



IC GROUP

IC GROUP
**CORPORATE RESPONSIBILITY
REPORT 2020**

COMMUNICATION ON PROGRESS TO THE UN GLOBAL COMPACT (UNGC)

STATUTORY STATEMENT PURSUANT TO SECTION 99A OF THE DANISH FINANCIAL
STATEMENTS ACT FOR THE FINANCIAL YEAR 2019/2020

MESSAGE FROM THE CEO

IC Group owns the two premium fashion brands Tiger of Sweden and By Malene Birger with employees engaged in operations globally. As a group, we are committed to develop our business while acting in a socially responsible manner. IC Groups two brands strive at not only being in compliant with international standards, but also, where possible make a positive difference in the industry.

IC Group will continue its support of the UN Global Compact Principles and the Groups brands will continue to work towards even better implementation of CR efforts across the business. This includes continued emphasis on creating strong partnerships with suppliers with focus on dialogue and education as vehicles for the development of a more sustainable supply chain alongside with active memberships of relevant communities and NGO's.

Per Hillebrandt Jensen
CEO, IC Group A/S

CORPORATE RESPONSIBILITY IN IC GROUP

Introduction

IC Group's corporate responsibility framework of People, Planet and Profit is based on international principles and the UN Global Compact. Our work with these principles has played an important role in guiding our company in making the right decisions while also contributing to our readiness to meet future challenges. By matching our overall framework with policies and processes allocated to the relevant functional departments we have created a solid foundation for our CR work.

The first part of the corporate responsibility report contains a description of the company's business model, an analysis of risk related to CR along with a description of KPI's and Due Diligence processes. The second part of the report focusses on our sustainability policy, its implementation and the results achieved across the group. This second part is structured around our existing framework made up of People, Planet and Profit. The final and third part of the report contains several specific examples of how brands address sustainability and responsibility within the group.

Business model

IC Groups business model has over the past few years undergone considerable changes. Several brands have been disposed, operations in the holding has been scaled down and the two remaining brands, Tiger of Sweden and By Malene Birger, have been given their full independence.

The two brands now operate as independent business units with well-defined strategy plans and responsibility for their respective value chain and earnings development. It is IC Group's strategy to exercise active ownership and together with the managements and employees of the two brands to develop these to increase their profitability and value.

Risk management

Due to the activities of the two brands, IC Group is exposed to several risks. This entails a variety of risks all inherent in the apparel and fashion industry. The Management considers efficient risk management as an integrated part of all Group activities and works continuously to minimize uncertainty. Furthermore, the Management regularly assesses the risks to determine whether the risks have changed, or the risk control measures are adequate or relevant.

The risk assessment below is based on a method where risks are identified as the product of likelihood and impact on a set of pre-selected CR issues. The result of the risk assessment and the basic matrix score for the issues included can be seen in the below figure:



The risks scoring in the upper right quadrant (Environment and Climate and Social and Labour issues) of the matrix are managed and/or mitigated through the policy's that the group has adopted. Policy implementation, risk mitigation, actions and the results are presented throughout this report.

Due diligence processes and the use of operational KPIs

Through our brands memberships of Amfori BSCI, we actively support and participate in improving CR related topics and challenges in our supply chain. The memberships imply that we disclose our supply chain to Amfori BSCI who then on behalf of IC Group, its brands and other member companies conduct audits and follow up on issues detected. As part of our own due diligence process we aim at requiring compliance with Amfori BSCI and thereby our own Code of Conduct when engaging with new suppliers. In addition, we prepare and update a country risk analysis to support our decision making when engaging with suppliers. Finally, we update our knowledge on specific issues in our business or in certain regions through participation in projects and surveys to disclose specific risks or issues we will need to address in our CR approach.

We have not set strategic target KPI's to form part of the continuous management reporting. However, all Group brands follow CR performance and development through monitoring data.

Corporate responsibility policy

In IC Group we recognise that we are part of an industry with many corporate responsibility challenges both in terms of complex supply chains and resource challenges to mention a few. We take these challenges seriously and make sure that we are not a barrier to sustainable development. In addition, where possible, we work towards turning these challenges into opportunities and contribute to sustainable development.

For IC Group, corporate responsibility is about not only making sure our products live up to our high quality standards and customer expectations, but also that they are produced responsibly. We consider CR to be an integrated part of our business and an essential element in our company's profitability. Furthermore, our work with CR plays an important role in making sure IC Group is ready to meet future challenges.

IC Groups CR efforts are grounded in the UN Global Compact's 10 principles which are based on internationally adopted declarations and conventions on human rights, labour rights, environmental protection and anti-corruption. We use these principles and the United Nations Guiding Principles as the overall framework to guide our CR policies and implementation processes.

We pledge to work pro-actively internally as well as externally with our suppliers to promote compliance with these principles. We will never be able to guarantee 100% compliance, but we strive to make a positive difference and set up due diligence processes to avoid non-compliance issues.

Our work with Human Rights is based on the Universal Declaration of Human Rights and includes our efforts to create a conducive working environment for our employees, which provides the opportunity to develop and achieve a good work life balance.

In IC Group we believe that integrating our social, environmental and economic responsibilities is essential for our long-term profitability. We also believe that this results in proper risk management for the benefit of our shareholders and other stakeholders. We support the 10th principle of the UN Global Compact and apply a zero tolerance approach against corruption in all its forms, including extortion and bribery.

For a complete description of the CR policy please see the corporate web page icgroup.net/responsibility/our-policy/

Our work on People, Planet and Profit

People

PEOPLE POLICY

IC Group supports and respects the Universal Declaration of Human Rights which is outlined in the UN Global Compact principles 1-6. We do this by continuously identifying and assessing potential adverse human rights impacts both internally in IC Group as well as in cooperation with our suppliers.

Furthermore, we regularly assess opportunities for using our core competences to make a positive contribution to the realisation of the Universal Declaration of Human Rights. Our work with Human Rights also includes our efforts to create a conducive working environment for our employees, which provides the opportunity to develop and achieve a good work life balance.

In addition, we use education both externally with our suppliers and internally as a mean to develop the capacity and understanding of the importance and value of working with human rights.

In 2007, IC Group joined the Business Social Compliance Initiative (Amfori BSCI) and since then Amfori BSCI has played an important role in our work on responsible value chain management. Amfori BSCI is a business-driven initiative for companies committed to improving working conditions in the global supply chain. Built on the 3 pillars of Monitoring, Empowering and Engaging, Amfori BSCI unites hundreds of companies around one common Code of Conduct and supports them in their efforts to build a responsible supply chain by providing them with a step-by-step development-oriented system.

As a result of a thorough consolidation in our supplier base, we have opened up for an even closer cooperation with our suppliers on CR and other related matters. We continue to encourage our suppliers to participate in training and workshops within Amfori BSCI around the world. Our work with Amfori BSCI continues to be an important foundation of our work with and commitment to CR. As a result of our ongoing efforts, we have reached our Amfori BSCI footprint to 81% for the year (i.e. 52% of our suppliers have been certified under Amfori BSCI).

Within the group, we have an ongoing effort to strengthen the relationship with our suppliers and we have further consolidated our purchase, focusing on using partner suppliers, with whom we have long lasting business relationships. Supplier scorecard has been implemented and used since 2012/13. Parameters like quality, price and delivery together with CR parameters form a solid base for promoting a dialogue between our suppliers and IC Group.

During 2019/20 the Group's internal work on People has focused on ensuring continued employee well-being and engagement in numerous organizational change initiatives.

The Group's primary tools for retaining well-being and engagement have been (i) frequent and close dialogue within the Work Councils established in each business division, with participation of management and employee representatives, (ii) open and early employee communication via both Town Hall meetings and written organizational announcements and (iii) increased focus and awareness from the Group's HR departments and typical change management issues. Where any employee ill-treatment, for example stress symptoms, was identified, immediate action plans to provide the employee the needed relief, was developed and implemented in cooperation between employee, direct manager, HR and, if needed, an external party.

The Group continuously record and monitor absence levels, including sickness. No actions were taken during 2019/20 on the basis of absence levels.

Employee development has during 2019/20 been focused on internal training and development to support the decentralization of IC HQ corporate and shared service functions into the brands.

Planet

PLANET POLICY

IC Group supports the UN Global Compact's principles for the environment (principles 7-9). Practically we do this by continuously assessing our environmental challenges and following the overall principle of taking a precautionary approach to environmental challenges. Furthermore, we focus on educating our staff to become even better at identifying where in the supply chain we can take action to reduce our negative impact on the environment and where we can work with our suppliers to facilitate that they, e.g. use environmentally friendly technologies.

ENVIRONMENTAL POLICY

As members of a global industry we have a responsibility for reducing our emission of carbon footprint. We believe that taking charge of our carbon footprint is not only a sustainability imperative but also a way to future-proof our business to be able to keep growing while respecting the boundaries of our planet.

For IC Group this entails focusing on the leverage points where we can make the biggest difference in terms on climate change. Knowing the climate impacts throughout our value chain means we can make better decisions in the design phase and in the way we source products.

Finally we are aware that our actions alone only account for a minute share of our industry's carbon footprint and we therefore participate actively through various organizations in making the fashion industry more sustainable.

All brands within the group are constantly monitoring their environmental impact. A significant part of IC Group's potential negative impact on the environment stems from the use of chemical substances in early stages of the production. This is why we have an ongoing monitoring program to keep track of chemical substances in order to protect the environment, customers, employees and the wider community. The Group has worked thoroughly on minimizing harmful chemical usage and improving chemical test performance by better work flows, better communication and due diligence.

Our aim regarding the use of chemicals continues to be a reduction in total numbers of chemical test fails while ensuring better risk assessment and due diligence performed earlier in the design & development process.

Throughout the year, staff and suppliers in the Group's brands have been trained by internal and external experts. Meanwhile we have updated our restricted substance list (RSL) and have an ambition of reporting results that are below EU REACH legislation stipulates. In order to secure that our policy is being enforced throughout the value chain we constantly check and test our supply chain according to the RSL.

During 2019/20, we have tested 121 styles across both brands. Out of those 121 styles, 63,6% of the styles passed the test during the first testing while for 36,4% of the styles had to be adjusted in terms of materials and/or garments in order to being able to pass the chemical restriction test during the second round of testing.

The consequences of a material/chemical failure during the development and sales sample production stages are critical but we would still have time to improve the current material or find new/alternative material on time before bulk production starts. The consequences of material/chemical failure during the bulk production stage is more critical, as timing and quick reaction is of essence in this case. Nevertheless, we are prepared to change and improve failed materials until they can pass our strict requirements and are prepared and ready to even cancel a production order if we are not able to accomplish this task on time and within the given limits.

Tiger of Sweden and By Malene Birger are active member in the Leather Working Group in order to find feasible solutions on the challenges in the leather supply chain. Leather production may pose a high risk area which consequently makes it an issue that has the Group's full focus. The chemicals used in tanneries preparing raw leather potentially harm both workers and the surroundings.

We believe that the membership of The Leather Working Group will help create a more transparent leather supply chain. In cooperation with the suppliers, both brands are working towards ensuring that the tanneries are contacted and urged to become

members of Leather Working Group. The tanneries will, after training and audits, be graded according to the level of compliance. One of our biggest product group, accessories, in By Malene Birger has been produced with the LWG approved tanneries.

For more information on the Leather Working Group, please see leatherworkinggroup.com.

Profit

PROFIT POLICY

In IC Group we believe that integrating our social, environmental and economic responsibilities is essential for our long-term profitability. In other words, We believe that running a company which respects our people, planet and profit responsibilities is not only the best thing for the profitability of IC Group but it is also how we can make the biggest contribution in the societies where we operate. Furthermore, we also believe that this results in proper risk management for the benefit our shareholders and other stakeholders.

ANTI-CORRUPTION POLICY

With regards to anti-corruption, we support the 10th principle of the UN Global Compact and apply a zero tolerance approach against corruption in all its forms, including extortion and bribery. To further safeguard our company against illegal activities and to identify corrupt practices we apply our Compliance Hotline which provides a confidential system through which employees can report misconduct. Furthermore, we continuously work to improve our processes and educate our employees on how best to tackle situations where they face corruption challenges.

Human rights are addressed in the already described activities in relation to our supply chain and supplier audits. Furthermore, we also address human rights through country risk analysis, which has been carried out continuously during the year, on all sourcing countries as part of our human rights due diligence.

Sustainability at By Malene Birger

At By Malene Birger, we have developed a comprehensive corporate responsibility strategy to ensure our sustainability outcomes continuously improve. Our strategy is built around five focus areas – product, supply chain, people, planet, consumer – each with its own mission and specific goals. We aim to reach these goals over the next five years.

We adhere to amfori/BSCI's Code of Conduct that covers everything from company culture to mindful manufacturing, and animal welfare. As we strive to become more sustainable and knowledgeable of our impact as a brand in the fashion industry, we will engage in new initiatives and policies that bolster these changes. This consciousness is part of our growth strategy and is essential to the way we operate.

Our goal is to not only to address adverse impacts but also to implement positive ones. Therefore, we work to ensure that our own company, as well as our suppliers, operate per the requirements in our Code of Conduct.

Human Rights

By Malene Birger supports the Universal Declaration of Human Rights and the UN Guiding Principles on Human Rights. We believe that by being a part of amfori/BSCI we are supporting an organization working across countries and supply chains by focusing on and implementing these principles.

How we have implemented the principles 1 & 2

There is no part of By Malene Birger's supply chain that does not depend on humans in some way. Ensuring every person has a safe and healthy working environment that provides a fair wage is vital to the success of our brand.

We know that office culture is fundamental too. Our Copenhagen head office includes a full-service canteen that offers both breakfast and lunch as well as healthy snacks and drinks throughout the day. Our employee policies comply with our Code of Conduct.

As mentioned in the above IC Group report, IC as a group has downsized over the past years. Strategic changes were implemented in 2019 which meant huge changes for By Malene Birger as an organization and for the internal work processes. These past years our Hong Kong office has been the daily contact point between the head office and our suppliers. This structure has limited the direct contact between the head office and our suppliers who have mainly had contact during visits in Hong Kong or when travelling to the respective production countries.

The outcome of 2019 for human rights and plans for 2020

This strategic downsizing has shown huge possibilities, not only business-wise, but also in terms of better conditions in the supply chain. The process of breaking down old habits and routines have brought to life possibilities that build stronger relations and aid in the understanding of our mutual business. Together, we have become better and are even more committed to positive change. The COVID-19 crisis has also shown that strong relationships with our suppliers are crucial and how imperative it is that human relations are stronger than anything else.

Being able to take back responsibility and tasks within amfori from our Hong Kong office, have given us the possibility to simplify how we work and communicate. 2018-2019 has been a year of deconstructing and building up new structures for a more simplified and transparent supply chain. Being part of the downsizing process has been very valuable and has opened up new and more efficient processes. We have seen this as a possibility to reconsider many routines and behaviours that we believe in the long run will have a positive impact on how we work both internally and externally.

We acknowledge that human rights are not top of mind in some of the production countries we operate and it has become more and more clear that action is needed in our business to secure that equality and diversity in recruiting, communication, and all internal and external actions will be improved upon. Therefore, we strongly believe that becoming even more transparent in how we work will be the most important effort to secure that 2019-2020 in more ways than only being the end of a decade, also becomes a possibility to set a new baseline in terms of reviewing our collaboration agreements, current and new politics, implement best practices, and look to how we work with our code of conduct.

Labour

Freedom of association and the right to collective bargain is strongly built into the Danish DNA. Child labour, forced labour or discrimination of any kind is important to By Malene Birger to address. We support and adhere to the fundamental labour principles in Denmark and International labour rights. We also adhere to the principles of freedom of association and the right to collective bargaining, both locally and in our supply chain.

How we have implemented the principles 3,4,5 & 6

We are in the process of mapping the production units in the first tier of our supply and to register which of our suppliers who are in the BSCI platform. We have focused on getting the full overview of tier one suppliers and secured that the processes that we have taken over from our Hong Kong office have been properly implemented. When looking at our top 5 suppliers from who we buy the majority of our products, they are mainly from China and Turkey. Both are countries that are unfortunately rated as high-risk countries. However, these suppliers are not only BSCI audited, but we have also a strong relationship based on mutual respect and long-term collaboration.

Turkey is high-risk due to its relationship with Syrian refugees and China is classified as high risk because of working hours and fair pay, normally the result of both poor purchasing practices and poor production planning, rather than an act of deliberately underpaying and forcing overtime. Where we are today and with the current resources we have inhouse, we believe that improving our own production planning and involving our supply chain at the earliest stage is key to limit unnecessary pressure downstream. Together with our membership of BSCI/amfori we believe that By Malene Birger has the best possible conditions to support workers in the textile industry for better working conditions.

Outcomes in 2019 regarding labour rights and our plans for 2020

In creating a new internal task structure and processes, mapping our suppliers and systemising our business in 2019-20, we have built the possibility to consolidate and build an even stronger business with a focus on the core values that Scandinavian culture is built on.

We aim to increase transparency and knowledge throughout the whole supply chain to accelerate risk management and create positive change whenever possible.

In the below survey, we find only 1 factory which has moved from D to C, which of course is appreciated. Other than this improvement the ratings are unchanged, which we intend to focus on in the coming year. Our focus will lie on the top 5 most important suppliers from where approximately 50% of our buying comes from.

TOP 20 FACTORY	Previous Rating	Current rating
FACTORY 1	C	C
FACTORY 2	C	C
FACTORY 3	C	C
FACTORY 4	C	C
FACTORY 5	C	C
FACTORY 6	D	C
FACTORY 7	A	A
FACTORY 8	SMETA	SMETA
FACTORY 9	C	C
FACTORY 10	C	C
FACTORY 11	C	C
FACTORY 12	A	A
FACTORY 13	C	C
FACTORY 14	C	C
FACTORY 15	C	C
FACTORY 16	C	C
FACTORY 17	A	A
FACTORY 18	C	C
FACTORY 19	B	B
FACTORY 20	no	No

	Overall ratings	Overall improvements
A	3	3
B	1	1
C	13	14
D	1	0
SMETA	1	1
Unreated	1	1

The environment

At By Malene Birger, we acknowledge that the textile industry is one of the most polluting industries in the world and being a part of that is also sharing the responsibility in protecting the environment and minimizing our environmental footprint throughout the supply chain. We have set demands on both for ourselves and upon our suppliers and we are committed to improve and secure these to meet our targets.

The implementation of the principles 7,8 & 9

The majority of our footprint comes from the development and production of, and around our products – the decisions we make on a material level, how many samples we develop, our production country, how we transport our goods and the quality of the end product all amount to our footprint.

Product

In the past year, we have increased focus on providing our customers with high-quality and long-lasting products made in the most sustainable way, in terms of design, materials and treatments.

For our autumn-winter 2019 collection, we included a range of sustainably made garments, rendered in environmentally conscious materials, 'Made with Care'.

For spring-summer 2020 we launched another sustainable capsule collection, 'Bohemian like you'. Made only from organic cotton, we explored various stripes and structures to create variety across one material, to disprove the notion (if even to ourselves) that sustainable material is not exciting or interesting.

Chemicals

By Malene Birger is committed to minimizing the use of harmful chemicals in our production to protect the environment, employees, and the consumer. To ensure that our policies are enforced throughout the value chain, we regularly check and test our products according to REACH and our own RSL (Restricted Substance List), which for certain chemicals exceed REACH requirements.

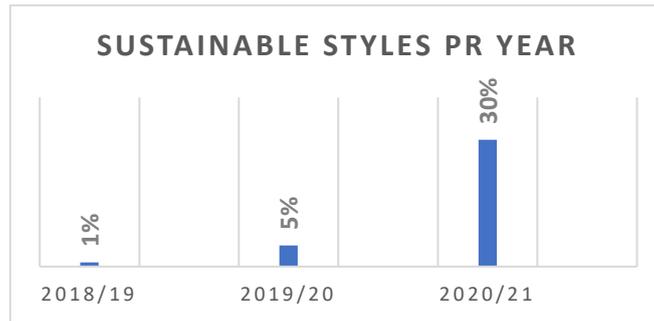
By Malene Birger joined the Leather Working Group (LWG) in August 2020 to support and contribute to environmental best practice within the leather industry.

The outcomes in 2019 regarding environment and plans for 2020

The outcome of both the 'Made with Care' capsule in 2019 and the 'Bohemian like you' capsule in 2020 has developed into a test lab for environmentally friendly actions. It has given us valuable learnings and knowledge and has been implemented as a possibility to investigate even further in certain areas from collection to collection in the years to come.

Though the quality from By Malene Birger has always been of a very high standard with good quality fibres made into beautiful fabrics, the figure below unfortunately also shows that the focus that this lab focusing on sustainable materials was very much needed. However, the findings that we have had and the availability of sustainable fabrics that we have managed to source has given us the ambitions to target the possibility that within the next year we will be able to create collections where 30% of the styles are made with sustainable and/or certified materials.

By Malene Birger has high ambitions and we will keep creating pieces that are of high quality but going forward also from sustainable sources.



Fibre Tool

To be able to categorise and measure our progress we have together with the consultancy company, Closed Loop, developed a preferred fibre tool. This tool has mainly been developed to help the product teams to make considered decisions when creating a style. Working within this frame we are not only strategically putting the focus on better choices, but also what we will phase out. Changing the conventional fibres into sustainable alternatives will eventually make us capable of improving our environmental footprint which is our final goal and motivation.

Projects

CLO: To decrease the number of styles that we develop we have looked into the huge potential and positive impact that 3D design can offer. The potential to develop fewer samples, make fewer mistakes, decrease waste and improve fit and wearability are some of the many expectations that we have from investing in the 3D design tool CLO. As of next year, we will invest and implement CLO in our product team. Our goal with this project is within the next year to be able to develop a small collection which has been fully developed and sold only virtually, without selling samples, in sustainable qualities and long-lasting classic By Malene Birger designs for people to love for many years to come.

Continued: Last year we partnered up with circular fashion platform Continued to allow customers to rent occasion and partywear from our latest collections and archives. We have measured traffic and tested which type of clothing is most relevant to our customers. The picture as of now is occasional wear, but data is still little and therefore difficult to conclude from. We plan to increase focus over the next year and have big expectation from this circular business model.

Human Bridge: We have a no-burn policy, so we never throw our products away. Instead, we donate a list of needed products including clothes and shoes to Human Bridge, a Swedish NGO that provides material relief to those in need around the world.

Sustainable washing detergents for silk and wool: We offer biodegradable and phosphate and softener-free detergents to our customers. The formulas are allergy-friendly and scent-free, and all bottles are 100% recyclable PET plastic. When our customers purchase a knit from us, we follow up with a step-by-step care guide newsletter featuring the detergents and advice.

ANTI CORRUPTION

Our commitment to principle 10

By Malene Birger acknowledges that in some countries it may be customary business practice to make payments or offer small gifts to speed up or facilitate routine actions or processes.

Nonetheless, such facilitation payments are illegal in most of the countries in which we operate, regardless of local cultural expectations, and By Malene Birger expressly prohibits the use of facilitation payments by our employees and business partners working on our behalf anywhere in the world.

All employees of By Malene Birger must help detect, prevent and report incidents of bribery, corruption and similar wrongdoings whether performed by fellow employees or third parties acting on our behalf.

We have implemented the principle

A copy of By Malene Birger's Anti-Corruption policy is available on By Malene Birger's internal app and retail app.

Mandatory training is conducted every second year. Each manager and all relevant employees will receive relevant training and new employees will be briefed of this policy as a part of the welcome orientation. At a minimum, key employees will receive mandatory training, including compliance with anti-corruption laws, regulations, or standard conducts relevant for By Malene Birger's field of business. The next training session deadline is November 2020.

Suitable channels of communication by which employees and others can report their suspicion are set out in By Malene Birger's Q&A@bymalenebirger.com mail.

The outcomes in 2019 regarding Anti-Corruption and plans for 2020

There have been no incidents reported during the last year. As we operate from one of the least corrupt countries and it is a clear policy for all our employees in the office in Denmark, that if offered a bribe we have to report the incident to the management instantly, we believe that there is a limited risk of experiencing corruption in our business relationships.

We will continue the training of new employees, current employees and collaborators, to continue on this positive path and secure that bribery and corruption over time will be eliminated.

Tiger of Sweden's CSR actions

During the financial year of 19/20, Tiger of Sweden has been focused on further enhancing our sustainability actions at large. We have defined our goals and created baselines for each individual target within our key focus areas; climate action, a sustainable material mix, durability & quality, and transparency & traceability.

Our vision statement has been defined as:

At Tiger of Sweden, we believe that a strive towards sustainability is important for the better of our planet, our industry and our society overall. To us, this strive is what defines modern and responsible companies. We want to work actively and inclusively to change the industry we are in, through developing sustainable fashion in collaborative and innovative ways.

Below follows a brief update on each of our key focus areas.

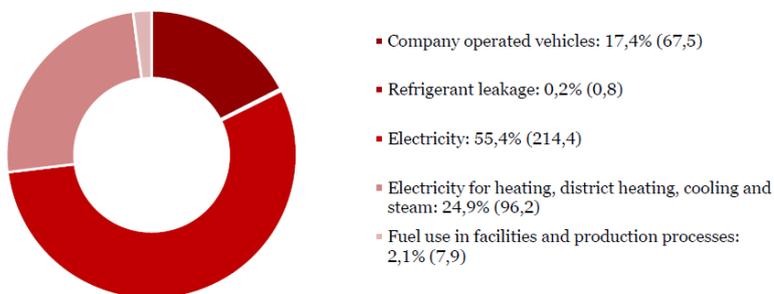
Climate action

One of our core focus areas during 2019/2020 has been to evaluate and measure the climate impact we have as a company. Since the textile industry has a complex supply chain and also a large impact on energy emissions from the production of textiles and garments, we see tackling this as one of our biggest tasks in the future.

Together with the Swedish Textile Initiative for Climate Action (STICA), we have calculated our Scope 1 and Scope 2 emissions during 2018/2019. The calculations are made in accordance with the methodology of the Greenhouse Gas Protocol. In order to calculate this, we have been collecting data and estimating the emissions from our direct operations. Scope 1 includes emissions from direct electricity, internal transportation and cooling in our stores and offices. Scope 2 is linked to indirect emissions of electricity in our stores and offices.

During the base year we have had a total CO₂ emission of 386,8 ton CO₂e, 55.4% of this is from electricity use and 24.9 % is from electricity for heating and cooling.

Emissions by source (ton CO₂e)



During the last financial year, we started taking the first steps into offsetting carbon together with help from our partner Zero mission. We have continued this action throughout this year and calculated the equivalent carbon emissions from all of our employees' travels and offset emissions in the same month.

The climate offset funds from Tiger of Sweden are specifically supporting the project, Pastures, Conservation, Climate Action – Mongolia, an organisation focused on saving and restoring pasture grazing in the areas of Mongolia. By working closely with local herders, native species are protected and grazing lands and biodiversity are restored. This Plan Vivo certified project has generated 20,000 credits (which corresponds to the same number of tons of CO₂) in this year alone. Tiger of Sweden has supported with 448 tonnes of these credits during this year.

SUSTAINABLE MATERIAL MIX

During the last year, Tiger of Sweden has continuously updated our fibre strategy to clarify our current list of preferred fibres. You can find the current list here: www.tigerofsweden.com/fibres. For the last financial year, we have produced 11% of products with a majority of preferred fibres.

To increase internal knowledge, we have become supporting members of the Textile Exchange, a global non-profit organization which helps members drive the industry transformation towards preferred fibers and certification standards.

RESPONSIBLE WOOL STANDARD

The Responsible Wool Standard is a voluntary global standard that addresses the welfare of animals and the land they graze on with the goal of ensuring wool comes from farms with a progressive and responsible approach.

During this year we have been involved in the International Working Group for the update of the Responsible Wool Standard. We also joined the yearly conference and became certified as a company adhering to the Responsible Wool Standards (RWS). Tiger of Sweden will have our first certified products in store from October 2020.

BCI COTTON

Tiger of Sweden has been a member of the Better Cotton Initiative (BCI) since April 2019. The Better Cotton Initiative trains farmers to use water more efficiently, care for the health of the soil and natural habitats, reduce the use of harmful chemicals and respect the rights and well-being of employees.

Better Cotton is sourced via a system of mass balance and is not physically traceable to end products. BCI farmers benefit from the demand for Better Cotton in equivalent volumes to those we source. Find out more details at: bettercotton.org/massbalance. During the last financial year, we sourced 61038 Kg of Better Cotton. This is equivalent to more than 87, 000 pairs of denim which represents 9% of our cotton sourcing.

LEATHER WORKING GROUP

This standard assesses the environmental compliance and performance capabilities of leather manufacturers to promote more sustainable and environmental business practices within the leather industry. Our leather products are sourced from tanneries that have been audited and certified by The Leather Working Group. Tiger of Sweden is a member of the Leather Working Group's association and we have during this year produced 17% of our products with leather coming from Leather Working Group audited and certified tanneries.

Quality & Durability

During the beginning of 2020, we updated our restricted substance list with newly regulated chemicals in accordance with REACH and also included chemicals for CMR fast track. This has been distributed with our suppliers and our test institute. Find our updated RSL here: www.tigerofsweden.com/fibres

During the financial year we have performed 67 full screen tests and 10 tests on a raw material level, we have a fail rate of 49% and have taken actions to eliminate the core of this chemical fail for future productions. Most fails are found within leather and shoe products and substances not according to our RSL are mainly found in leather, glues and plastics. To eliminate these chemicals, we continue to perform chemical tests at an early stage in the development process and also check the bulk material to ensure that the risks are kept to a minimum. One key aspect is to have continuous dialogues with our suppliers to explain the reasoning behind our standards and find alternative production methods to limit the substances and residues found in our products.

We have a continuous collaboration with the company Rekotex to re-sell our leftover fabrics to smaller retailers that can benefit from purchasing leftover materials. During this year, 59 fabric orders and 2,400 meters, have been sold through Rekotex's platform. This collaboration, as well as properly forecasting our orders, helps us to minimise deadstock from our production.

Although we are working on continuously improving our quality standards in our products we do receive claims from our customers. What cannot be repaired we give to the humanitarian organization Human Bridge, during this financial year we have sent 2 shipment with 330 boxes or 4061 kg of items to Human Bridge.

Transparency & Traceability

At Tiger of Sweden we believe that our customers have the right to know where their clothes are made. To further enhance the transparency within our production we are committed to sharing the names and addresses of our suppliers as well as the number of employees working there in accordance with the Transparency Pledge.

Since 2019, we have added our 1st tier supplier list on the Tiger of Sweden website which is updated twice a year. Presently, we have 93% of our 1st tier suppliers public on our transparency list.

In addition to our membership with Amfori and actively working with our supply chain for the BSCI continuous improvements, we have also equipped one of our suppliers in China with the QuizRR's e-learning tool. We see QuizRR as a helpful resource to avoid audit fatigue and make education more readily available for employees. QuizRR has developed easy-access, gamified education for employees working with our suppliers in China to provide education on human rights– beyond audits. During October 2019, 140 training sessions were completed at one of our suppliers - focusing on wage management systems.

Capacity building

To enhance this process, we have core sustainability targets focused on educating our staff and employees on the topic of sustainability and the textile industry. In connection with our collection releases, we have held four training sessions connected to CSR fundamentals at Tiger of Sweden, focusing on preferred fibres for our sales staff, both wholesale and retail.

During this year we have enrolled 16 employees from our Head Office in the Sustainable Fashion Academy online education focused on sustainability within the textile industry. The training course includes material choices, dyeing and finishing of textiles, manufacturing, working conditions, production including use and re-use, and sustainable design. Our Design, Buying, Marketing and Operations teams have joined this training to widen their knowledge of sustainable textile manufacturing. The feedback from the training has been overwhelmingly positive.