

Corporate and Social responsibility

IC Group A/S owns the two fashion brands Tiger of Sweden and By Malene Birger with employees engaged in operations globally. 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.

Starting in 2026, IC Group will be subject to the CSRD reporting requirements. To prepare for this, we are conducting a comprehensive DMA and gap analysis to align our sustainability practices with these regulations. Alongside these efforts, the UN Global Compact, of which IC Group has been a proud member for many years, has introduced an innovative digital platform. This platform enables standardized comparisons of progress across key parameters, further enhancing our ability to track and improve our sustainability performance.

We believe this approach not only fosters transparency but also accelerates collective progress toward shared sustainability goals. Recognizing its value, we have decided to move away from our previous sustainability reporting framework and fully embrace this new method. It is perfectly aligned with CSRD requirements and complies with local regulations in Denmark and Sweden, where we operate.

This forward-looking approach not only strengthens our sustainability practices but also ensures that IC Group is well-positioned to meet future reporting requirements. By embracing this innovative platform, we are advancing transparency, fostering collaboration, and reinforcing our commitment to sustainability within the global corporate community.

As part of this commitment, we recognize that inherent risks related to human rights exist in our supply chain, a common challenge in the apparel industry. Through our brands memberships of Amfori BSCI, we actively support and participate in improving CR related topics and challenges in our supply chain, which has inherent risks related to human rights.

The membership of of Amfori BSCI imply that we disclose our supply chain to Amfori BSCI who then on behalf of the group brands conduct audits and follow up on issues detected. The brands include a requirement in their supplier contracts for suppliers to participate in Amfori or similar initiatives. The brands are actively mapping their supply chain and working directly with all Tier 1 suppliers and most Tier 2 suppliers. They regularly communicate with suppliers to understand their social compliance efforts and the initiatives they are involved in. For key suppliers, audits are conducted by Amfori, and they work together to review the results and request corrective action plans if needed. In key regions like Romania and Bulgaria, where Tiger of Sweden is most active, their on-site sourcing team visits factories several times a year. The group also utilizes the Amfori ESG Risk Compass to gain insights into potential ESG risks based on publicly available data. Amfori, however, recommends that this tool be used alongside other resources in conducting thorough due diligence. Ultimately, it remains the company's responsibility to identify, manage, and mitigate risks. In preparation for Corporate Sustainability Reporting Directive (CSRD) requirements in 2025, the brands have recognized the need to further formalize their due diligence policies and processes.

During 2023/24, 29% of our tier 1 suppliers across all brands had an active audit with Amfori BSCI. Additionally, many of our suppliers are members of other social compliance initiatives of equal standing,

such as SMETA and the Fair Wear Foundation. The number of suppliers for whom the brands received and monitored social audits, including Amfori and equivalent audits, accounts for 39% of our tier 1 suppliers. These suppliers, audited by BSCI or equivalent initiatives, represent 86% of the total produced units.

In addition, a country risk analysis is done in the brands 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.

The policies in place are split on several relevant factors including People, Planet and Environment and Anti-Corruption. IC Group A/S 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. 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. 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. The work with Human Rights in our brands is based on the Universal Declaration of Human Rights and includes efforts to create a conducive working environment for employees, which provides the opportunity to develop and achieve a good work life balance.

People

The group and its brands support 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 our brands as well as in cooperation with our suppliers. Furthermore, we regularly assess opportunities for using our core competences in our brands to make a positive contribution to the realization 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. If we are unable to promote physical and mental wellbeing amongst our employees, there is a risk that our employees will begin to lack motivation and inspiration, which in turn means that our company core values cannot be met. 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 as well as to develop personal and professional skills.

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.

During 2023/24 the Group's companies Tiger of Sweden and By Malene Birger internal work on People has focused on ensuring continued employee well-being. Both Brands continuously record and monitor absence levels, including sickness and this year they unfortunately had some sick leave related to the work conditions.

During 2023/24, both brands underwent a reorganization, which resulted in staff reductions. This period brought increased pressure, and we acknowledge that it created stress among employees. Throughout this time, employees received support and guidance from their union representatives.

The Brands primary tools for improving the well-being of all their employees have been to enhance the close dialogue between HR, employee representatives and closest direct manager where topics are addressed about both the organizational, physical, and psychosocial work environment. Our goal is to continuously increasing well-being, physically and mentally, and optimize working conditions among our employees and see the absence levels decrease as a result. As a proactive response, both brands have been exploring ways to better monitor employee health. Tiger of Sweden has established partnerships with two new healthcare providers for the coming year, offering annual health checks and support for occupational health.

Planet

In line with our commitment to environmental and climate responsibility, we have identified our most material risk in these areas as the environmental impact of our supply chain. Specifically, this includes the consumption of raw materials, emissions, water use, and waste generation in production processes. To mitigate these risks, both brands are active members of the Textile Exchange, an organization dedicated to promoting sustainable practices across the industry. Through our membership, we align with industry standards and work toward reducing our environmental footprint. We are also committed to simplifying and enhancing our product development process by focusing on high-quality, durable materials that support the longevity and functionality of our products. To achieve this, we have trained our development teams to prioritize these aspects, ensuring an ongoing focus on sustainability. To support decision-making, both brands utilize a fiber assessment tool that guides product teams in selecting better, more sustainable fibers. In line with our long-term sustainability goals, we have set a target to use primarily lower-impact materials by 2030. Additionally, both brands are certified under the Responsible Wool Standard, which promotes sustainable wool production and ensures adherence to high standards of animal welfare.

The group and its brands support the UN Global Compact's principles for the environment (principles 7-9). Practically we do this in the brands 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. 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. 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 use our brands to participate actively through various organizations in making the fashion industry more sustainable.

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. Tiger of Sweden is a member of *Kemikaliegruppen*, and BMB have subscribed to Bureau Veritas as their third-party provider. These affiliations ensure that both brands receive regular updates on hazardous chemicals, as well as an annually updated Restricted Substances List (RSL), which is distributed to all suppliers. To prevent chemical risks, we conduct thorough screening of collections before production begins. Test results are required prior to the final assembly of products, with screenings focused on high-risk categories such as leather, high-volume orders, new suppliers, and any previously identified issues. To proactively manage chemical risks at the design stage, we have set criteria mandating that all leather must be sourced exclusively from Leather Working Group (LWG) audited tanneries. Both BMB and Tiger of Sweden are members of LWG, supporting the improvement of environmental standards in the leather industry. Additionally, we prioritize the use of certified materials and limit trim sourcing from local markets to further reduce the risk of harmful chemicals.

During 2023/24, we have tested 81 styles across both brands. Out of those 81 styles, 94% of the styles passed the test during the first testing while the remaining for 6 % of the styles only failed our RSL requirements but passed REACH. Tiger of Sweden and By Malene Birger are active member in the Leather Working Group 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. Tiger of Sweden and By Malene Birger are certified with Responsible Wool Standard. The Responsible Wool Standard was created in 2016 when the need for a standardized certification for ensuring animal welfare in wool production was requested by the industry. 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. By Malene Birger also holds the Organic Content Standard (OCS) and the Global Recycled Standard (GRS), alongside the Responsible Wool Standard (RWS). These certifications enhance traceability, reduce sourcing risks, and improve supply chain accountability.

Furthermore, this year, both brands have placed significant focus on implementing a new ERP system to enhance data capture, management, and sharing across the entire value chain. This system will play a pivotal role in improving product traceability and transparency throughout the supply chain. Additionally, it will help both brands better prepare for upcoming regulations, such as the Digital Product Passport (DPP), Extended Producer Responsibility (EPR), and the Corporate Sustainability Reporting Directive (CSRD), ensuring the capability to accurately track and report on sustainability metrics.

Anti-Corruption

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. The most material risk with regards to anti-corruption is our suppliers not respecting our anti-corruption policy, and to further safeguard our company against illegal activities and to identify corrupt practices we apply our Compliance Hotline in our brands which provides a confidential system through which employees can report misconduct. The brands recognize that, in certain countries, it may be customary to make small payments or offer gifts to expedite routine processes. However, facilitation payments are illegal in most of the countries in which we operate, and their use is strictly prohibited for all employees and partners globally. Each brand maintains an Anti-Corruption Policy, reviewed annually and integrated into the onboarding process for new suppliers. Both Denmark and Sweden, where the brands are headquartered, rank among the least corrupt countries. We have a clear policy that any bribe offer must be reported immediately, and no incidents were reported in the past year.