our current research partnerships, but also other events and ideas, to create meaningful interactions where we can share our experiences, and grow together.



04 PEOPLE

N°6 SOURCE RESPONSIBLY

WE JOINED THE BETTER BUYING PRINCIPLES

Since Q4 2022, we joined the Better Buying™ programs to help drive lasting improvements in our supply chains.

1. Ask our suppliers how we perform to identify areas of improvement.
The anonymous survey will be sent once a year, to help us track the impact of the changes we implemented.

2. Implement the Five principles of Responsible Purchasing™:

- Visibility
- Stability
- Time
- Financials
- Shared responsibility



Our mutual agreement and our Supplier manual has been fully redesigned in 2022 to reflect our commitments, and to secure more balanced and fair purchasing relationships.

We plan on re-onboarding all our suppliers in 2023 to implement this change and build a new future together, based on trust and continuous improvement.

04 PEOPLE

N°7 SHARE THE SUCCESS

Part of our responsible sourcing objectives is to increase the partnership relationship through 2 projects:

- **LEARN FROM EACH OTHER:**

Identify each supplier's strength and how we can improve our skills thanks to them, and in balance, identify the topics where our internal skills could be useful to them

- **IMPROVE TOGETHER:**

We want to identify progress areas and support our key suppliers in their road to a more sustainable fashion. This objective is deeply linked with Initiative 11 – Build resilient supply chain.



05 PLANET

Each day and each action counts to protect the future of our planet, and our own existence.

In order to stay true to our values, and be the best version of ourselves, our road is clear: we need to invest in our own skills and understanding of our impact, and we need to build transparent operations - where we unveil our impact, and focus on immediate and local change initiatives.

OUR 2025 AMBITION INTEGRATE ENVIRONMENTAL SUSTAINABILITY FROM DESIGN

8. DESIGN FOR SUSTAINABILITY

What design good practices can we integrate for stronger impact?

We will build training programmes to help us understand and introduce immediate changes in our design process, with a focus on circular design, sourcing of preferred material, and phasing out waste.

9. STOP RESOURCE DEPLETION AND POLLUTION

How can we decrease the direct effects of our production?

Through our objective of reaching 100% Preferred materials by 2025, and application of the AFIRM testing, we will restrict and control the use of chemicals and virgin materials in our production. On top of building a microplastic reduction strategy, we aim by 2025 to deliver life-cycle assessment of our key styles.

10. FIGHT CLIMATE CHANGE

How can we participate in the global effort towards carbon reduction?

From 2023, we will report our carbon emissions and build objectives of reduction of our Scope 3 emissions. New internal policy will be deployed to challenge our operations accordingly. We aim to join SBTi by 2025.

11. BUILD RESILIENT SUPPLY CHAIN

How can we support our partners throughout risks?

We want to support our key suppliers in improving their resilience to climate and social tensions that are arising everywhere, and exposing them even more.

12. GIVE BACK TO THE PLANET

How can we engage with local initiatives?

From 2023, we will give 1 day to the planet by supporting local projects focusing on environmental sustainability.



05 PLANET

WHAT WE ACHIEVED IN 2022



05 PLANET

N°8 DESIGN FOR SUSTAINABILITY

The biggest impact of fashion starts at the first sketch. Yet, it is a complicated exercise to anticipate the various and complex environmental impacts of a style from the initial point of design.

We need to increase our deeper understanding through training in 3 complementary fields: circular design, circular sourcing and low impact production.

In 2022, we launched a training programme on Circularity from design, for teams involved in Product development

With the help of a consulting agency, Sourcing House, we built an introduction course to raise awareness, brainstorm and identify practical projects we could start working on from 2023. The training was divided by brand, to favor the identification of relevant and applicable ideas.

As we move into 2023, we will build a brand specific plan and assign project ambassadors to ensure consistency.



05 PLANET

N°9 STOP RESOURCE DEPLETION & POLLUTION

PREFERRED MATERIALS

Sourcing & Production are the key to significantly decreasing our impact, since they guide the creation process both during production and final phases.

Our design and production development teams are trained to discuss and challenge our suppliers, to ensure we are receiving the best material options available. Inspired by Textile exchange guidelines, we built our in-house **Preferred material guidelines**, that include both social and environmental impacts of our fabrics, per material type. Our primary focus is on durability in both the timelessness of our designs, and the quality of both the materials and the craftsmanship behind our garments.

For the customer, our Preferred materials label will help identify garments in our collection that offer better options in the textile industry, as we aim to be the better version of ourselves everyday.

We aim to switch to no virgin materials by 2030, and to have already reached 100% Preferred material by 2025, as the market is evolving and offering better options by the day. Yet, we are aware that today, recycled materials do not always mean quality and low impact.

For each unique material our collection covers, the Preferred materials guidelines help our sourcing team identify one to three options that are the best in the market today.



05 PLANET

N°9 STOP RESOURCE DEPLETION & POLLUTION

PREFERRED MATERIALS

Our 2022 production was not yet aligned with our Preferred materials targets that were validated mid 2022. But it followed an internal initiative working on fabric level certifications.

Compared to our 2025 targets of 100% Preferred material, here is where we stood in 2022:

	REMAIN	ROTATE
RECYCLED CONTENT: GRS	10 803 units	27 620 units
ORGANIC CONTENT: GOTS or OCS	11 599 units	6 350 units
CERTIFIED LEATHER 100% of the collection with LWG as minimum	6 742 units	/
CERTIFIED VISCOSE & PAPER: FSC or Lenzing	11 081 units	11 190 units
CERTIFIED WOOL RWS, RMS...	2 343 units	5 769 units
TOTAL % PREFERRED MATERIAL	81%	55%

05 PLANET

N°9 STOP RESOURCE DEPLETION & POLLUTION

TRACE TO ENFORCE

STEP 1:

No harmful chemicals.

Every year new chemicals are identified as potential risk for our health, but regulators sometimes take time to enforce a full ban. Since 2022, we decided to enforce a more strict chemical compliance, by aligning with AFIRM list of restricted chemicals and by testing our collections accordingly.

It helped us engage with our suppliers and their own suppliers to identify best practices and bring objectives to decrease risks.

STEP 2 FOR 2024:

Direct product certification.

Our next step is to build dedicated objectives of certification for each of our key suppliers, to support more traceability on chemical management, and use of non virgin materials. We are also working towards being certified ourselves to align with our ambition of 100% Preferred materials by 2025.



05 PLANET

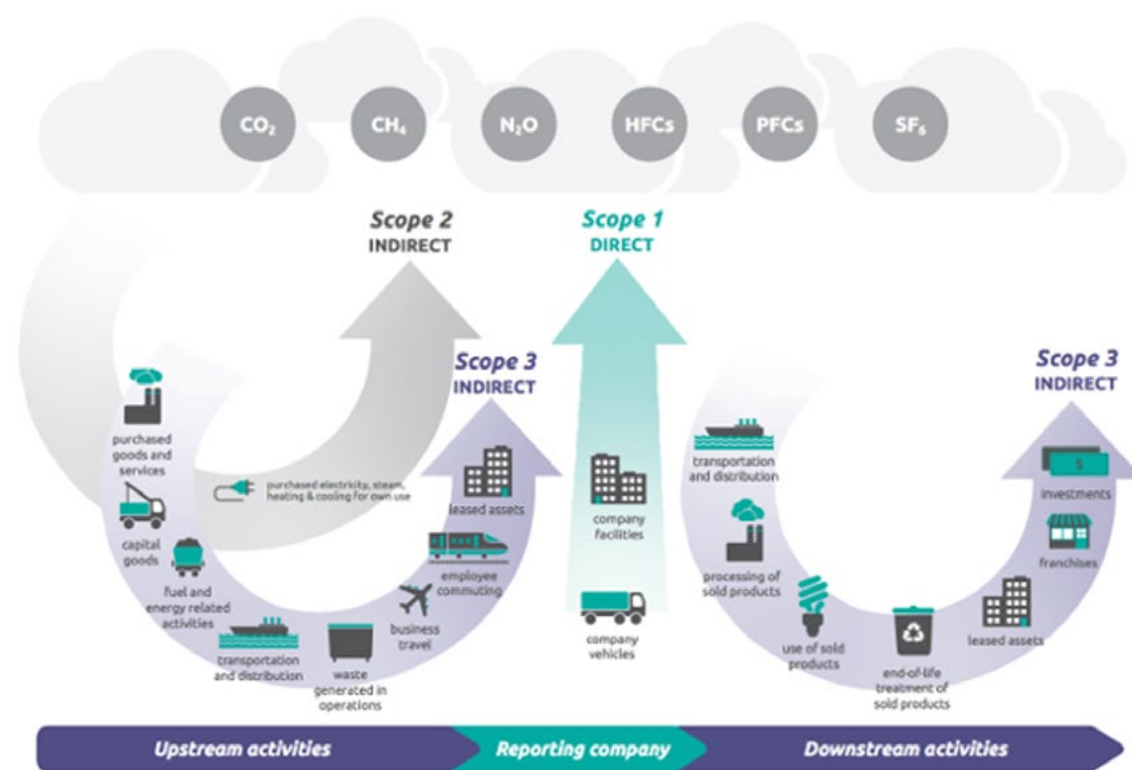
N°10 MEASURE & RETHINK

TRACE TO ENFORCE

Decreasing our negative impact starts with our capacity to measure it.

Through the burning of fossil fuels, industrial processes or transportation, our operations emit greenhouse gas (GHG) emissions that contribute to the climate change and that impact the environment and the public health. Yet, because we don't have any production facilities and do not even own a car, the activities we own represent a very small part of our real impact.

The GHG Protocol Corporate Standard which is the international standard that helps us measure all emissions, defines 3 scopes of emissions.



<https://quantis-suite.com/Scope-3-Evaluator/>

Scope 1	Direct emissions from facilities or equipment we own	Nothing for 2022
Scope 2	Purchased emissions, calculates every input to our direct activity that emits GHG	Our electricity & gas consumption at our headquarters
Scope 3	Indirect or value-chain emissions, all emissions linked with our Operations, but that occur outside of our organization's direct control	Production, transportation and use of products, business travels...

In 2022, we were not able to gather enough data to build a representative overview, since we onboarded new suppliers and challenged a lot of our operations. We aim to provide a first round of data in our 2023 reporting, and to set clear reduction objectives aligned with SBTi by 2025.

05 PLANET

N°11 BUILD RESILIENT SUPPLY CHAIN

PROJECT TO BE STARTED IN 2024

We are only a small player but we know our support is important for our suppliers. Covid and the energy crisis that followed showed us all how vulnerable we can be when facing sudden crisis. As we have experienced fast growth over the past years, we have become central to some of our key suppliers. We wish to help them achieve positive outcomes locally, and help them increase their resilience to climate and social adversity.

From 2024, we will start identifying local NGOs and support their actions towards resource reduction programme, and extended resistance & recovery programmes with direct impact either to our suppliers and/or to their community.



05 PLANET

N°12 ONE DAY FOR THE PLANET

PROJECT TO BE STARTED IN 2023

From 2023, we will identify NGOs we want to support locally in Copenhagen area and engage with them in support of their work.

We will free 1 day per employee throughout the year to participate in activities that change the local environment for the better.



06 GOVERNANCE

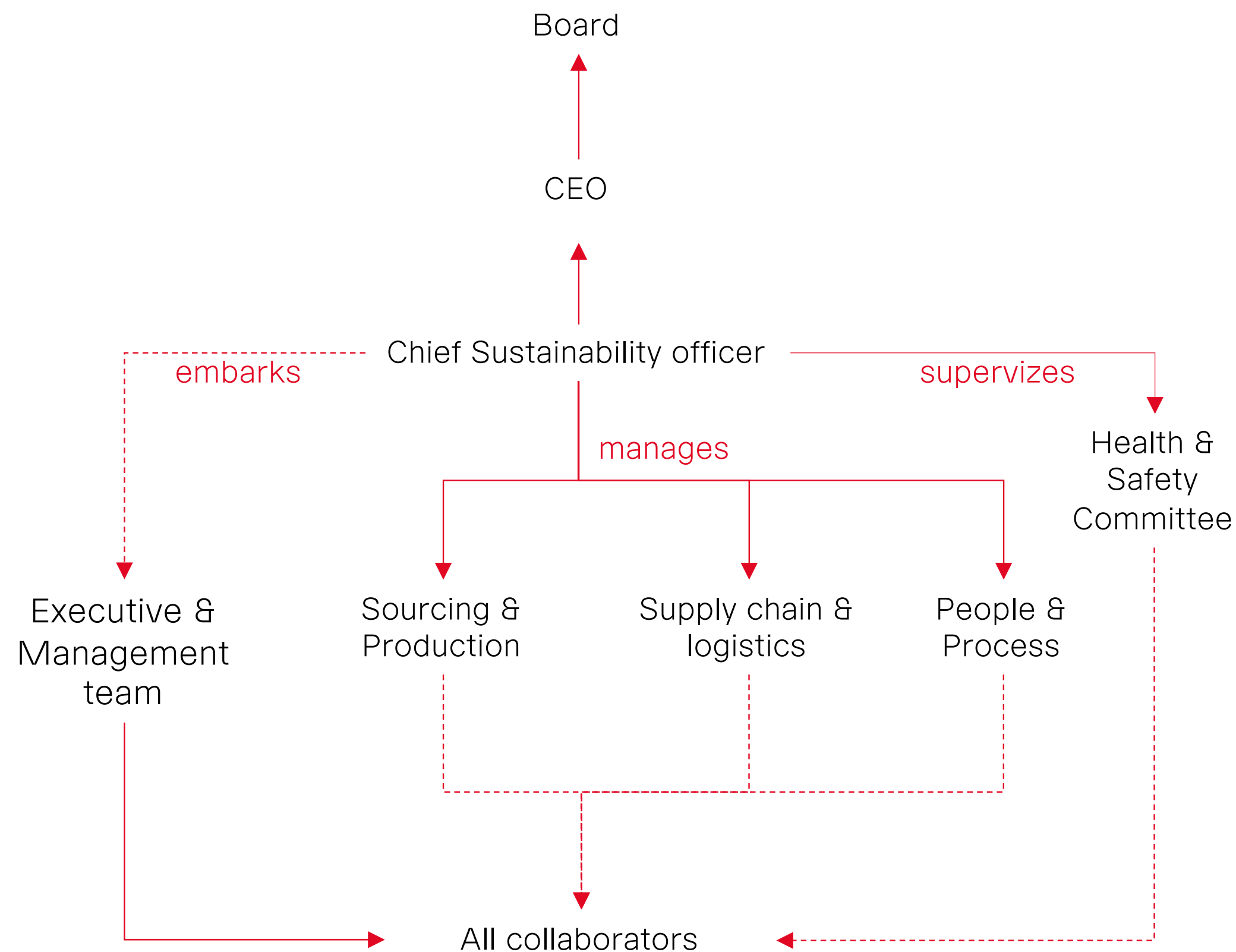
We know sustainability is a path that can only be achieved if embraced at the highest level of the company's strategy.

2022 was a pivotal year as we moved from sustainability initiatives to a full strategy represented at the C-level and fully supported by our Board.

We know the road is long and we have a lot to do, but we now have an internal structure and ambition to make the change happen, in alignment with our identity and hopes for the future.

06 GOVERNANCE

SUSTAINABILITY AS A PILLAR OF OUR STRATEGY



Our success as a company is directly linked with our capacity to align our purpose with our organizational structure and practices.

As we embarked on this journey, and solicited all employees to share their personal commitments and ambition, it became clear sustainability had to be a central topic. As a result, we operated some key structural changes with the clear objective to put Sustainability at the executive level, with power to scale our ambitions up as we structure our activities.

Our governance is built around 3 entities:

SUSTAINABILITY: PEOPLE & OPERATIONS EXCELLENCE

- One central owner, directly reporting to CEO
- Manage our key enabling activities to ensure alignment and efficiency
- Listen and engage, define and build sustainability strategy
- Increase knowledge and capacity, lead processes change
- Supervise the Health Safety Committee

MANAGEMENT TEAM

- The progress and actions of our sustainability agenda are presented to involve each team through their managers, and integrate sustainability in each team's agenda.

BOARD OF DIRECTOR

- Every quarter: ESG on-going projects, KPIs and decisions on key topics
- Every year: Strategy & agenda alignment, Performance & Reporting review, Objectives updates, New partnerships & budget

06 GOVERNANCE

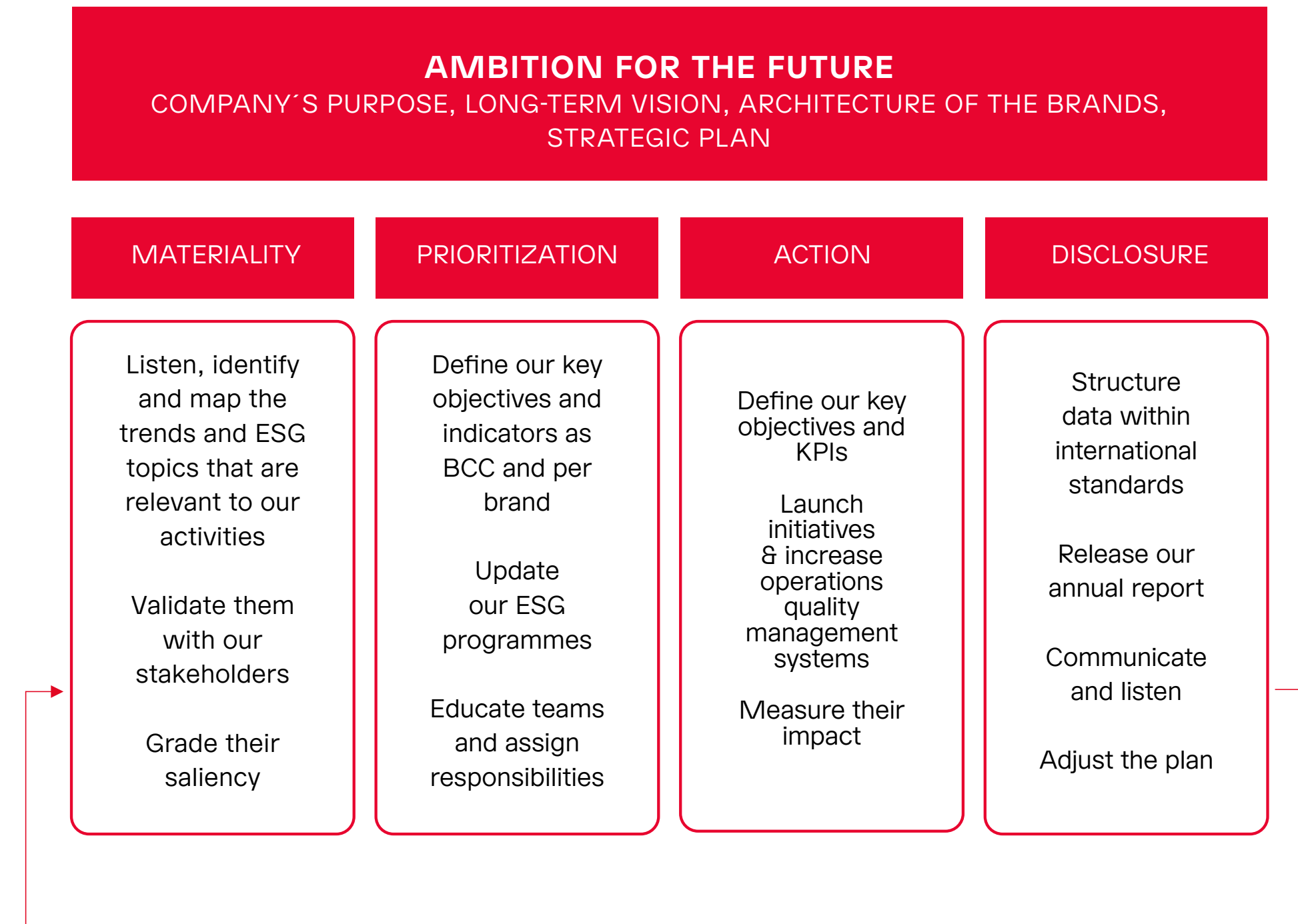
FROM STRATEGY TO DISCLOSURE, AND IMPROVING

Every year we optimize our Sustainability strategy based on past year results and the Company's ambition for the future.

We believe that, in order to reach its objectives, any ambitious sustainability strategy needs to be rooted and perfectly aligned with both our Business and Financial strategies.

In respect with both SASB and GRI standards, we designed a 4 step process, to be followed every year, in order to assess our successes and challenges, and keep on improving.

Not only is it a very efficient risk assessment methodology, it is also the only way to build a sustainable and reliable business, in a moving economy and with the drastic challenge our planet and humanity face.



06 GOVERNANCE

HOW WE GATHER DATA TO MAKE INFORMED CHOICES

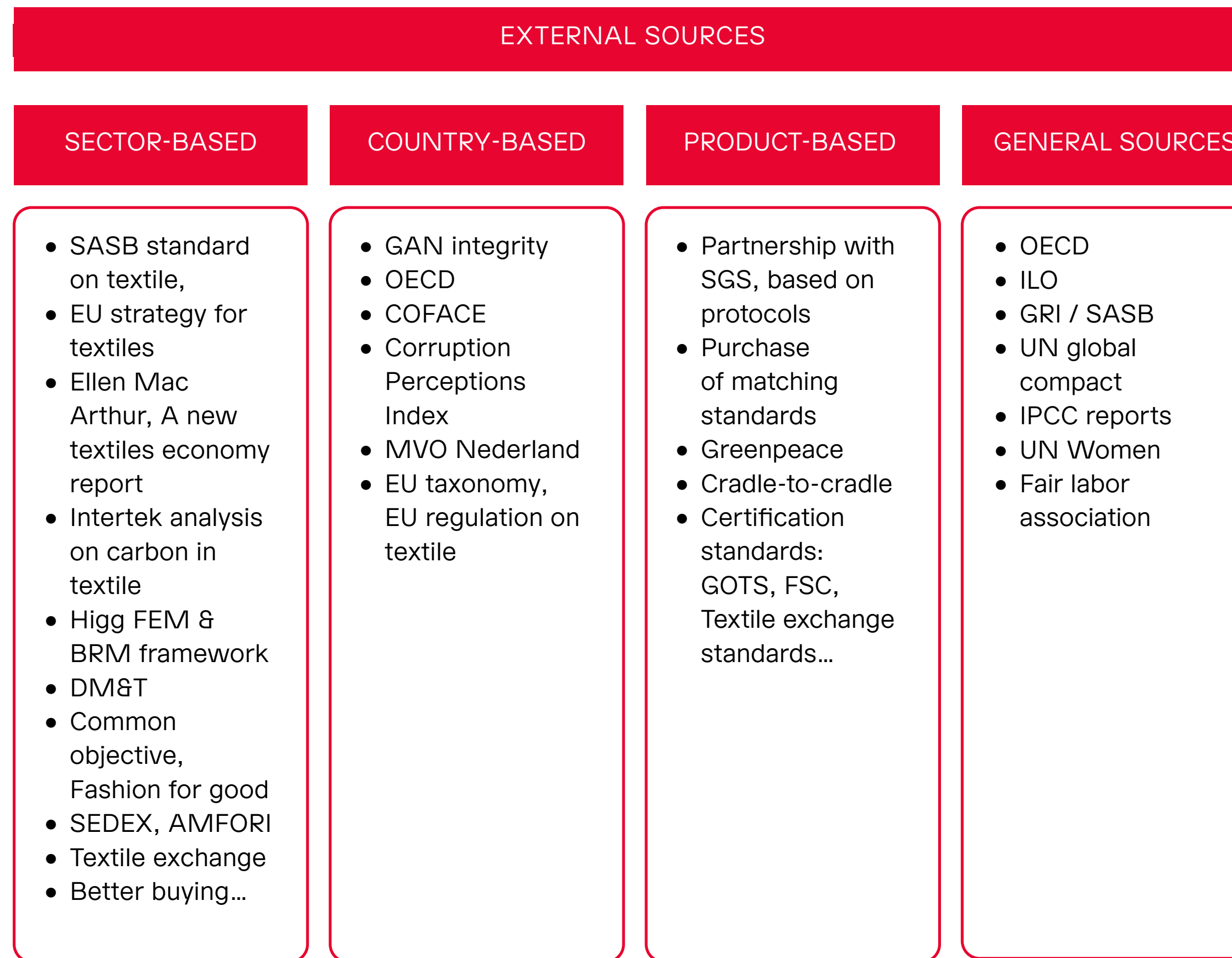
Committing to becoming a more sustainable business requires us to constantly update our practices, knowledge and to partner with experts and other industry members.

We partner to educate ourselves, and to gather relevant information as the sustainability science and good practices evolve and grow in depth.

Through our dedicated employees, team ambassadors and memberships, we work to anticipate changes so that we can take action, and limit our negative impacts.

The data is there and clear.

We need to take action, at every level of impact.



06 GOVERNANCE

HOW WE ENGAGE WITH OUR STAKEHOLDERS

OUR ACTIVITIES IMPACT PEOPLE AND THE PLANET

Our “stakeholders” are the entities and people that are impacted by our actions and who impact us in return.

To identify how, and to be able to increase positive impact and mitigate the negative ones, we need to engage with them.

Our initial analysis led us to identify 9 different groups of stakeholders.

For this base year, we initiated a first level of engagement to gather input and feedback from them. We plan to extend and structure this engagement process furthermore next year.

Expected new engagement methods are written in red, ones already in action are in black.

OUR STAKEHOLDERS	WHAT MATTERS TO THEM	HOW DO WE ENGAGE THEM
CUSTOMERS	Unique, creative garments that make them stand out, Affordable and qualitative products, Cuts and colors that highlight their bodies and faces, Simple and clear sustainable commitments, Consideration	Retailers, Social media, Phone and email customer service, Surveys , Creative workshops
EMPLOYEES	People: taking care of people, their well-being, and their development at HQ but also throughout our chain of value Pride & Excitement: pleasure to work in an honest and growing company, with exciting changes and a dynamic setting, that is international and diverse	Qualitative interviews, Surveys , Health & safety organization HSO
RETAILERS	PriceCreativity and unicity, Turnover and stock rotation, Low minimum, Reliable and fast delivery, Low return rate/good quality, Sustainable commitments	Regular conversations with sales team, Interviews , Surveys
SUPPLIERS	Anticipation on volume, production, On-time delivery of input, Reasonable price and demands, Respectful behaviors, Opportunity to grow with us	Due diligence, Daily conversations with buyers, Surveys
LOCAL COMMUNITIES	Safe and clean facilities, Decent work and living wages that help their community thrive, Projects to develop and build resilience	Market research , NGOs
SHAREHOLDERS	Lasting, solid and healthy company, Growth & ambition, Reliable & precise forecast, Transparent information, Creativity & passion	Board meetings, Interviews
FASHION SHOWS	Clear and demonstrated commitments, Proof, data and consistency	Surveys , Direct conversations
REGULATORS, CERTIFICATION BODIES AND AUDITORS	Structured data and processes, Transparent, detailed and traceable products, Available & competent contact persons	Testing partnership, Audits & controls
NGOS AND FASHION ACTIVISTS	Transparent and honest practices, Real commitments to improve and take responsibility, Structured and traceable actions, Sincere care for the people and the planet, Real conversations with humans and not a corporate approach	Memberships , Signatory

06 GOVERNANCE

FOCUS ON THE MOST SALIENT IMPACTS

The 2 previous steps help us list all impacts linked with our activities. From there an important work of grading starts:

- *How likely are potential negative impacts going to occur?*
- *How severe are those negative impacts if they do occur?*

We grade all potential impacts for each of our stakeholders in order to get a full overview of risks. This process is called “materiality analysis” and identifies what is material for us and can be focussed on.

As an SME, we can not solve all the problems linked with our industry, BUT we can build a consistent sustainability strategy that focuses on the most salient* impacts and decrease or even stops the negative impacts we have control over.

This work is to be updated every year, based on the successes and failures of our initiatives, and the changes in the world.

1. List all relevant topics for each stakeholder, and regroup them in alignment with GRI standards. In 2022, we identified 31 risks

2. Grade their overall severity and likelihood
Grade their impact per stakeholder

3. Select the risks with a strong ratio of likelihood/severity: our salient* risks. In 2022, 18 were identified

4. Map those risks and align them with the UN Sustainable Development Goals to identify the UN SDGs we should focus on

**salient: noticeable, outstanding*

06 GOVERNANCE

OUR INDUSTRY'S IMPACT

OUR RISK MATRIX IS DRIVEN BY THE FASHION INDUSTRY'S SPECIFIC IMPACTS.



SOCIAL IMPACT

We are a woman-based industry.

Managed by a woman, with 80% of our employees identifying as women, but also a supply chain based on women's workforce, and both our customers and buyers being mostly women too.

Throughout our chain of value, we know that every decision we take from design to purchasing and promoting our collections has an impact on women and underrepresented categories, both on creating opportunities and securing a better future for them.



ENVIRONMENTAL IMPACT

From our first draft to the use of our products, the fashion industry is a big part of environmental challenges.

We owe it to us all, to identify and test new ways to think and operate our business. Material sourcing and use are the strongest impact in our chain of value, and drive our core initiatives.

06 GOVERNANCE

MAP TO PRIORITIZE

BASED ON THIS RESEARCH PHASE, WE BUILT A “MATERIALITY MAP” THAT HELPS US FOCUS ON THE MOST SALIENT IMPACTS TO BUILD A STRATEGY AROUND THEM.



- 1. Body representation
- 2. Responsible communication
- 3. Diversity & Equal opportunities



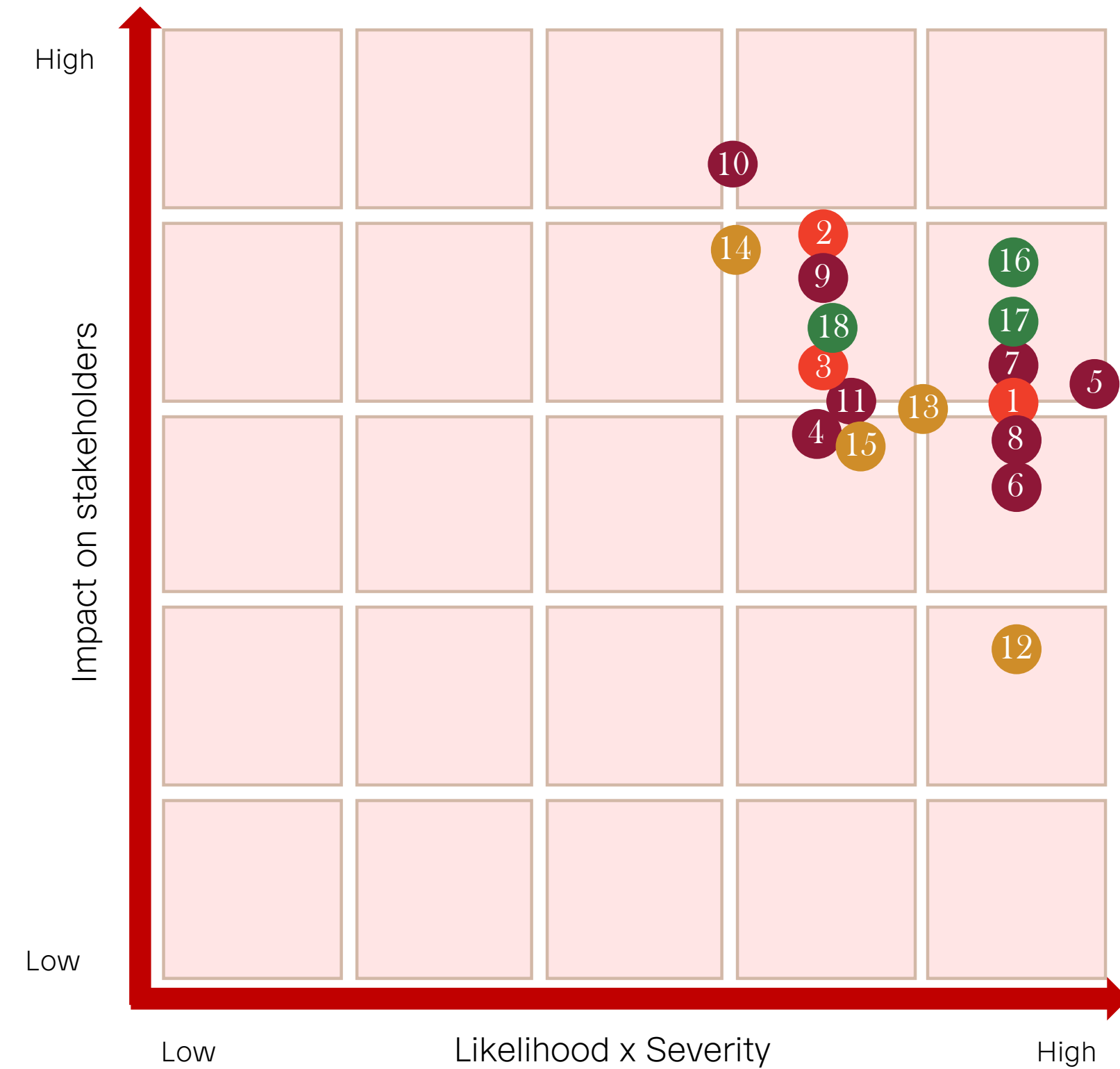
- 4. Occupational safety
- 5. Living wage
- 6. Procurement practices
- 7. Contract and work conditions
- 8. Transparency of our chain of value
- 9. Forced or compulsory labor
- 10. Child labor
- 11. Freedom of association and collective bargaining



- 12. Waste
- 13. Traceability and certification
- 14. Chemical and waste hazards
- 15. Resource depletion



- 16. Animal welfare
- 17. Biodiversity, deforestation, land use
- 18. Emissions and air pollution



2022 WAS JUST THE BEGINNING

SUSTAINABILITY IS A PATH THAT NEVER ENDS, SINCE ALL HUMAN ACTIVITIES CREATE IMPACT. AND EVEN IF FASHION IS NOT THE SOLUTION, IT CAN AT LEAST STOP BEING THE PROBLEM.

WE ARE ENERGIZED BY THE INITIATIVES SURROUNDING US, AND THE FIGHTS FROM NGOS AND ACTIVISTS, AS WELL AS FROM THE FEEDBACK WE RECEIVE ON OUR BRANDS.

WE ARE A CREATIVE COLLECTIVE, AND WE ARE NOT ALONE IN THIS NEW COURSE OF THINKING.

WE ARE ON A JOURNEY, WHERE WE WILL CONTINUE TO LEARN FROM OUR MISTAKES AND SUCCESSES ALIKE, BUT WE TRY EVERYDAY TO BE THE BEST VERSION OF OURSELVES. WE ARE A FORCE FOR CHANGE.

A HUGE THANK YOU TO ALL THOSE WHO CONTINUE TO SUPPORT US IN THIS JOURNEY, THROUGH THEIR INSIGHTS, QUESTIONS AND ACTIONS, AND ALL OUR EMPLOYEES AND PARTNERS.

WE WILL DO BETTER, THANKS TO YOU.