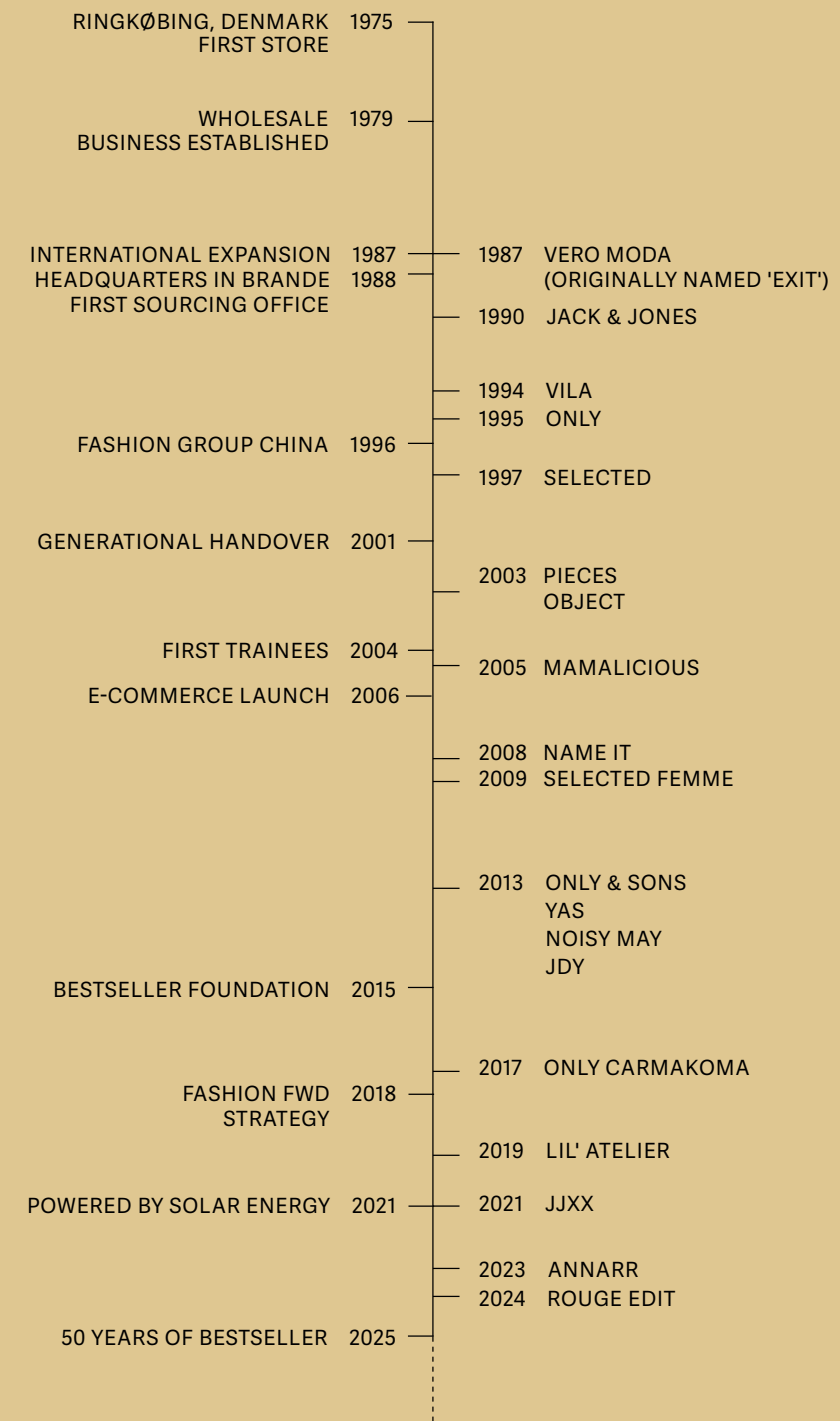




1982 — BESTSELLER's co-founder, Troels Holch Povlsen, in Calcutta, on one of his many business travels around the world.





2024 — 2025  
MANAGEMENT'S  
REVIEW

8	Letter from our CEO and Owner
10	Preparing for the next phase of Fashion FWD
14	Highlights
18	Economic contribution
22	A closer look at BESTSELLER
24	A guide to exploring the annual report

2024 — 2025  
AN ANNIVERSARY  
YEAR

30	50 years of BESTSELLER
34	Expanding our brand portfolio
38	Another defining retail year
46	One step closer to our wholesale customers
50	Strengthening our global reach
54	Breaking ground on the future of logistics
58	Investing in innovation and technology
62	Talents of tomorrow lead the way

2024 — 2025  
SUSTAINABILITY  
STATEMENT

70	Fashion FWD strategy
80	Supply chain management
98	Environmental impact
132	Circularity and resource use
168	People in our value chain
200	Business conduct
206	BESTSELLER Foundation

2024 — 2025  
FINANCIAL  
STATEMENTS

212	Group statements
254	Parent statements
282	Management's statement
284	Independent Auditor's report
290	Company details
291	Group chart

# MANAGEMENT'S REVIEW





# CELEBRATING 50 YEARS OF NEARNESS

2024-25 marked a significant milestone for BESTSELLER as we celebrated our 50-year anniversary.

From two founders with a single store in Denmark, we have grown into a global company of 25,000 colleagues, 3,100 stores, 90 markets, and 400 suppliers – united by a shared commitment to always do our best. This financial year was no exception, as we managed to deliver our best revenue yet thanks to the dedicated efforts of our colleagues.

Throughout the last 50 years, we have stayed close to our customers, partners, and colleagues. It is this nearness we celebrate and continue to prioritise as we look ahead to reach new goals and navigate new challenges.

## INTEGRATED REPORTING

This report presents BESTSELLER's financial and sustainability performance, investments, risks, strategy, and governance for the financial year 1 August 2024 to 31 July 2025.

All financial figures are from the reported financial year unless otherwise specified.

The sustainability statement includes reporting in accordance with section 99a and 99d of the Danish Financial Statements Act.

In 2022-23, we combined our financial and sustainability (ESG) reports into a single comprehensive document to improve transparency and provide stakeholders with a complete overview of our performance and approach to long-term value creation.

In 2023-24, we further developed the report to include, for the first time, greenhouse gas emissions from our value chain linked to the financial year.



# LETTER FROM OUR CEO AND OWNER

What a year. What a milestone.  
What a reminder of who we are and  
how far we have come.

Facing both good and bad – as all companies do. This year was no different.

50 years ago, in 1975, my mum and dad opened our first store, laying the foundation for what we would become.

As you know, fashion trends change. Markets shift. But our strong values, which have been our foundation since 1975, remain the same: our dedication, our nearness, trust, and eagerness to do better each day.

This financial year, we have fought hard. We have cheered for each other. We have done our very best. We have grown to become more than 25,000

colleagues globally. We have recorded all-time high total revenues, enabling us to deliver our second-best total result ever. This helps us create a positive impact and fulfill our aspirations.

However, at BESTSELLER, we do not do second places. We must always do better. With that being said, I am proud and positive.

We are investing ahead of the curve and continue to strategically invest in key areas such as logistics, innovation, and, perhaps most importantly, people. We are geared to create better results – environmentally and financially.

This, once again, takes me back to where it all started. Back in 1975, my parents would never have believed what we have become – not even in their wildest dreams.

Now, after a year of celebrating BESTSELLER's first 50 years, it is time to shape the next.

And you know what? We are so ready.



**ANDERS HOLCH POVLSEN**  
CEO & Owner

*We are satisfied with this year's financial results. They are within our financial expectations, and even though we anticipate the global uncertainty will continue, we expect to stay on our growth journey. In particular, we expect growth in new markets, resulting in overall growth on both the top and bottom line within a single-digit range.*





# PREPARING FOR THE NEXT PHASE OF FASHION FWD

As BESTSELLER marks 50 years of business, this past year has been a time of both celebration and thoughtful reflection. Sustainability remains a cornerstone in our business, guided by our Fashion FWD strategy.

This financial year, we have made progress across multiple areas. Our materials portfolio remains central to our climate strategy, as the share of 'preferred materials' increased from 58 percent last year to 65 percent. Organic cotton use is steadily rising, with a target of 30 percent by year-end, and we are adopting more recycled materials.

Together, these efforts are helping to lower emissions per kilogram of material sourced while supporting our focus on certified and branded materials.

We continued our impact within our supply chain which now in total includes reaching over 225,000 women through empowerment initiatives, supporting 33,500 organic cotton farmers, and the ongoing expansion of our FWD>>ENV programme to drive further environmental impact. Additionally, 86 percent of product orders are now placed with suppliers who receive high ratings in our Supplier Sustainability Evaluation.

During the past year, we made two investments through Invest FWD in SoftWear Automation and matterr.

A significant criterion for the investments is that they not only meet our own needs but also help push the entire fashion industry forward. The total investment amounted to DKK 100 million and reflects our continued commitment to supporting circularity and innovation with potential relevance to our sector.

While we have achieved notable progress, considerable challenges persist in meeting our climate objectives related to reducing Scope 3 emissions, particularly as our business continues to grow.

"With our revised strategy we are committed to maintaining an ambitious outlook and to keep advancing and making strategic investments to drive progress for our company and our industry."



Our climate goals remain urgent and central to our business. This financial year, we see an increase in greenhouse gas emissions - mainly driven by increased production volumes and improved availability of primary data.

With the integration of supplier-specific data, we now have a more detailed understanding of our emissions profile. This insight indicates that our original 2018 baseline was likely significantly underestimated.

## REVISING OUR STRATEGIC FRAMEWORK

As several of our current goals are set to conclude by the end of 2025, we are now preparing for the next phase. We are revising our strategic framework to carry us forward in line with

our core values and foundation upon which our company rests.

This process involves updating our short-term climate targets and formulating a climate transition plan aligned with these revised goals. Additionally, we will establish new targets for nature and land and further advance our materials-related objectives.

With our revised strategy, we are committed to maintaining an ambitious outlook and to keep advancing and making strategic investments to drive progress for our company and our industry.

We recognise that meaningful progress toward our climate and sustainability goals cannot be achieved in isolation. Only through strong collab-

oration across the fashion industry and beyond – including supply chain partners, peers, consumers, and other key stakeholders – can we tackle the challenges ahead.

In a world where multiple agendas demand focus, the path forward is more complex than ever. Yet we remain committed, knowing it takes persistence and patience to be part of the solution.

By working together, sharing knowledge, and supporting the adoption of common standards and effective regulations, we can help drive the systemic changes needed for lasting impact.

**DORTE RYE OLSEN**  
Head of Sustainability

# 1975 — 2025 CELEBRATING 50 YEARS OF NEARNESS



## WORLDWIDE CELEBRATION

*From exhibitions to merchandise, our 50th anniversary was marked in our offices around the world, with Sweden, Slovenia, India, Austria and Norway pictured here.*





# 2024 — 2025 HIGHLIGHTS



## RECORD REVENUE

Total sales across wholesale, retail, and e-commerce channels increased by almost seven percent, exceeding the previous record result from 2022-23.



## BESTSELLER50 PARTY

Colleagues and external partners from around the world gathered at Egeskov Castle in Denmark for an unforgettable celebration of our 50-year anniversary.



## WORLDWIDE DONATIONS

As part of our anniversary celebration, BESTSELLER Foundation donated DKK 50 million to 50 organisations inspired by colleagues worldwide.



## NEW OFFICES

We welcomed two new BESTSELLER offices to our global location portfolio: Ljubljana, Slovenia, and Istanbul, Türkiye.



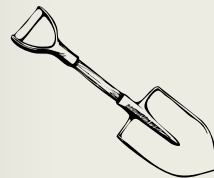
## RETAIL GROWTH

Our retail expansion journey continued with 358 new stores contributing to an increase in total retail sales of 10 percent.



## CELEBRATING ANNIVERSARIES

Adding to our 50-year celebration, we also celebrated 25 years of BESTSELLER UK and BESTSELLER Belgium as well as 30 years of VILA.



## GROUNDBREAKING CEREMONY

We officially began construction of Logistics Centre West (LCW) in the Netherlands – the biggest single investment in our history.



## SOCIAL IMPACT

We reached more than 45,500 women in our supply chain with awareness and training initiatives focused on topics such as gender equality, health, economics, and tech.



## SUSTAINABILITY INCENTIVES

In a first for BESTSELLER, we launched sustainability incentives based on key Fashion FWD targets for all colleagues, effective throughout the 2025 calendar year.



## PREFERRED MATERIALS

Across brands, we managed to increase the volume of materials that are either Better Cotton, organic, in-conversion, recycled, and/or subject to a third-party licensing agreement or certification from 58 percent to 65 percent.



## ORGANIC COTTON FARMERS

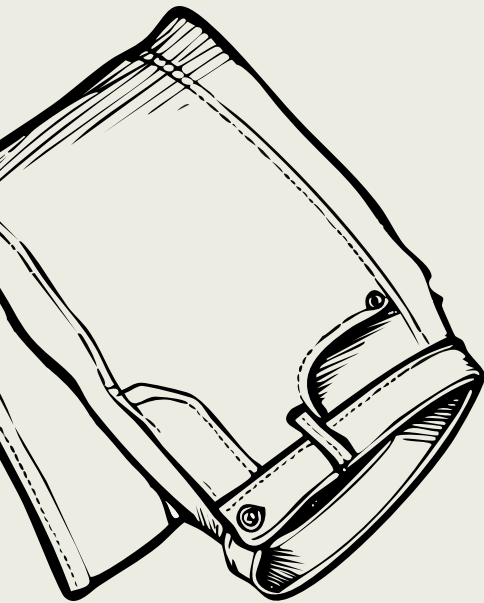
Through our direct-to-farm sourcing model, we have supported more than 33,500 organic cotton farmers.



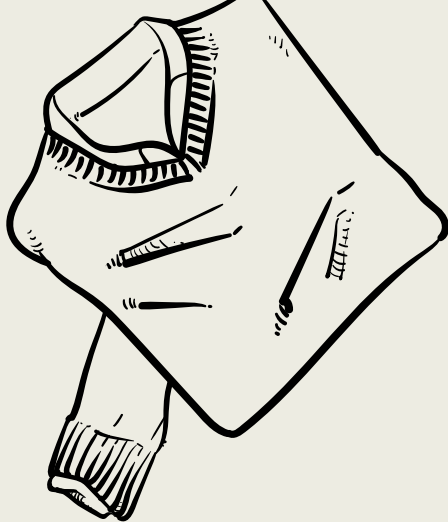
## INVEST FWD

Through Invest FWD, we made new investments in matterr and Softwear Automation, allocating DKK 100 million to drive innovation.

# FINANCIAL HIGHLIGHTS



Seen over a five-year period, the development of the company may be described by means of the following financial highlights:

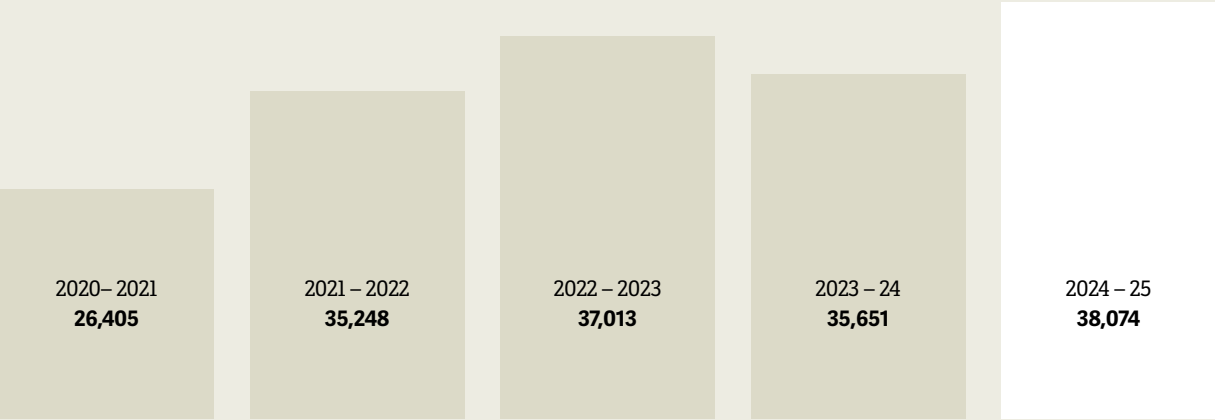


7%

increase in revenue across wholesale, retail, and e-commerce channels.

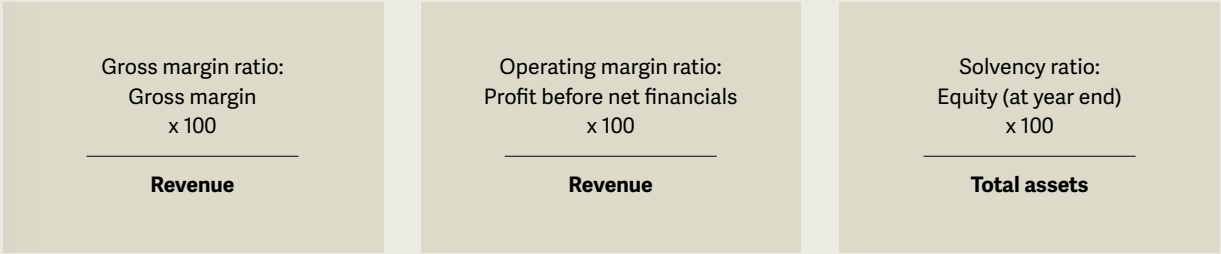
10%

increase in pre-tax profit across wholesale, retail, and e-commerce channels.



(mDKK)	2024/25	2023/24	2022/23	2021/22	2020/21
Profit/loss					
Revenue	38,074	35,651	37,013	35,248	26,405
Gross margin	20,596	19,012	17,097	17,534	13,019
Gross profit	13,504	12,321	11,223	12,201	9,435
Profit before net financials	5,933	5,299	4,790	6,263	4,458
Net financials	-45	38	154	-179	146
Profit before tax	5,888	5,337	4,944	6,085	4,604
Profit for the year	4,579	3,932	3,913	5,143	3,609
Balance sheet					
Balance sheet total	24,676	21,745	21,132	22,308	18,246
Investment in property, plant, and equipment	2,504	1,794	1,779	1,371	379
Equity	12,395	11,827	11,848	11,881	8,734
Financial ratios					
Gross margin ratio	54.1%	53.3%	46.2%	49.7%	49.3%
Operating margin ratio	15.6%	14.9%	12.9%	17.8%	16.9%
Solvency ratio	50.2%	54.4%	56.1%	53.3%	47.9%

Definition of financial ratios  
Gross margin = Revenue - Cost of sales





# ECONOMIC CONTRIBUTION

We aim to create economic value in the countries and regions where we operate. This includes tax payments, commercial activities, and other economic contributions.

TAX CONTRIBUTION

Our business model revolves around designing, buying, and selling fashion. Beyond corporate taxes on profits across BESTSELLER, our total tax contribution reflects the broader economic value we create for societies. This includes value-added taxes, payroll taxes from our 25,000 colleagues, customs duties, and property taxes.

Each year, BESTSELLER publishes an overview of our total tax contribution to provide transparency on the economic support we generate for public finances during the financial year.

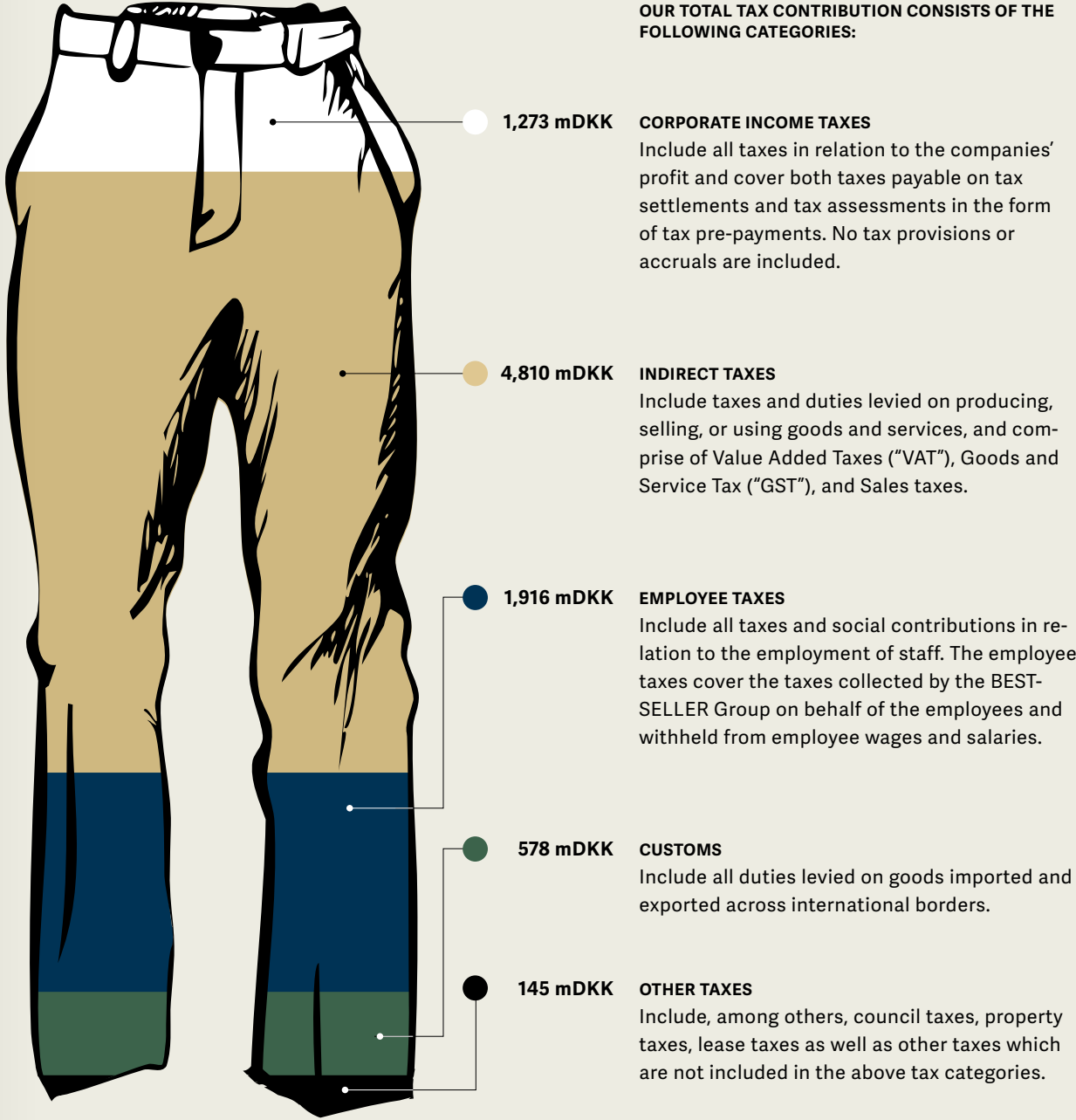
**TAXES BORNE:**  
These cover corporate taxes, customs duties, and other taxes directly levied on BESTSELLER, such as property taxes, amounting to 1,996 mDKK.

**TAXES COLLECTED:**  
These include indirect taxes such as VAT, GST, and sales taxes, as well as payroll taxes, amounting to 6,726 mDKK.

OUR TOTAL TAX CONTRIBUTION:

8,722  
mDKK

OUR TOTAL TAX CONTRIBUTION CONSISTS OF THE FOLLOWING CATEGORIES:







1980's — Merete Holch Povlsen (far right) is standing in one of our first stores. She was always creative in decorating our stores.



# A CLOSER LOOK AT BESTSELLER

BESTSELLER started as a small family-owned store in Denmark back in 1975. Since then, we have grown into a fashion company with a wide range of brands and an international presence.

Today, our products are sold in over 90 countries. We focus on making quality fashion that is accessible to many – and we do this through both wholesale, retail, and e-commerce.

We work closely with nearly 16,500 wholesale partners – from multi-brand stores and department stores to online platforms – and we have 3,100 retail stores in 47 countries. Around 480 of those are run by long-standing partners.

Across our business, we are 25,000 colleagues working in areas like design, logistics, technology, and sales. What connects us is a shared drive to create value, support each other, and build strong partnerships.

Our supply chain includes more than 400 suppliers and 700 factories across 15 countries. Together, we support the livelihoods of over 750,000 people in our near supply chain. That scale comes with responsibility – which is

why we stay close to our partners, focusing on better ways of working, raising standards, and contributing to an industry-wide, global supply chain built on trust, transparency, and continuous improvement.

## OUR BUSINESS MODEL

Through a multi-channel retail model, we distribute products via our own retail stores, partner-operated stores, multi-brand retailers, branded e-commerce platforms, and online partners.

We are committed to integrating practices that reflect high standards of integrity, transparency, and care for people into every stage of our operations – from material sourcing and production to logistics, as well as promoting reuse and recycling to extend product lifecycles.



### Materials

Collaborating with suppliers to increase the amount of products made with certified and branded materials.

### Design

Working closely with suppliers to create styles that reflect our brands' identity and meet customer needs.

### Buying

Evaluating trends, supplier input, and successful styles to inform buying decisions.

### Sales

Introducing collections to sales teams for engagement with wholesale and retail partners.

### Production

Working with suppliers on optimising their operations including within social and environmental areas.

### Logistics

Collaborating with logistics partners to transport products from suppliers to distribution centres.

### Multi-channel

Distributing products across retail, wholesale, and e-commerce channels.

### Shoppers

Engaging with consumers, enabling them to make more informed purchase decisions.

# A GUIDE TO EXPLORING OUR ANNUAL REPORT

This integrated report offers an overview of our results, achievements, and initiatives, as well as the challenges we have faced and addressed over the past financial year. Alongside this, it includes key sustainability efforts and financial figures.

2025 marks a meaningful milestone: 50 years of BESTSELLER. More than a number, BESTSELLER50 is a celebration of the people, partnerships, and shared values that have shaped us over time.

The world around us continues to change – with shifting markets, global uncertainty, and evolving consum-

er behaviour. And yet, since 1975, our journey has been guided by something somewhat consistent: a belief in staying curious, working closely together, and doing our best to adapt with care and courage.

Throughout the years, our partners have remained at the heart of what we do. This year's report reflects not

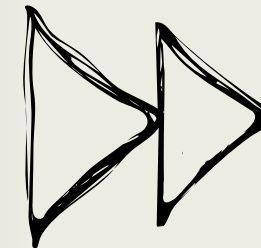
only on the past financial year, but also on how our present direction still echoes the spirit we began with – where many of our original hopes and ways of working continue to be part of who we are today.

And this year's report will be focused on exactly that.



## AN ANNIVERSARY YEAR

Following this first chapter, 'Management review', the second part of the report centres around our anniversary year, with selected highlights and cases from 2024-25 guiding you through a special year at BESTSELLER. In this introductory chapter, we feature defining results and development across our company – from brands and markets to logistics and sustainability. Each of these current stories is seen through a historic lens, drawing connections to the past 50 years that paved the way for this year's achievements.



## SUSTAINABILITY STATEMENT

In the third part of the report, we dive deeper into our sustainability progress and challenges by presenting our statutory reporting on corporate responsibility in accordance with the Danish Financial Statements Act §99a. Here, we detail our performance, risks, strategy, and governance. In this comprehensive statement, we will – through our Fashion FWD strategy – describe how we are working to integrate sustainability throughout our business.

The structure is built around our three main sustainability pillars:

- Environmental impact
- Circularity and resource use
- People in our value chain



## FINANCIAL STATEMENT

In the fourth and final part of the report, we present the consolidated financial statements for the group and parent company. These tables are followed by a management's statement and an independent auditor's report.

# AN ANNIVERSARY YEAR



2025 — Nearly 10,000 colleagues and external partners joined an unforgettable celebration of our 50th anniversary.







# 1975 — 2025

## 50 YEARS

### OF BESTSELLER

#### ANNIVERSARY

This year, we celebrated 50 years of nearness with a series of initiatives and events, engaging colleagues and partners worldwide in a well-deserved celebration.

The story of BESTSELLER began in 1975 when our founders, Troels Holch Povlsen and Merete Bech Povlsen, opened their first store, located in the Danish town of Ringkøbing. 50 years later, one store has turned into 3,100, one market to 90, and one colleague to 25,000 – all bound together by our commitment to nearness.

To celebrate this milestone, we introduced several initiatives throughout 2024-25 to honour our past and prepare for the future that lies ahead.

In the next pages, you can learn more about the progress and results that defined our anniversary year. From retail performance and market entries to investment in innovation and apprentice awards, each highlight features a historic detail, ultimately connecting past, present, and future.

#### 5 DECADES

##### OF DESIGN

Hosted by SELECTED, we launched a design contest, inviting talented designers to reimagine five decades of fashion heritage.



#### 50

##### DONATIONS

BESTSELLER Foundation donated a total of DKK 50 million to 50 organisations inspired by colleagues worldwide.



#### BESTSELLER50

##### PARTY

The Egeskov castle in Denmark set the stage for an extraordinary event as colleagues and external partners celebrated 50 years of BESTSELLER.







**1975**  
**FIRST STORE**  
Our founders, Troels Holch Povlsen and Merete Bech Povlsen, open their first fashion store, Pigalle, in the Danish town of Ringkøbing.



**1987**  
**INTERNATIONAL EXPANSION**  
Norway becomes the first BESTSELLER market outside Denmark, paving the way for JACK & JONES and VERO MODA.



**1988**  
**FIRST SOURCING OFFICE**  
Our global sourcing setup begins to take shape as we start importing clothes from India and China and open our first sourcing office, located in Hong Kong.



**1988**  
**HEADQUARTERS IN BRANDE**  
Inspired by Italian architecture, construction of our headquarters in Denmark now begins, with Building 0 as the first completed project.



**1990**  
**DIGITISING OUR BUSINESS**  
From phone calls to hand-written orders, the first steps towards digitalisation start with BestInfo – our first digital tool.



**2000**  
**25-YEAR ANNIVERSARY**  
As BESTSELLER turns 25, the celebrations culminate with a big party in Copenhagen for colleagues, partners, and suppliers.



**2001**  
**GENERATIONAL HANDOVER**  
Anders Holch Povlsen follows in his father's footsteps and becomes CEO and Owner, ensuring our legacy as a family-owned company.



**2004**  
**FIRST TRAINEES**  
The first group of international trainees graduate from BESTSELLER Academy, opening the door for thousands of trainees and apprentices to follow.



**2006**  
**E-COMMERCE GOES LIVE**  
A new chapter in our digital journey begins with the launch of our own e-commerce. Eight years later, we open the first e-commerce office in Amsterdam.



**2015**  
**BESTSELLER FOUNDATION**  
Continuing years of charitable work, we now establish BESTSELLER FOUNDATION to drive further social and environmental impact.



**2018**  
**FASHION FWD**  
Building on the early work of our Code of Conduct, a sustainability strategy launches with science-based targets on climate impact, alongside goals for materials and supply chain practices.



**2021**  
**POWERED BY THE SUN**  
A 207-megawatt solar park established by HEARTLAND now connects to the European energy grid, covering the energy consumption with renewable energy.



**2022**  
**BRANDS REACH FIRST BILLION**  
JACK & JONES and ONLY BRAND HOUSE both achieve a record-breaking turnover of EUR 1 billion.



**2025**  
**BIGGEST LOGISTICS INVESTMENT**  
We move one step closer to finalising our biggest investment yet by breaking ground on the upcoming Logistics Centre West, located in the Netherlands.



# EXPANDING OUR BRAND PORTFOLIO

## BRANDS

Our family of more than 20 brands cater to a wide range of segments. This year, we welcomed a new female brand and several new kidswear brands.

Through a diverse and dynamic brand portfolio, we strive to stay close to the market and the ever-changing needs of our customers – all to continuously offer affordable fashion for all ages, gender identities, styles, and occasions.

2024-25 was no different, with new brands joining our lineup.



## ROUGE EDIT – EFFORTLESS EDGE FOR WOMEN

This year, we welcomed ROUGE EDIT – a new take on contemporary fashion for women that blends French chicness and Scandinavian coolness. The brand was officially launched during Copenhagen Fashion Week, with the debut collection dropping four months later, marking the first meeting with end consumers.



“ROUGE EDIT is all about effortless choice, creating effortless edge. With this brand and its focus on delicate details, carefully selected trims, and premium materials, we are entering a higher end of the market which is a natural extension for us.”

**Simon Khong Harbjerg**  
Brand Director  
ROUGE EDIT, VILA & NOISY MAY

KIDS ONLY –  
TARGETING NEW  
SEGMENTS

KIDS ONLY of ONLY BRAND HOUSE expanded its kidswear range by launching ONLY & SONS Junior – the first down-sized version of ONLY & SONS, offering styles for ages 6-16, and ONLY MINI – a downsized version of the ONLY collection, complementing the ONLY GIRLS brand by targeting a younger audience of children aged 2-8.



**Winnie Holm**  
International Sales Manager  
KIDS ONLY



“Nowadays, kids want to mirror the style of older kids. By launching these brands, we are strengthening our presence in the market for fashionable kidswear. With showrooms across Europe, a dedicated sales force, and a growing customer base, we are set to take KIDS ONLY to new heights.”



# LOOKING BACK

Our brand portfolio was born in 1986 with EXIT, a womenswear brand that has since become VERO MODA. At that time, we already had several stores in Denmark. To optimise purchasing and inventory management across these stores, we decided to create our own brands – a crucial decision that would eventually lead the way for the 20+ brands that make up BESTSELLER today.

An early fashion campaign  
by EXIT - our very first brand.





# ANOTHER DEFINING RETAIL YEAR

## RETAIL

In line with previous years, our retail business once again stood out as a key growth driver. New stores and new markets increased retail revenue by 10 percent.



In 2024-25, we opened 358 new stores, adding up to a total of 3,100 branded BESTSELLER stores in 47 countries. Our brands also did extensive renovations on current stores, introducing new visual concepts and moving stores to better locations.

These initiatives paid off as our total retail revenue increased by 10 percent compared to last year. We also grew our EBIT retail profit by 13 percent, solidifying 2024-25 as another strong retail year.

Although our wholesale business continues to be our biggest sales channel, these results underline the importance and potential of our retail business, led by our two biggest brand houses: ONLY and JACK & JONES.



### SELECTED — NEW BRUGES STORE

Located in the heart of Bruges, the brand opened its second store in Belgium, adding to a recent flagship store in Antwerp. These new stores mark the beginning of a Belgian retail expansion for SELECTED.







2024 — JACK & JONES and JJXX opened the doors to the brands' first multi-brand store – 1,300 m<sup>2</sup> on London's iconic Oxford Street.



SEIZING NEW OPPORTUNITIES

With more than 1,900 stores combined, ONLY BRAND HOUSE and JACK & JONES BRAND HOUSE contributed significantly to this year’s retail performance.

ONLY STORES, the company owning and managing all ONLY BRAND HOUSE stores, grew revenue by 20 percent and opened more than 200 stores. These included 70 ONLY stores, 74 ONLY & SONS stores, and 64 new store enlargements – all continuing the brand house’s retail strategy of prioritising the best locations, biggest stores, and right products. Adding to a strong over-all performance, ONLY & SONS, the rapidly growing menswear brand, reached a milestone by opening its store no. 100 following a retail expansion that included 15 new stores in November 2024 alone.

Finn Poulsen  
CEO & Partner  
ONLY STORES

“We are proud to welcome 208 new stores to our retail portfolio of more than 900 stores across Europe. This year's growth is a testament to the dedication of our colleagues and partners but also a demonstration of the strength of our retail concept and our commitment to an unparalleled shopping experience.”



This year, JACK & JONES grew its global retail network by opening more than 110 stores and welcoming its female brand, JJXX, into the brand house’s retail operations with the launch of a multi-brand retail concept. The concept was turned into reality in November 2024 with a new 1,300 m² joint store on London’s iconic Oxford Street – which will be followed by several multi-brand stores across Europe in 2025-26. These initiatives along with a solid performance in established stores worldwide led to a total result of seven percent retail revenue growth.

Anders Gam  
CEO  
JACK & JONES BRAND HOUSE

“From the very first JACK & JONES store in Norway more than 30 years ago to store openings around the world, retail continues to be an increasingly important part of our business. Thanks to our highly skilled colleagues and valuable partners, we targeted global expansion while also creating a new experience for our customers by launching a multi-brand concept with JJXX.”



VILA —  
NEW EINDHOVEN STORE

VILA unveiled a new retail concept when the brand opened its biggest store yet – a reimagined retail experience spanning 400 m² in the Dutch city of Eindhoven.



# LOOKING BACK

The story of BESTSELLER began in 1975 when our founders, Troels Holch Povlsen and Merete Bech Povlsen, opened the doors to Pigalle – our very first store, located in the Danish town of Ringkøbing. While the store was simply opened to sell excessive stock for Troels’ uncle, it became the beginning of a global retail adventure, leading to 3,100 BESTSELLER stores worldwide.



*The Pigalle store in Ringkøbing, Denmark was our first store.*





# ONE STEP CLOSER TO OUR WHOLESALE CUSTOMERS

## DIGITALISATION

Our digital wholesale transformation took a significant step forward with the implementation of a new B2B platform across all brands and markets.

As our biggest sales channel, the wholesale business plays a key role in our digital journey. By introducing and developing digital tools, we can optimise sales processes and enhance the buying experience, ultimately creating value and strengthening partnerships.

In January, we achieved a new digital milestone by completing the implementation of MORE – our new B2B platform – across all brands and markets, including more than 20,000 wholesale customers.

This platform is developed in-house to improve the digital shopping experience for our partners by providing a fast solution built on a solid data foundation. Inspired by B2C platforms, MORE is designed to offer a user-friendly experience with customer-centric features.

Compared to last year's performance on DIRECT, our previous digital B2B platform, MORE generated a sales order intake growth of five percent in just six months, underlining the potential of the new platform.

**Frederik Leerskov Bugslag**  
Head of Digital B2B  
BESTSELLER TECH

“While introducing digital tools often comes with challenges and apprehension from users, the rollout of MORE has been remarkably smooth thanks to the strong collaboration and support from our global sales teams. Now, our focus is on continuous optimisation, with new features such as personalised recommendations, improved search functionality, and AI-powered buying tools on the way.”

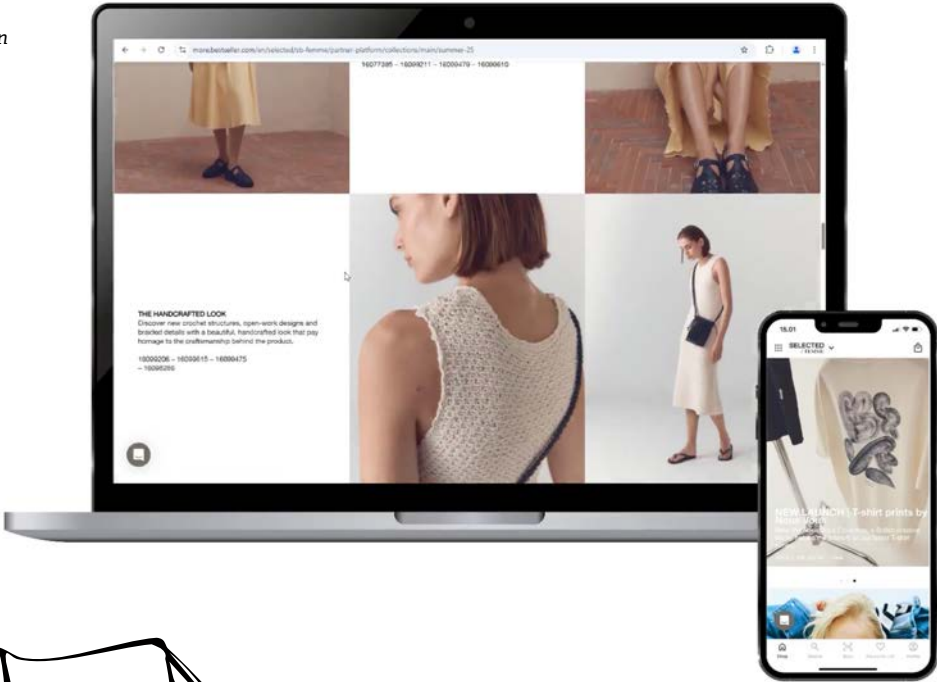


SELECTED –  
INTRODUCING A  
ONE-STOP PARTNER  
DESTINATION

In addition to the global implementation of MORE, several digital brand initiatives saw the light of day during 2024-25. One was the SELECTED Partner Platform, launched in April.

With this new platform, the brand provides easy access to key resources such as logos, marketing materials, giveaways, inspiration, new collection stories, and brand news – all in a single, accessible location. More than just a resource hub, the Partner Platform will also enable SELECTED to streamline external communication and strengthen partner relations.

*The Partner Platform is integrated into MORE to support an easy and accessible customer experience.*



# LOOKING BACK

Although our digital journey took off in 1990 with the development of our first tool called BestInfo, technology has always been an important part of our business. In the early days of BESTSELLER, we communicated with customers and partners via telephone, fax, and telex. As technology has evolved, we have stayed committed to simple and innovative solutions.

*Helle Poulsen, Buying Manager at ONLY STORES, using one of the first handheld cellular phones. This year, she celebrated 46 years with BESTSELLER.*





# STRENGTHENING OUR GLOBAL REACH

MARKETS



As a result of dedicated efforts across all sales channels, we expanded our business globally by entering four new markets.

We are a global company present in 90 markets, with European countries like Germany, the Netherlands, and France as our strongest markets. This year, we continued our global expansion by entering emerging markets outside Europe.

Across our business, we entered four new markets: Kenya, Mongolia, Argentina, and Colombia. Adding to these markets, which represent first-ever entries across all sales channels, we also expanded our retail and e-commerce business to more than 20 markets.

**Andrés Contreras**  
Regional Director  
Spain, Portugal & LATAM

“Emerging markets are paramount for our future success. We are expanding the business with a digital-first mindset, innovating to serve a broader, more global customer base, while sharpening our focus on key accounts and tailoring collections to meet the demands of regions outside central Europe. The potential for growth in these new markets is undeniable.”

**SLOVENIA —  
NEW REGIONAL HUB**

*BESTSELLER Region East opened a new regional hub – this time in Ljubljana, Slovenia. From this modern office and showroom, the team will manage additional emerging markets like Croatia, Serbia, Hungary, Bosnia & Herzegovina, Montenegro, and Kosovo.*



SCALING UP  
ACROSS THE POND

This financial year also marked new initiatives in the US. Although we have been present in this market for years, it still holds tremendous potential for our business.

Tapping into this potential, we strengthened our Los Angeles operations with an expansion of the JACK & JONES and VERO MODA teams as well as an official ONLY wholesale relaunch. These steps reflect our long-term commitment to the market and the continued growth of our brands in North America.

We also took the first steps towards a US retail expansion, led by the JACK & JONES brand house. Based on its new multi-brand retail concept, the team has located approximately 30 new stores in shopping malls on the East Coast. These stores are expected to open in 2025-26.



Our new Los Angeles showroom showcases JACK & JONES/JJXX, VERO MODA, and ONLY – a renewed focus on the North American market.

LOOKING  
BACK



In 1987, Norway became the first BESTSELLER market outside Denmark. This market entry also paved the way for the first-ever VERO MODA and JACK & JONES stores which opened in Norway more than 30 years ago. Today, we are an international company with offices in more than 30 countries worldwide. From these locations, our skilled colleagues continuously grow our global reach.

Øyvind Hauge, Country Director, receiving an export award on behalf of BESTSELLER Norway in 2002. This year, he celebrated 34 years with BESTSELLER.





# BREAKING GROUND ON THE FUTURE OF LOGISTICS

## LOGISTICS

This year, we officially began construction on our upcoming logistics centre in the Netherlands. It is set to become the biggest BESTSELLER investment yet.

Our logistics operations are crucial for our business. At our own operated warehouses and our third-party logistics (3PL) warehouses in Denmark, the Netherlands, Spain, and Poland, we make sure that our goods are transported from our suppliers to our stores, wholesale customers, and online shoppers. To us, logistics is all about providing a competitive advantage.

In 2024-25, we took the next step in expanding our global logistics network by breaking ground on Logistics Centre West (LCW). Located in the Netherlands, LCW is our future logistics centre that is expected to reach the highest level of the BREEAM certification – a globally recognised sustainability assessment method for buildings.



### BUILT TO REACH NEW STANDARDS

In June 2025, the design of LCW was recognised at the yearly BREEAM Awards in London, with the project nominated in the 'People's Choice Commercial Building' category.

Innovative solutions like a green roof for cooling, straw-based insulation panels, solar panels, and natural spaces, including wetlands, forests, and moorlands, supporting local wildlife and native plant species, are among the defining features that earned the project a spot in the prestigious award ceremony.







**Allan Kyhe Kjærgaard**  
Logistics Director  
BESTSELLER



“With LCW, we set out to raise the bar – not only for operational capacity and automation technology, but for the design and sustainability standards of the building as well. From early ideas to the first pillar in the ground, we continuously work with great partners. And while this kind of acknowledgment is something we can all be proud of, what really drives us is our ambition to further develop our logistics operations by bringing us closer to our biggest partners and retail markets in Europe.”



# LOOKING BACK

Our business has always relied on logistics. In the beginning, our first office on Storegade in Brande, Denmark also served as our warehouse. Back then, boxes from Italy and other countries we sourced from would be delivered in the backyard to be carried and unboxed manually – quite the contrast to our current setup of large high-tech logistics centres.

*Boxes stacked outside our first office and warehouse. Here, Lars Pedersen, Regional Director, began his career as a student worker. This year, he celebrated 39 years with BESTSELLER.*





# INVESTING IN INNOVATION AND TECHNOLOGY



## SUSTAINABILITY

Through our innovation and investment platform, Invest FWD, we invested strategically in two additional technology companies designed to drive innovation across the fashion industry.

We expanded our portfolio of technology investments through Invest FWD, with new partnerships established with Softwear Automation, a specialist in automated garment production, and matterr, a German innovator dedicated to advanced polyester recycling. Both investments are designed to address key operational challenges and drive innovation across the fashion industry value chain.

Our investment in matterr supports the company's plans to scale its chemical recycling technology for polyester (PET). matterr's process, which targets polyester sourced from both textiles and packaging, offers the potential to repeatedly reuse this material, reducing the reliance on virgin resources. The investment follows a substantial grant from the EU, enabling matterr to begin construction of a new factory dedicated to large-scale polyester recycling.



*matterr is a technology company pioneering chemical recycling solutions for polyester.*



*A pioneer in its field is Softwear Automation, a technology innovator which has developed a fully autonomous sewing solution: they are making robots that can sew clothes.*



We also invested in Softwear Automation, a US-based company developing automated sewing solutions, to support the further development and scaling of Softwear Automation's robotic technology. The investment reflects BESTSELLER's interest in exploring automation technologies that can improve efficiency and flexibility within the garment manufacturing process. The funding is intended to accelerate the completion of the robotics technology, initiate production capacity scaling, and strengthen ongoing R&D efforts.

Both investments were facilitated through our innovation and investment platform, Invest FWD, and align with our broader strategy of partnering with innovative companies to drive advancements in materials and production technologies. In total, we have invested DKK 240 million. A significant criterion for the investments is that they not only meet BESTSELLER's needs but also help push the entire fashion industry forward.

**Dorte Rye Olsen**  
Head of Sustainability  
BESTSELLER

“When it comes to transforming the fashion industry, it is necessary with a diversified focus. The fashion industry is still linear, so it is crucial for us to also invest in innovative recycling technologies that can transform the clothes we wear today into new garments for the next generation. We have been doing this for several years, and we will intensify these efforts going forward.”



# LOOKING BACK

In 2018, we launched Fashion FWD – our first sustainability strategy. Building on the early work of our Code of Conduct, the new strategy included science-based targets on climate impact, alongside goals for materials and supply chain practices. Since our strategy launch, we have invested DKK 240 million in sustainability innovators through Invest FWD.

Back in 2018, we came together to launch our Fashion FWD strategy — a shared effort to move fashion forward with greater focus on sustainability and innovation.





# TALENTS OF TOMORROW LEAD THE WAY

## PEOPLE

People are the heart of our company. This year, we welcomed 3,000 new colleagues and celebrated as our young talents excelled within their fields.



BESTSELLER is made up of 25,000 colleagues worldwide, spanning retail, buying, tech, logistics, marketing, finance, and much more.

To navigate new opportunities created by evolving technology and shifting consumer trends, we not only rely on experienced colleagues with years of industry know-how but on new talents as well.

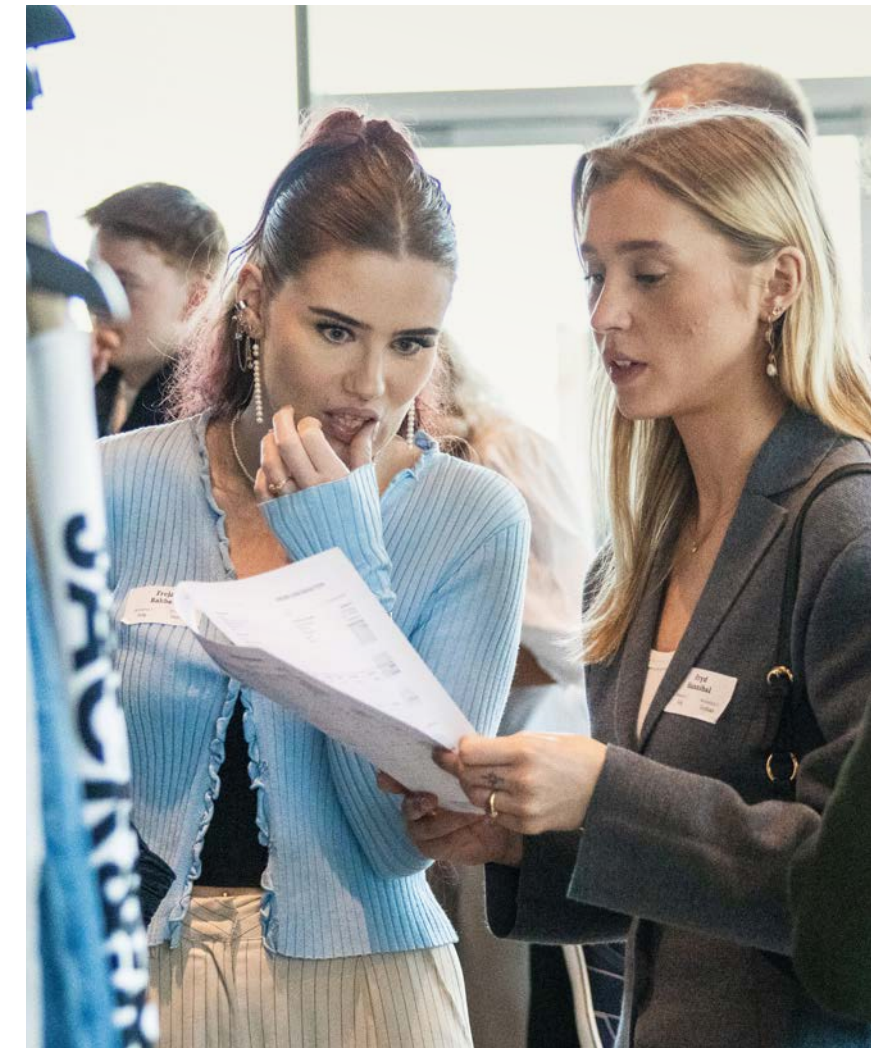
Each year, we grow talent through our entry programmes such as our Danish

apprentice education, our international and national business trainee programme, and our finance graduate programmes.

Since the graduation of our first apprentices and trainees more than 20 years ago, we have welcomed thousands of talents to our programmes. Today, roughly 80 percent stay at BESTSELLER and take on new roles after graduating.

**Per Bomholt**  
Apprentice Responsible  
BESTSELLER

“We believe in building futures in fashion by growing talent from within. Our early talent programmes give young people the freedom and responsibility to create a unique experience, allowing them to develop professionally. Their curiosity, drive, and innovative thinking do not just accelerate individual careers but create genuine value for our business.”



*Potential apprentices attending our yearly 'Own Your Future' workshop in Aarhus, Denmark.*

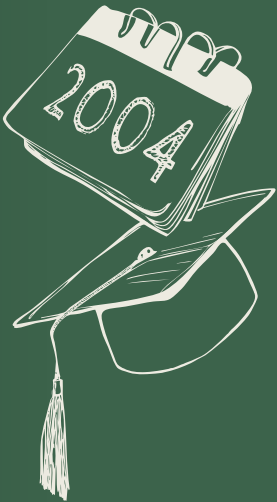
AWARD-WINNING  
TALENT

2024-25 marked a special year for our talents as several colleagues were recognised across business areas such as sales, tech, and e-commerce.

Iben Lang Nielsen, Junior Planner at JACK & JONES, William Ulsted Hesel Jensen, Buying Assistant at SELECTED, and Carl Lee Ladefoged, Office Assistant at BESTSELLER TECH, all qualified for the EuroSkills 2025 event by winning their respective categories at the Danish Championship for Young Professionals.



Another talent, Astrid Lund Jensen, Senior Project Manager at BESTSELLER E-commerce, was recognised by industry peers, as she was nominated in the ‘eCommerce Frontrunner’ category at the eCom Talent Award 2025, presented by the Confederation of Danish Industry.



LOOKING  
BACK

Ever since the first colleagues joined our two founders, we have continuously welcomed new talents. In 2004, the first group of international trainees graduated from BESTSELLER Academy, opening the door for thousands of trainees and apprentices to follow. As our company has grown, we have remained committed to ensuring a workplace built on values like equal opportunities and mutual respect.



Andrés Contreras, Regional Director, was part of the first class of international trainees, graduating in 2004. This year, he celebrated 24 years with BESTSELLER.





# SUSTAINABILITY STATEMENT

The following statement constitutes BESTSELLER’s statutory reporting on corporate responsibility in accordance with the Danish Financial Statements Act §99a.

This report details our performance, impacts, risks, and governance from 1 August 2024 to 31 July 2025. Here we report progress on our sustainability strategy, Fashion FWD, and describe how we are working to integrate sustainability throughout our business.

We outline our approach to supply chain management, encompassing both environmental and social impact. We then dive into our three main sustainability pillars: Environmental Impact, Circularity and Resource Use, and People in Our Value Chain.





# FASHION FWD

Our long-term success depends on respecting people and being mindful of the resources we rely on throughout our value chain.

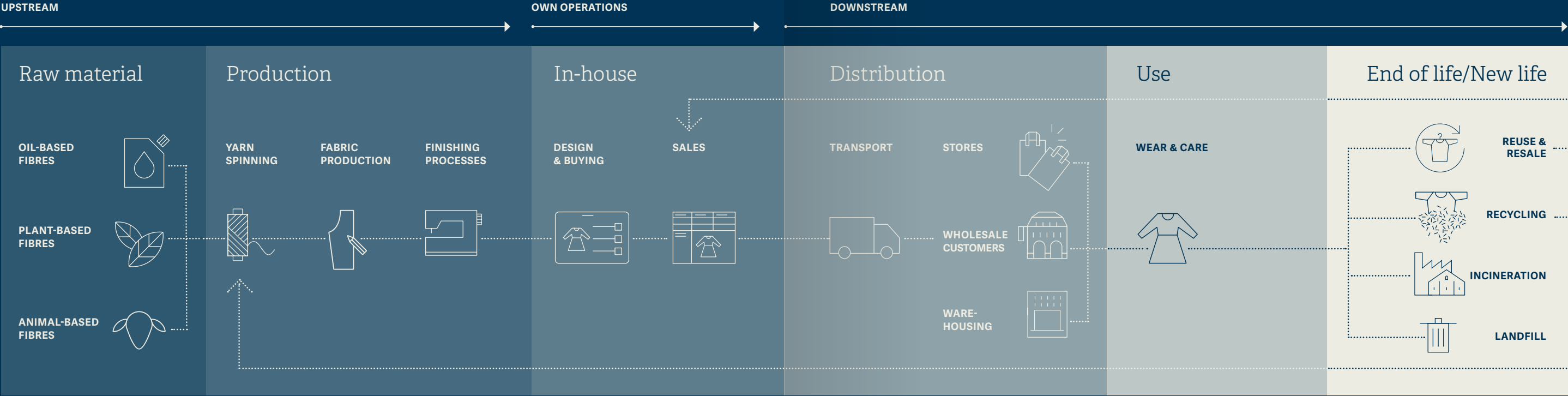


Since 2018, our sustainability strategy – Fashion FWD – has set the direction for addressing key environmental and social challenges. With a number of the strategy’s goals concluding at the end of calendar year 2025, we are finalising reporting on these targets and preparing to communicate an updated strategic framework in the next financial year.

As we transition, we remain focused on fully integrating defined practices across design, production, retail, and logistics. A key challenge remains: decoupling financial growth from environmental and social impact, particularly in high-impact areas such as raw material sourcing, manufacturing, and product use and end of life.

BUSINESS MODEL

Through a multi-channel retail model, we distribute products via our own retail stores, partner-operated stores, multi-brand retailers, branded e-commerce platforms, and online partners. Read more about our business model on page 22-23.



OUR BIGGEST  
SUSTAINABILITY  
CHALLENGES

In 2024-25, we report progress stemming from years of investment. However, this represents only the start of a long journey.

Raw materials	To address the environmental impact of raw material production, we continue investing in preferred materials. In 2024-25, we increased our use of organic cotton, recycled polyester and branded man-made cellulosic fibres. We are committed to increasing volumes of such materials while addressing climate, water, land, and biodiversity challenges associated with raw materials. As part of our strategy revision we are setting new material targets to guide this transition. Read about what we consider preferred materials on page 137.
Manufacturing	We are intensifying collaboration with suppliers and sub-suppliers to reduce environmental impact and support workers' well-being across the supply chain. This year, 38 percent of BESTSELLER's sourcing volume is now covered by our FWD>>ENV programme, with factory-level engagement within chemicals, energy efficiency, as well as water and waste reduction. Read more on page 114.
Circularity and recycling	Though there have been advances in materials and manufacturing, BESTSELLER, alongside the fashion industry, still faces challenges in reducing waste and extending product lifecycles. To separate financial growth from environmental impact, we need innovations in garment recycling, upcycling, and closed-loop systems to reuse and repurpose products. This involves not only technological advancements but also shifts in consumer behaviour and supply chain collaboration. Importantly, these developments must be supported by viable financial models. Scalable recycling solutions that improve resource efficiency and reduce dependency on virgin materials can contribute to long-term cost savings and resilience, making it a sound business case. Read more on pages 141 and 160.

TRACEABILITY  
AND TRANSPARENCY

Product traceability is a cornerstone of Fashion FWD. Through technology and collaboration with supply chain partners, we aim to enhance transparency, manage risks, and identify opportunities. Read more on page 139-140.

MEASURING AND  
COMMUNICATING  
PROGRESS

Open and clear communication is central to our sustainability efforts. We are committed to providing accurate and accessible information to all stakeholders, fostering collective action, and driving the fashion industry toward positive change.

GOVERNANCE

The Fashion FWD strategy is overseen by BESTSELLER's Executive Management, with the Focused and Action-oriented Sustainability Taskforce (FAST) responsible for its development and implementation.

FAST, chaired by the CEO and facilitated by the Sustainability Function, includes representatives from core functions such as Brand & Markets, Communication, TECH, Finance, PEOPLE, Logistics, Global Sourcing, and Sustainability.

During the reporting period, FAST has worked on issues such as materials, supply chain management and collaborations, purchasing practices, data management projects, financing, investments and strategy review.

Operational responsibility for implementing Fashion FWD lies primarily with our brands, supported by central functions that establish frameworks, initiatives, and structures to drive progress.

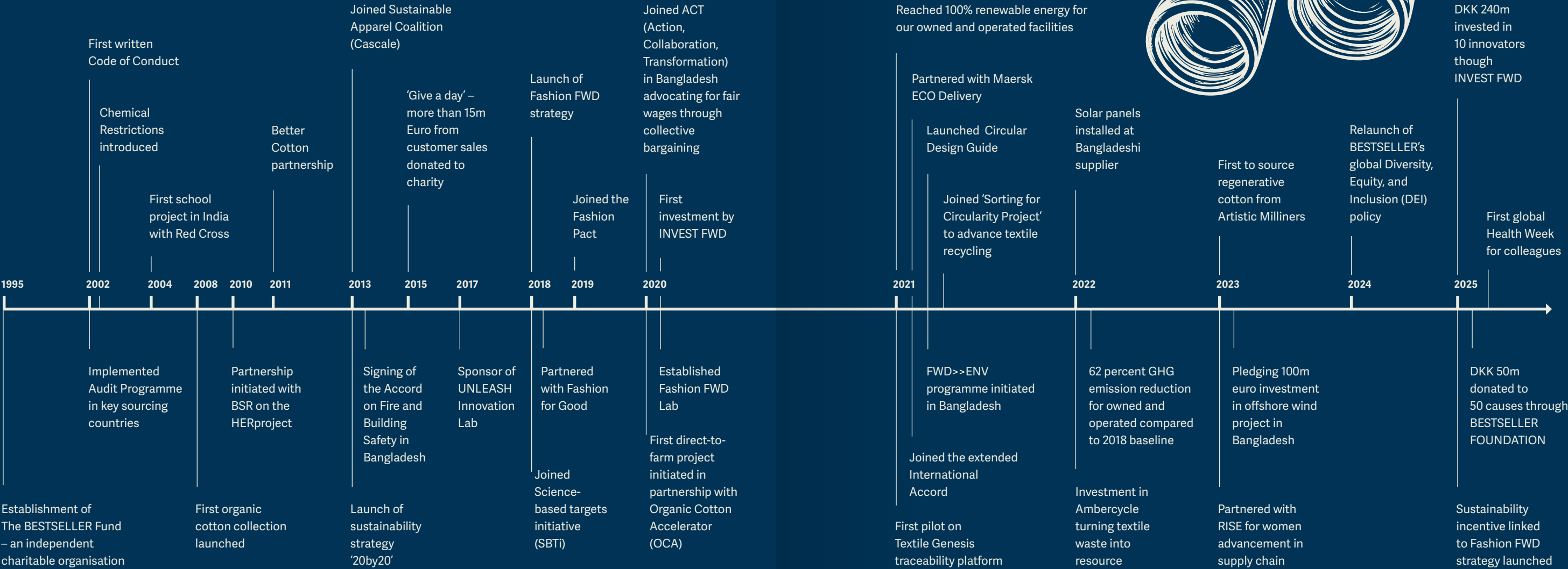
On the reporting side, the responsibility is shared between Communication, Sustainability, and Finance, with all functions reporting to the CEO.

INVEST FWD

Invest FWD is our platform for investing in innovative solutions that address sustainability challenges and accelerate progress towards a fashion industry with a higher degree of circularity. We have partnered with and invested in ten innovation companies with the objective of identifying newer and better materials as well as recycling of existing materials. Read more on pages 141-143 and 150.



# TIMELINE



STAKEHOLDER ENGAGEMENT:	Recognising that many sustainability challenges and opportunities require collective action, BESTSELLER actively engages with a wide range of stakeholders.
	By fostering strong stakeholder relationships and working collaboratively, BESTSELLER strives to maximise our influence and contribute to reducing the impact of the fashion industry.

STAKEHOLDERS

OUR ENGAGEMENT

Colleagues	Our colleagues are at the heart of our success and central to delivering on our Fashion FWD strategy. Through open communication, biannual "Our People's Voice" surveys, regular performance reviews, and training, we support continuous development and foster a positive, inclusive work environment that emphasises diversity, equity, health, and safety.
Wholesale customers and key accounts	We collaborate with wholesale customers and key accounts to address e.g. product impact, traceability, quality, and circularity. By building strong partnerships, we foster alignment and innovation while maintaining clear and accessible sustainability communication.
Consumers/shoppers	Consumers play a vital role in shaping the fashion industry. By engaging with them on topics like product durability, materials, and circularity, we strengthen transparency can enable positive change across the value chain.
Upstream business partners	Our due diligence processes include regular assessments and close collaboration with suppliers to uphold our human rights and environmental standards. These efforts help align our products with BESTSELLER's values and requirements.
Strategic supply chain related rights holders	Through ongoing dialogue with workers, trade unions, and local communities, we promote worker rights and sourcing practices that reflect high standards of integrity, transparency, and care for people. Mechanisms for grievance reporting and remediation further strengthen these relationships.
Legislators	We engage with policymakers across the EU to advocate for ambitious, impactful and standardised legislation that drives change and extends product lifecycles. This work helps us prepare for necessary regulatory changes and positions our business to remain resilient, competitive, and aligned with long-term environmental and economic shifts.

Industry collabs and associations	Collaboration with industry peers is essential for addressing shared challenges. By participating in forums and associations, we contribute to developing common standards and improving practices throughout the value chain.
Innovation and investment partners	We work with textile initiatives and innovation partners to explore cutting-edge solutions, from new processes and technologies to recycled fibres. These partnerships inspire investments in transformative ideas and collaborative projects.
Non-governmental organisations (NGOs) and opinion leaders	NGOs and opinion leaders influence societal behaviour and industry practices. We maintain active dialogue with these stakeholders, participate in initiatives, and promote transparency and accountability.
Peers and cross-cutting industries	We engage with industry peers and companies in other sectors to inspire innovation and foster collaborative efforts. These partnerships facilitate joint ventures and investments in renewable energy, supply chain improvements, and innovative materials.
Academia and research institutions	Through partnerships with academic institutions, we leverage research in areas such as circularity, consumer behaviour, waste management, and material innovation to drive progress in the industry.
Communities and nature	Collaboration with local communities and environmental organisations is vital to addressing our social and environmental impact. We work to protect biodiversity, conserve resources, and promote fair treatment of all impacted communities.

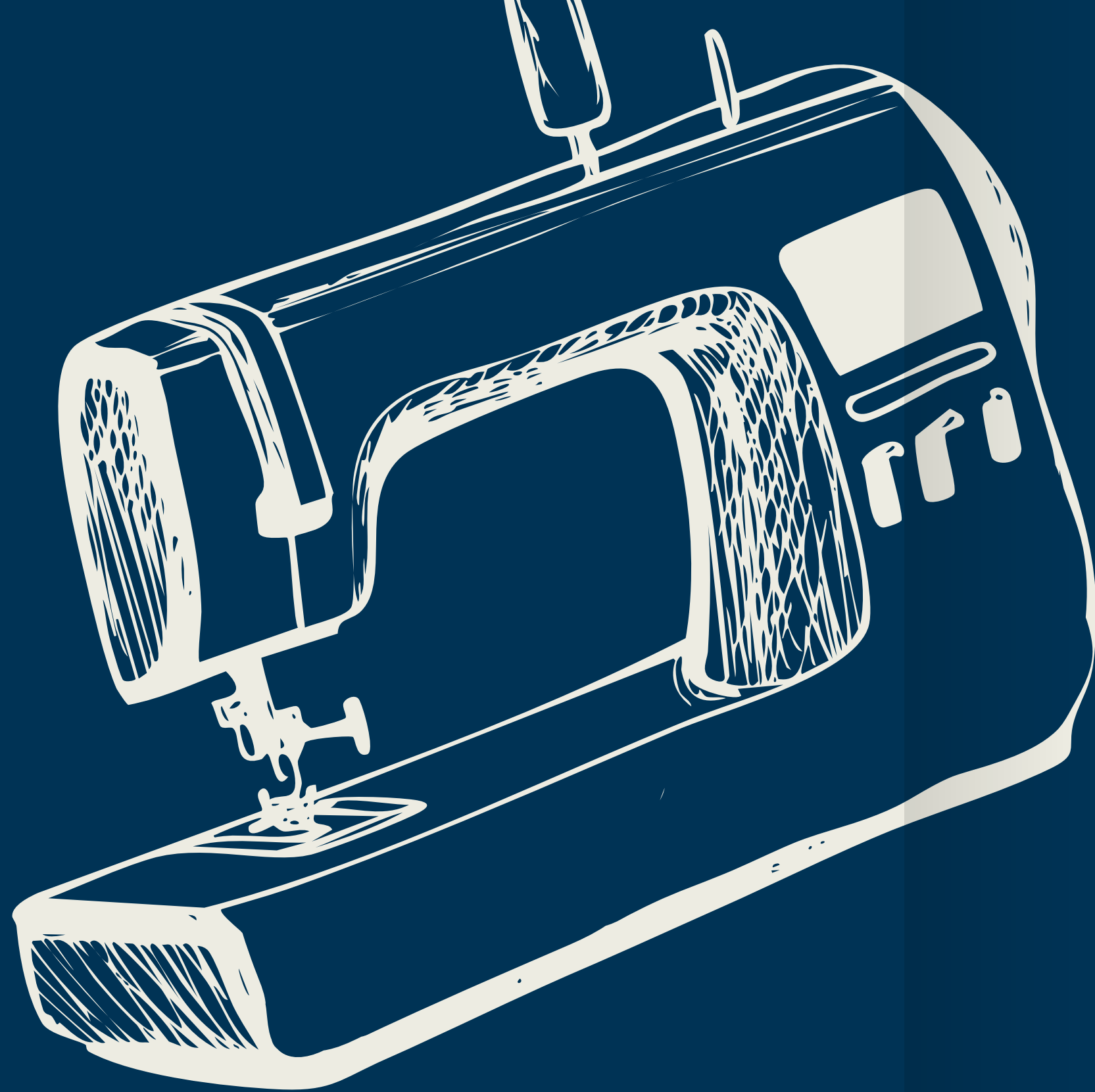
We have joined various multi-stakeholder initiatives and partnerships through which we address industry-specific challenges and opportunities together with other retailers, non-governmental organisations (NGOs) and industry associations. These include among others Global Fashion Agenda (GFA), The Fashion Pact, Cascale, Fashion for Good, Better Cotton, Organic Cotton Accelerator (OCA), Cotton Made in Africa (CMiA), The Microfibre Consortium, Science Based Targets Initiative (SBTi), Textile Exchange, Apparel and Footwear International RSL Management (AFIRM), Circular Economy of Plastics and Textiles, RISE, Ethical Trading Initiative, International Accord.





2024 — Our stand at Copenhagen International Fashion Fair (CIFF) was designed to ensure a second life for nearly 90% of the materials used.





# SUPPLY CHAIN MANAGEMENT

84	Due diligence
88	The factory standards programme
90	Supplier sustainability evaluation
96	Factory environmental management



Our supply chain is where we face the greatest social and environmental risks, but it is also where we have the most significant opportunity to drive positive change by collaborating with our partners.

BESTSELLER believes that businesses have a shared responsibility to contribute to economic, environmental, and social progress. As part of our Fashion FWD strategy, we focus on minimising the negative impacts of our supply chain while maximising opportunities for improvement.

Our supply chain management integrates environmental and social considerations to identify, prevent, mitigate, and address adverse impacts. We align our practices with international frameworks, including:

The International Bill of Human Rights

ILO’s Core Conventions

United Nations Guiding Principles on Business and Human Rights

OECD Guidelines for Multinational Enterprises

OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector

In cases where our influence on business partners is limited, we work to increase leverage through collaboration with industry peers, rights-holders, multi-stakeholder initiatives, civil society organisations, and trade unions.

For more information, see page 96; 114; 124; 128; 171-187.

To uphold transparency and accountability, we divide our supply chain into distinct tiers:

Tier 0 — Suppliers



Businesses with whom we place orders. Before onboarding, suppliers must sign our Supplier Agreement, committing to uphold BESTSELLER’s Code of Conduct (CoC) and related policies and requirements.

Tier 1 — Finished Goods Assemblers



Factories involved in garment and product manufacturing and finishing. These facilities are subject to the standards outlined in our CoC and supply chain policies. They are routinely assessed through our Factory Standards Programme.

Tier 2 — Materials Manufacturers



Producers of fabrics, trims, and leather. Tier 2 suppliers include our Approved Materials Suppliers, who meet our CoC and pass fundamental requirements, including environmental and chemical standards in our Factory Standards Programme. Efforts to increase transparency for all tier 2 suppliers are ongoing.

Tier 3—4 Raw Materials Suppliers & Fibre Processors

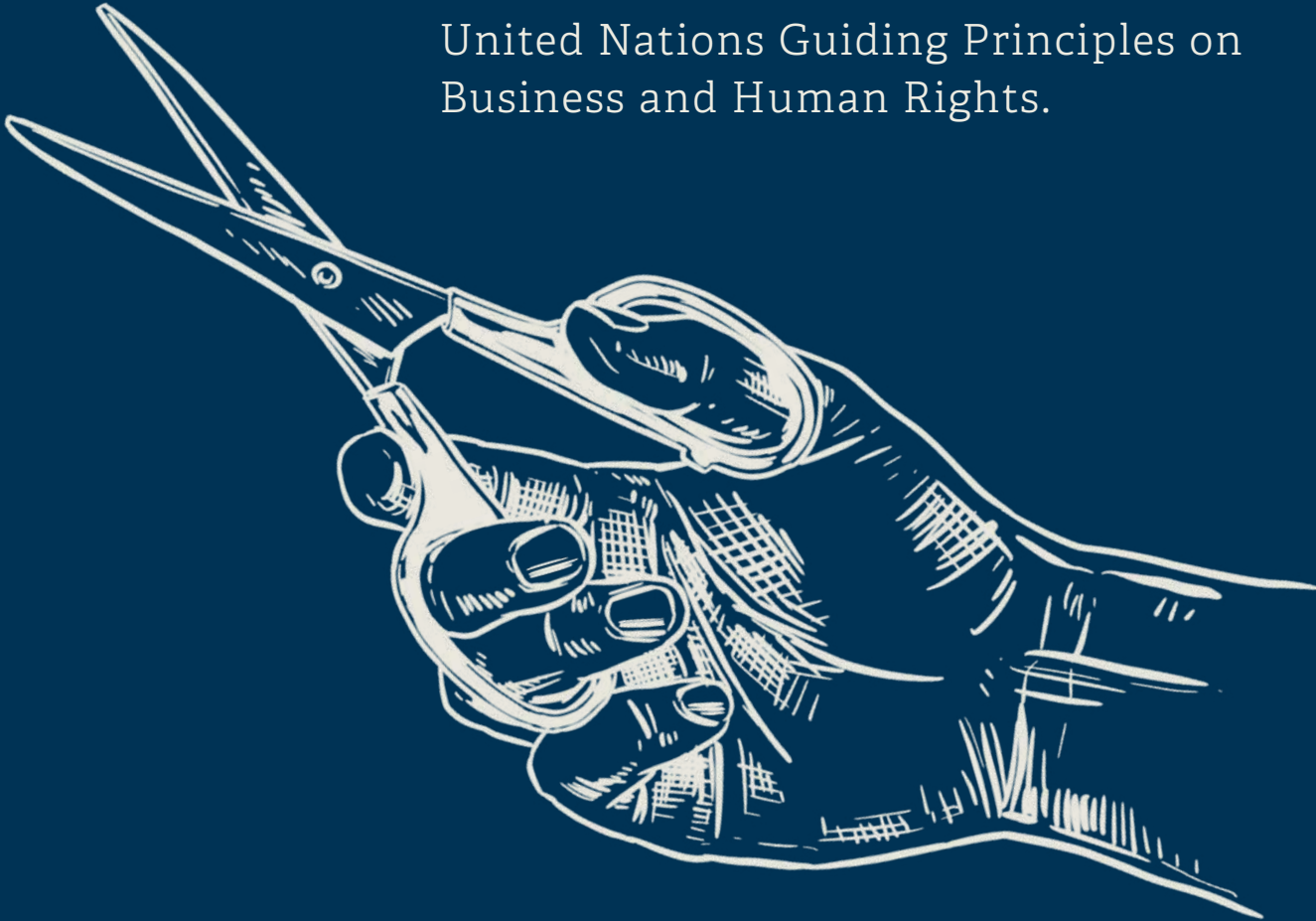


Facilities involved in fibre processing and raw material supply. Transparency in these tiers is more complex, but we are working to enhance visibility and collaborate with multi-stakeholder organisations to improve their social and environmental impact.

In our supply chain we recognise the value of having a substantial number of integrated suppliers whose operations span across tier 1 to tier 3. These integrated suppliers streamline processes and enhance collaboration, ensuring consistent adherence to our Factory Standards Programme and sustainability standards from fibre processing to finished goods assembly. This integration facilitates better communication and efficiency, maintaining high standards across all levels of production.

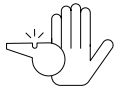
# DUE DILIGENCE

BESTSELLER’s approach to due diligence aligns with internationally recognised frameworks, including the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector and the United Nations Guiding Principles on Business and Human Rights.



## APPROACH

1. Policies



Establish clear policies that outline expectations for supply chain partners, focusing on worker rights and environmental protection.

2. Identify & Assess



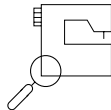
Conduct regular risk assessments to evaluate human rights, environmental, and chemical risks. These assessments guide our remediation and updates to policies, factory standards, and methodologies, ensuring resources are directed toward risk mitigation and remediation. We prioritise the most severe risks where BESTSELLER and our partners can have significant adverse impacts, in line with UN/OECD guidance.

3. Cease, Prevent & Mitigate



All suppliers sign our Supplier Agreement, committing to comply with our Code of Conduct. Prevention efforts include monitoring through the Factory Standards Programme and incentivising partners to improve environmental management systems.

4. Address & Remediate



For instances of non-compliance, we work with suppliers and factories through a Corrective Preventive Action Report (CAPAR). Local colleagues provide guidance and training to ensure improvements are implemented. Critical issues are logged and publicly reported. If a supplier fails to address critical issues, we may, as a last resort, offboard the supplier.

5. Track & Transparency



Transparency is a cornerstone of our approach. We publish a Public Factory List detailing tier 1 and tier 0 partners, as well as tier 2 Approved Materials Suppliers. We also review and update our business practices based on performance monitoring and industry engagement, adapting requirements and policies to mitigate risks effectively.





DUE DILIGENCE  
BEYOND TIER 1

For tiers 2, 3, and 4 – where we have limited direct business relations – we collaborate with partners, peers, and multi-stakeholder initiatives to address risks, particularly in raw material production and processing, where transparency has traditionally been limited.

BESTSELLER works with multiple innovative solution providers, Textile Genesis and Better Cotton, among others:

Textile Genesis	A traceability platform focused on fibre-forward tracing of raw materials.
Better Cotton	A multi-stakeholder initiative accounting for over 20 percent of global cotton production, where we support the development of a credible traceability solution for the Better Cotton supply chain.

These initiatives reflect our dual approach: improving the performance of BESTSELLER’s supply chain while driving broader industry progress towards transparent and traceable supply chains.

ADDRESSING THE  
CHALLENGES OF  
GLOBAL SUPPLY CHAINS

Achieving full transparency and traceability in global supply chains requires collaboration beyond individual brands or industries. Host country regulations, regional challenges, and geopolitical factors all influence the ability to establish supply chains that meet defined standards such as the OECD Guidelines for Multinational Enterprises.

BESTSELLER welcomes new regulations that raise standards and practices. We advocate for harmonised legislation across countries, risk-based due diligence, and alignment with international frameworks. Effective due diligence requires collaboration between industries, governments, and international bodies, supported by adequate regulation and financing.

By proactively addressing risks and embracing a comprehensive approach to due diligence, BESTSELLER continues to strive for supply chains that minimise risks and drive meaningful, positive change across the industry.

Accompanying the annual report, we publish a Supply Chain Due Diligence Report: a more in-depth account of how we manage human rights, environmental, and product safety risks in our near supply chain (tier 0, tier 1 and tier 2). It offers more granular transparency for stakeholders and sustainability benchmarking organisations and is available on our [website](#).

MAP OF KEY  
SOURCING COUNTRIES

IN TOTAL:
400 suppliers
700 factories
15 countries (tier 1)



A worker in a Bangladeshi factory operating a fabric cutting machine, preparing materials for garment production.

# THE FACTORY STANDARDS PROGRAMME

## INTRODUCTION

The Factory Standards Programme is BESTSELLER's primary tool for ensuring that tiers 0 and 1 meet our social, labour, environmental, and chemical requirements. All approved production units (tier 1 factories) participate in this programme, which includes regular assessments conducted by our in-country teams or third-party auditors.

## KEY COMPONENTS OF THE PROGRAMME:

Compliance verification: Assessments confirm adherence to BESTSELLER's Code of Conduct, human rights supply chain policies, and environmental management requirements.

Continuous quality assurance: The process involves documentation reviews, worker interviews, and on-site visits, ensuring a comprehensive understanding of factory conditions.

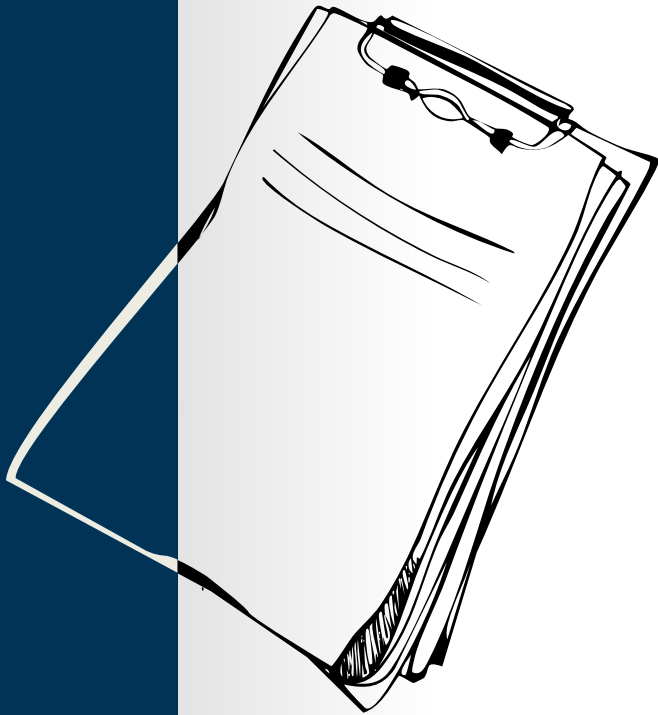
Our local Social & Labour and Chemical & Environment teams, operating in our key sourcing countries Türkiye, China, Bangladesh, Pakistan, India, Cambodia and Myanmar, play a critical role in ensuring our supply chain partners are managing these risks in line with our expectations. These teams include approximately 45 full-time specialists, most of whom are certified assessors in their relevant fields.

## ASSESSMENT CYCLE AND INTERACTION

Standard cycle: Factories are assessed on a minimum 18-month cycle, with higher risk facilities receiving more regular visits and assessments.

Visit types: Visits may be announced, partially announced, or unannounced, depending on specific needs or concerns. All visits follow strict methodologies, protocols, and performance indicators to ensure consistency.

## ADDRESSING ISSUES



## DATA-DRIVEN INSIGHTS

Increased oversight: Factories with outstanding concerns or allegations of misconduct are subject to more frequent visits, including unannounced ones in cases of suspected policy violations.

In 2024-25, we conducted 967 visits to factories, of which 808 were by BESTSELLER and 159 by third-parties.

When assessments identify any violations or shortcomings, we implement Corrective Action and Preventive Reports (CAPARs), developed in collaboration with factory management.

Critical issues: These include severe concerns such as unsafe working conditions posing direct risks to life or confirmed cases of forced labour.

Escalation Protocol: Applied for severe or complex violations and consists of four stages: notification of concern, warning letter, warning letter with financial claim, and the highest stage, when all other avenues for resolution have been exhausted, offboarding of supplier and/or factory. For more information on our Escalation Protocol, please read BESTSELLER's Supply Chain Due Diligence Report 2024-25.

When an escalated case arises, it is subject to a thorough investigation to determine the underlying causes and circumstances. Investigations may find that violations are either unfounded or substantiated, and may also show that identified violations did not result from deliberate actions by the factory or supplier. In all cases, BESTSELLER's teams remain engaged, helping to drive and monitor remediation efforts. We do not automatically disengage from a supplier or factory in response to an escalated case, as doing so may risk disproportionately harming workers who depend on their employment. Instead, we prioritise corrective and preventive actions and long-term improvement while safeguarding workers' livelihoods.

In 2024-25, two escalated cases were concluded by offboarding the factories in question. One factory was offboarded due to failure to remediate multiple issues, falsification of records, and lack of transparency, while another was offboarded for systemic underpayment of overtime wages. The case was closed after all outstanding payments had been settled.

All critical issues are logged and reported annually, ensuring transparency and accountability. For more information on non-compliant cases, read page 174.

By combining thorough assessments, clear action plans, and consistent engagement, the Factory Standards Programme helps our supply chain partners to operate according to our standards.

Data collected through the Factory Standards Programme forms the foundation of our Supplier Sustainability Evaluation, which assesses supplier performance to enable brands to make informed purchasing decisions. See next page for more information.



# SUPPLIER SUSTAINABILITY EVALUATION

INTRODUCTION

The Supplier Sustainability Evaluation is a cornerstone of our efforts to improve social and environmental performance of our supply chain.

It integrates factory-level data on human rights, social, labour, and environmental performance and supplier-level data on supply chain management, ethics, transparency, and commitment. The rating system is designed not only to measure progress, but to encourage it too.

To achieve a high rating, suppliers must demonstrate strong performance in human rights and environmental management, and actively work to minimise their negative impacts. This includes contributing to improvements in the industry and their communities.

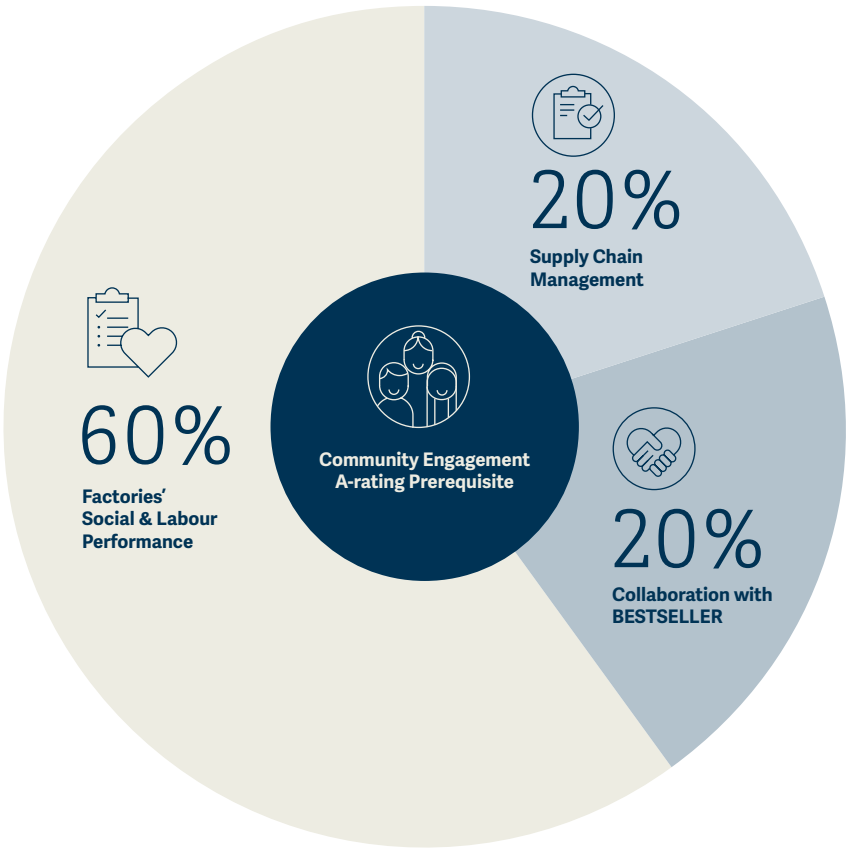
To be 'highly rated' reflects strong internal systems, commitment from leadership, and measurable improvements across key environmental and social areas.

Recognising the critical role of suppliers, BESTSELLER has introduced incentives to encourage progress. Suppliers achieving high ratings in both the general Supplier Evaluation (covering product delivery and quality) and the Supplier Sustainability Evaluation receive more favourable financing options. This rewards their commitment to operational excellence and sustainability practices.

This assessment is an important part of our wider partnership approach. It helps us identify leaders, offer targeted support to those that need it, and guide the sourcing decisions of our brands.

BREAKDOWN OF SUPPLIER SUSTAINABILITY RATING: SOCIAL

- Assesses the supplier's procedures and ability to manage human rights risks and prevent violations at their manufacturing sites.
- Evaluates the supplier transparency, commitment, and engagement to working in partnership with BESTSELLER around labour and human rights improvements.
- Measures the average performance of all factories under the supplier, based on BESTSELLER's factory assessments.
- To be rated A, suppliers must also engage in national or global sustainability forums, local impact activities, or factory-level community initiatives.



Health check at a factory in Bangladesh, providing worker well-being through regular medical screenings.

BREAKDOWN OF SUPPLIER SUSTAINABILITY RATING: ENVIRONMENT

- Supplier Performance Score:

Participation in BESTSELLER training

Competency of the Environmental Management System's (EMS) team

Engagement and investment of management
- Associated Factory Performance:

Average factory score in BESTSELLER assessment

Strong factory environmental management system

Energy use & GHG emissions

Water use & wastewater treatment

Solid waste handling

Chemical management practices



Factory sites in Bangladesh with solar panels and green landscaping – part of ongoing efforts to integrate environmental considerations into the supply chain.



GOAL

By 2025, 75 percent of product orders will be placed with highly rated suppliers.

PROGRESS

Percentage of product orders placed at highly rated suppliers in our Supplier Sustainability Evaluation:

Over the past year, we have seen clear signs that our partnership approach is working. More suppliers and factories are aligning with our expectations of strong performance and risk management and embedding them into daily operations.

In 2024-25, we placed 86 percent of our product orders with suppliers highly rated in our Supplier Sustainability Evaluation. This marks an eight percent increase from 78 percent in 2023-24 and ensures we reach our goal on schedule.

2024—25	86%	2023—24	78%
---------	-----	---------	-----

We are increasingly using the Supplier Sustainability Evaluation as a guide for making informed sourcing decisions, rewarding suppliers who invest in long-term improvement.

This positive feedback loop, where data, support, and sourcing choices are aligned, is key to accelerating change across our supply chain. Read more about the progress on the pages 114-115 and 176-187.

GOING FORWARD

As we achieved our target of 75 percent of product orders being placed with highly rated suppliers, we are adjusting and strengthening the requirements and ambitions for our Supplier Sustainability Evaluation. This involves demanding more from our suppliers to attain the status of being highly rated, ensuring they continue to invest in long-term improvements and align with our sustainability goals. By raising the bar, we aim to create a more robust supply chain that drives continuous improvement and transparency.

We are committed to providing stakeholders with clear, accessible information about our sustainability efforts, including updates on supply chain systems and practices.

We will therefore begin to align reporting requirements with the European Union’s Corporate Sustainability Due Diligence Directive (CSDDD) and the Corporate Sustainability Reporting Directive (CSRD). While our existing systems already align closely with the requirements of these directives, we recognise the importance of enhancing transparency in our reporting processes.

To meet the directives’ standards, we are continuously reviewing and upgrading our supply chain systems. This includes engaging with suppliers and providing training on the human rights and environmental impact risk management, as well as monitoring compliance by actively assessing supplier performance and working collaboratively to drive continuous improvement.



Inside a garment factory in Bangladesh, where skilled workers continuously learn and refine their craft.





# FACTORY ENVIRONMENTAL MANAGEMENT

INTRODUCTION

All factories must adhere to our publicly available Environmental Management Requirements. Regular assessments measure performance against key environmental indicators, and supplier progress is incorporated into the Supplier Sustainability Evaluation.

Factories also submit data to the Higg Facility Environmental Module (Higg FEM) Index, which evaluates performance in environmental management systems, water use, wastewater, chemical use, waste management, energy use, and greenhouse gas emissions.

In our Supplier Sustainability Evaluation, it is possible to achieve a high score while still being on Level 1, 2, or 3 in the Higg FEM, as the evaluation considers multiple environmental criteria (see page 92 for details); however, suppliers aiming for the highest environmental ratings must demonstrate advanced energy management practices, such as achieving Level 3 on the Higg FEM.

**The Higg Facility Environmental Module (Higg FEM) has three levels, each representing a different stage of environmental management and improvement.**

*At level 1, factories focus on understanding the sources of their environmental impact and establishing basic management systems. This includes identifying environmental aspects of operations and applying basic practices to manage them.*

*At level 2, factories take more proactive steps, establishing baselines for key environmental metrics (e.g. energy, water, waste), setting targets, and tracking progress.*

*Level 3 represents the most advanced stage, where factories implement innovative, best-in-class practices that exceed compliance – such as demonstrating progress on SBTi targets – achieving significant reductions and showing industry leadership in sustainability.*

HIGG FEM PERFORMANCE SCORE TABLE

Suppliers' average verified Higg FEM score, based on a possibility of 100 points:

Higg FEM coverage of supply chain by percentage of product value:

2024	2023	2022
64	61	60
72%	82%	96%

The 2024 Higg FEM score decreased from 82 percent to 72 percent due to a strategic decision to focus our efforts and investments on high-impact facilities, to drive stronger environmental improvements.

TRAINING SESSIONS

79 training sessions with 2,262 participants, delivered by BESTSELLER colleagues to factory management teams on strategic topics such as EMS implementation, energy and water efficiency, and chemical management.

*Read more about climate emissions and water related to supply chain on page 114 and 124.*



# ENVIRONMENTAL IMPACT



102	Climate impact
106	Scope 1 and 2 emissions
110	Scope 3 emissions
120	Land and biodiversity
124	Water
128	Chemical management



Climate change, biodiversity loss, water scarcity, and global waste are interconnected challenges affecting ecosystems and communities.

We address these issues by examining the impact of our business on nature, focusing primarily on climate, water, and land use in raw material production, and on climate, water, and chemical management in our factories.

Guided by our Fashion FWD strategy, we work across the product lifecycle – from design to end of use.

This chapter outlines our approach, targets, and progress in areas such as climate, land and biodiversity, water, and chemical management, both in our operations and across the supply chain.



Solar panels installed at a factory in Bangladesh.





# CLIMATE IMPACT

## INTRODUCTION

We acknowledge our responsibility to reduce greenhouse gas (GHG) emissions. Particularly scope 3 emissions from our supply chain, which represent the largest share of our climate impact.

Like other fashion companies, our direct influence over the supply chain is limited. Many supplier factories are located in countries where infrastructure for transitioning from fossil fuels to renewable energy remains underdeveloped. This creates significant challenges in achieving our scope 3 reduction targets. Addressing this requires collective action and collaboration across the entire fashion industry.

## APPROACH

Our approach focuses on tracking our greenhouse gas (GHG) emissions and measuring progress against targets approved by the Science Based Targets initiative (SBTi), and finding hotspots for interventions to implement measures to reduce our GHG emissions. BESTSELLER's science-based targets (SBTs) are absolute and benchmarked against a 2018 baseline year.

In 2018, our total climate footprint across all scopes was approximately 2 million tonnes of GHG emissions. Recognising that the majority of our impact lies within scope 3 emissions, we prioritise efforts in this area to drive meaningful reductions.

To enhance accuracy and drive targeted reductions, we prioritise collecting primary data, which is reviewed for quality and verified. Activity data is preferred over financial data, ensuring greater precision. Where primary data is unavailable, we use secondary data and literature sources in accordance with industry best practices, ultimately enabling us to identify and address key areas for improvement.

Our GHG emission calculations are externally verified to ensure accuracy.



## SBT SCOPES

According to the Greenhouse Gas Protocol, GHG emissions are categorised into three scopes:

Scope 1	Direct emissions from owned or controlled sources.
Scope 2	Indirect emissions from purchased electricity, steam, heating, and cooling.
Scope 3	All other indirect emissions in a company's value chain.

## GOALS

By 2030, BESTSELLER commits to:

Reducing absolute scope 1 and 2 GHG emissions by 50 percent from the 2018 baseline, in alignment with the 1.5°C pathway.

Reducing absolute scope 3 GHG emissions from purchased goods and services, and upstream and downstream transportation by 30 percent from the 2018 baseline in alignment with the well below 2°C pathway.

Approved by SBTi

## SCOPE 3 EMISSIONS AND REDUCTION TARGETS

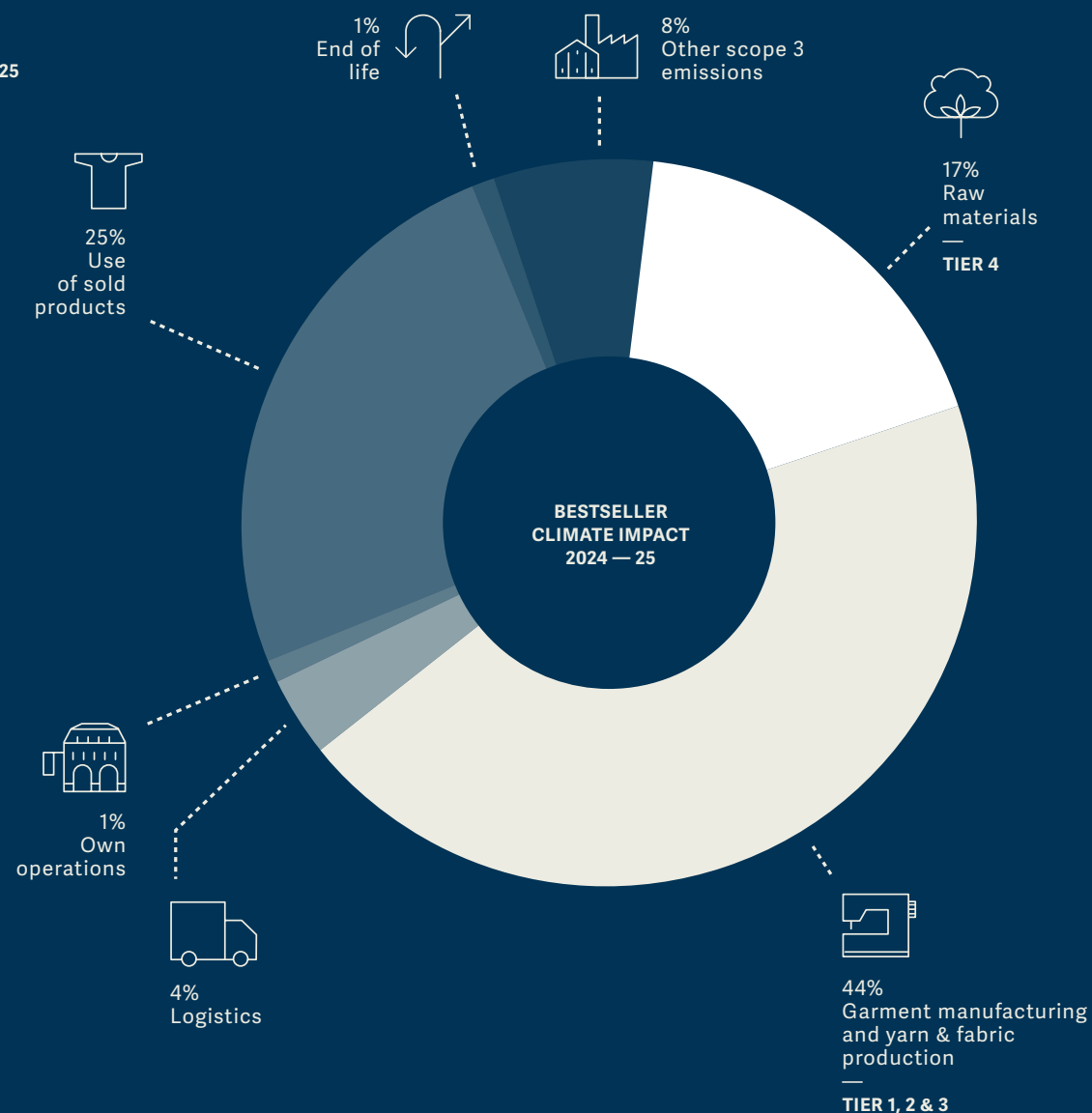
Our scope 3 target specifically addresses:

Purchased goods and services (raw materials, yarn, and fabric manufacturing amongst others).

Upstream and downstream transportation (logistics).

This excludes consumer use (indirect use of sold products), end-of-life impacts, and other less significant scope 3 emissions, in line with SBTi guidance. The 2018 baseline for our SBT scope 3 is currently 1.3 million tonnes CO<sub>2</sub>e, which serves as the benchmark for tracking progress. Read more on the following pages regarding re-baselining.

## OUR CLIMATE IMPACT 2024-25



## PROGRESS

SBT scope 1 and scope 2 emissions decreased by seven percent, while SBT scope 3 emissions increased 15 percent compared to 2023-24.

As our business continues to grow, we anticipated an increase in scope 3 greenhouse gas (GHG) emissions.

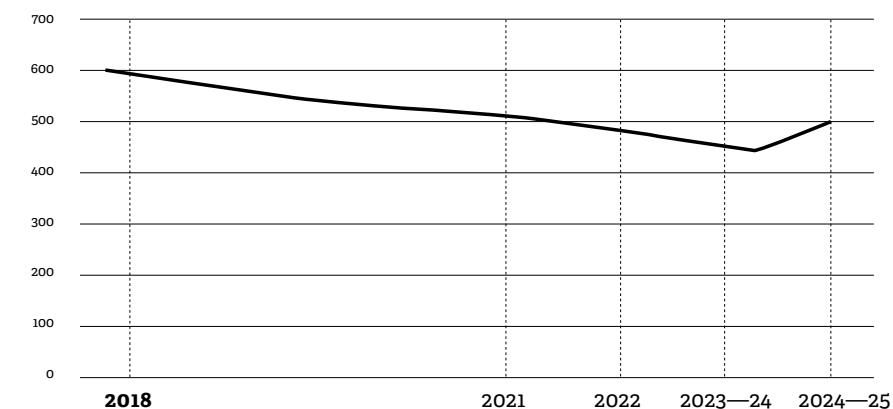
In addition to increased production volumes – the 25 percent emissions

increase in SBT scope 3 since our 2018 baseline – may also be attributed to improved access to primary data.

Our 2018 baseline and previous reporting were primarily based on global average data that do not reflect company-specific conditions. By incorporating supplier specific data, we have gained a more accurate understanding of our emissions profile.

## TOTAL EMISSIONS IN TONNES CO<sub>2</sub>e PER MILLION EUR REVENUE

This insight, combined with the progress on our tier 1 emissions that we have already made through our FWD>>ENV programme, indicates that our original 2018 baseline was likely significantly underestimated. As planned, we will work on re-baselining and updating our near-term targets next year.



After several years of decline, total emissions per million EUR revenue have increased. This is mainly due to emissions rising faster than revenue, driven by higher scope 3 emissions and more accurate reporting based on primary data. The updated data provides a clearer picture of our supply chain impact, but also reveals previously underreported emissions. These findings underline the importance of continued efforts to decouple business growth from emissions and to strengthen our climate strategy across all parts of the value chain.

## GOING FORWARD

Our SBT is scheduled to be reviewed and updated every five years, with the next review set for 2026. We will adjust our baseline and update our near-term targets and look into long term climate targets through 2050.

Ensuring our progress, we will develop and implement a climate transition plan aimed at defining and detailing our roadmap to achieving our science-based target for scope 3 emissions.

Our development of a comprehensive transition plan and decarbonisation roadmap is shaping internal alignment and strategy, pushing us to set more ambitious, action-oriented goals. To maximise our impact, we will continue to focus our efforts within three key areas: designing products with preferred materials, collaborating holistically across the supply chain and lastly focusing on product circularity and circular business models. By focusing on these areas, we remain steadfast in our commitment to reducing emissions, decoupling growth from environmental impact, and driving meaningful change in the fashion industry. Read more on page 116.

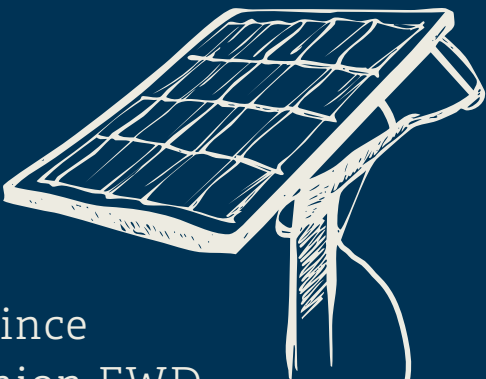
In the following two chapters, we take a deep dive into our approach and progress within climate.



# SCOPE 1 AND 2 EMISSIONS

## INTRODUCTION

We are committed to reducing the climate impact of our own operations. Since the launch of our Fashion FWD strategy, we have made measurable progress in reducing direct greenhouse gas (GHG) emissions across scopes 1 and 2.



## APPROACH

Although these emissions account for only around one percent of our total GHG footprint, our owned and operated buildings are of significance due to their visibility and the level of control we have over these facilities.

We are committed to using 100 percent renewable electricity and reducing overall energy consumption across all our owned and operated buildings globally.

We are sourcing renewable electricity through Renewable Electricity Certificates (RECs) and a Power Purchase Agreement (PPA). This includes a PPA with our parent company, HEARTLAND, which operates a 207-megawatt solar power plant in Denmark. These efforts align with the RE100 market boundary criteria.

Our policies Stores FWD, Office FWD, and Logistic Locations FWD are the main drivers to reduce electricity consumption at owned and operated buildings globally by 30 percent from 2018 to 2025.

## GOALS

By 2030, BESTSELLER commits to reducing absolute scope 1 and 2 GHG emissions by 50 percent from a 2018 baseline.

*Approved by SBTi*

By 2025, our electricity consumption in our owned and operated buildings globally will be reduced by 30 percent from a 2018 baseline.

## PROGRESS

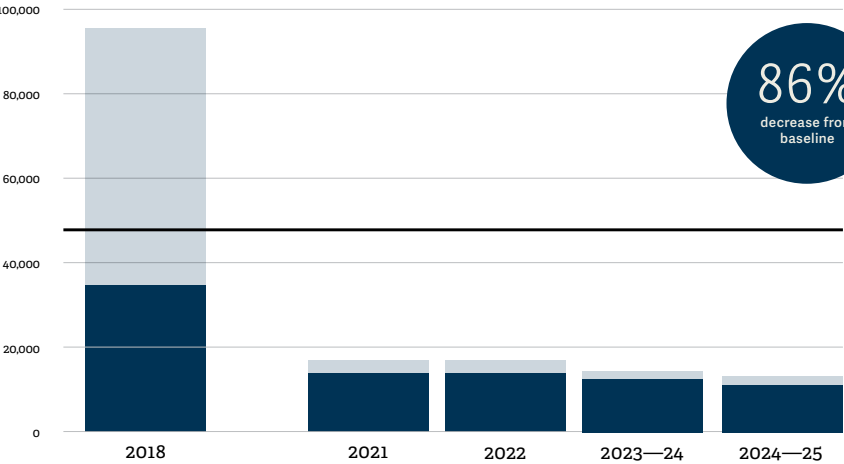
In 2024-25, total scope 1 and 2 emissions were reduced by seven percent compared to 2023-24, achieving an 86 percent reduction from the 2018 baseline.

Through our PPA for solar power, we supplied 100 percent renewable electricity to power all owned and operated buildings in Denmark and the majority of Europe, where 81 percent of our electricity consumption occurs. Our PPA for Denmark and Europe jointly covers 95 percent of European electricity consumption. For our operations in and outside of Europe, where direct renewable energy procurement is not always feasible, we address our electricity needs by purchasing Renewable Energy Certificates (RECs) in the relevant geographic markets. This approach allows us to verifiably support renewable energy generation and reduce our scope 2 emissions globally. Renewable energy remains the primary driver behind this significant reduction in scope 1 and 2 GHG emissions.

Besides prioritising renewable energy, we also focus on efficiency improvements. We are on track to achieve our operational climate targets while setting an example for reducing environmental impact within our industry.

## SCIENCE-BASED TARGET SCOPE 1 & 2 (tCO2e)

- Scope 1
- Scope 2
- 50 percent reduction target



STORES FWD

Last year, we successfully achieved our target of reducing electricity consumption in our owned and operated stores by over 30 percent compared to the 2018 baseline. This accomplishment was driven by strategic investments in energy efficiency, including the widespread implementation of low-wattage LED lighting, advanced energy management systems, and optimised heating, cooling, and ventilation solutions.

With the Stores FWD programme now effectively concluded, the insights gained through this initiative will serve as a blueprint for the design and operation of our future stores, helping to keep these learnings on energy reductions central to our retail operations.

*From stores to offices and logistics centres, all our own and operated buildings are powered by 100 percent renewable energy.*



LOGISTICS CENTRE WEST

Our largest investment, the Logistics Centre West (LCW) in Lelystad, Netherlands, has reached a milestone with a BREEAM award nomination. Designed by Henning Larsen Architects, LCW broke ground in January 2025 and was shortlisted for the ‘People’s Choice Commercial Building’ at the BREEAM Awards, recognising its sustainability efforts.

When completed, LCW will be Europe's largest logistics centre made from FSC-sourced timber, featuring 30,000 m² of solar panels and 200,000 m² of natural spaces for biodiversity. It will also include innovative solutions like a green roof and straw-based insulation.

GOING FORWARD

We will continue to invest in improving the energy efficiency of our own operations.

We are making steady progress on the development of VILA/NOISY MAY's new office in Stilling, Denmark. The project reflects our intention to create a thoughtful and functional workspace that balances design quality with practical needs.

The building will include modern showrooms, a photo studio, and room for approximately 160 colleagues. It is being designed to blend into the surrounding landscape, with features such as a green roof and open courtyards.

We are aiming for DGNB Gold and Diamond certifications, which recognise both responsible construction practices and architectural quality. The new office is expected to be completed by the end of 2026 and will support our continued growth while offering a welcoming environment for our teams.



*The VILA/NOISY MAY Brandhouse visualisation with planting around the site to further contribute to local biodiversity.*



# SCOPE 3 EMISSIONS

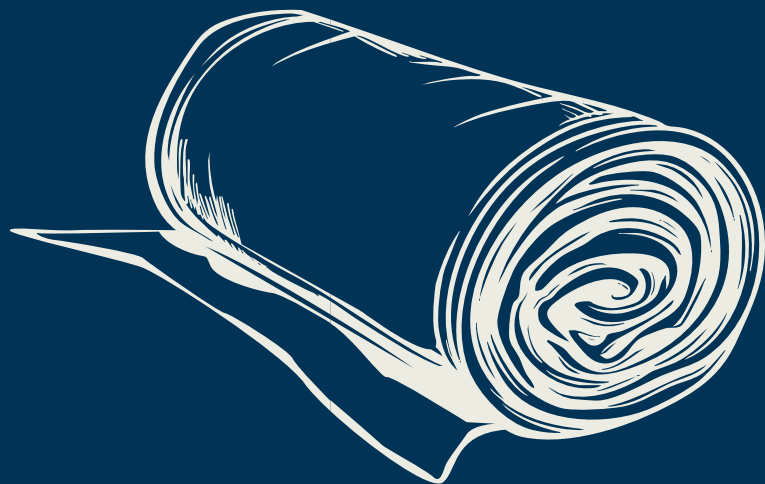
## INTRODUCTION

The majority of BESTSELLER's climate emissions stem from our supply chain, making it our top priority in reducing our carbon footprint. By focusing on this area, we can drive the greatest impact in tackling climate challenges.

## APPROACH

We are committed to mitigating supply chain emissions through collaboration with stakeholders across the value chain. As raw material and garment production is a major contributor to our emissions, we focus on sourcing preferred materials, hence raw materials and fibres that are either Better Cotton, organic, in-conversion, recycled, and/or subject to a third-party licensing agreement or certification.

In 2024-25, the production of raw materials accounted for 17 percent of total emissions, and yarn & fabric production and garment manufacturing together accounted for 44 percent. Importantly, the use phase of our products by consumers represented 25 percent of our total impact, although this is not included in our SBT goals.



## GOALS

By 2030, BESTSELLER commits to reducing absolute scope 3 GHG emissions from purchased goods and services, and upstream and downstream transportation by 30 percent from a 2018 baseline.

*Approved by SBTi*

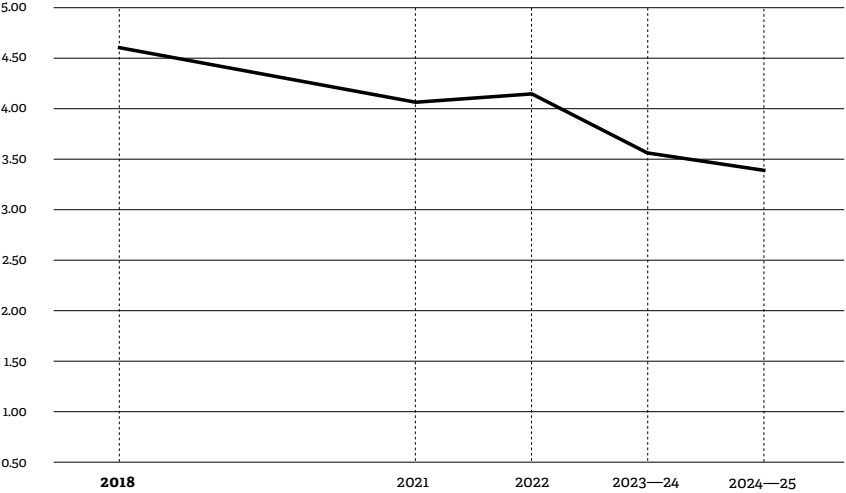
## PROGRESS

In 2024-25, our SBT scope 3 GHG emissions were 1.7 million tonnes, a 15 percent increase from 2023-24 and 25 percent higher than the 2018 baseline. We continue to face challenges in achieving absolute reductions in scope 3 emissions. This underscores the need for intensified efforts across key strategic areas, including raw material sourcing, supplier engagement, and logistics. While progress remains limited overall, developments within raw material sourcing offer some indication of potential impact.

We are seeing increased uptake of organic cotton and expect to reach our 30 percent goal by the end of the calendar year. Recycled materials are also being incorporated more frequently across our brands. Read more on pages 144 and 148.

EMISSIONS (KG CO2e)  
PER KG MATERIAL  
SOURCED

These shifts contribute to a decrease in emissions per kilogram of material sourced. As materials account for approximately 61 percent of our total climate impact, this development is a modest but important step. The correlation between preferred material use and lower emissions per kilogram highlights the relevance of certified and branded materials and supports continued data-driven decision-making in our sourcing practices.



We recognise that the main barriers to implementing reduced carbon technologies in the production of our garments are financing, availability, and expertise. We continue to explore and support mechanisms that can help bridge this gap. One promising model is the HEARTLAND/GGI financing programme we developed in Bangladesh, where our parent company provides the financing to equip suppliers' factories with solar power systems. The programme has seen increasing participation from our suppliers. By July 2025, six factories have installed solar power systems, generating over 2,465,244 kWh and saving 1597 metric tonnes of CO2 emissions. An additional six factories are in progress to install solar power systems.

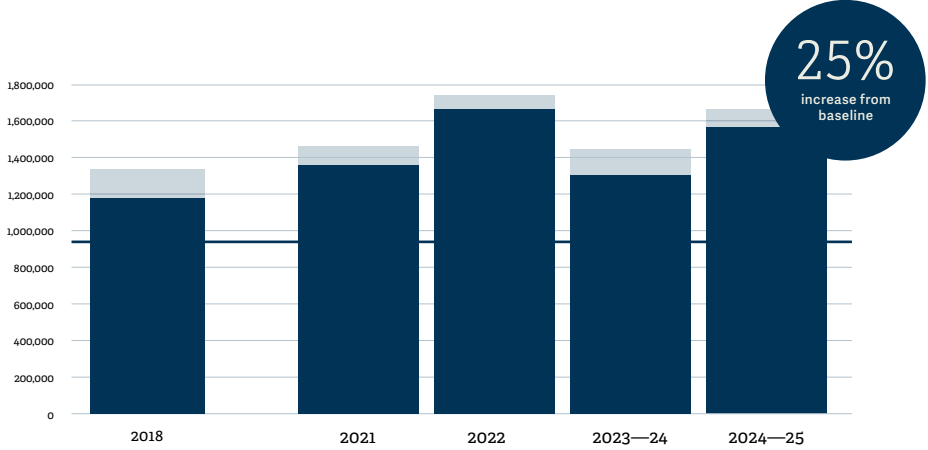
DATA COLLECTION

This year, we used primary data to improve the accuracy of our emissions reporting. With the incorporation of primary data for a large portion of our tier 1 suppliers, we have gained a more detailed understanding of our tier 1 climate impact.

We have incorporated some updated tier 4 emission factors based on primary data from some of our organic cotton farmers in India, and Better Cotton country specific emissions for the portion of traceable Better Cotton sourced in India. This bottom-up approach aims to capture regional variations and farming practices that are not reflected in global averages. By working toward regionally specific data, we aim to improve the precision of our climate impact assessments.

SCIENCE-BASED  
TARGET SCOPE 3  
(tCO2e)

- Purchased goods & services
- Logistics
- 30 percent reduction target



LOGISTICS

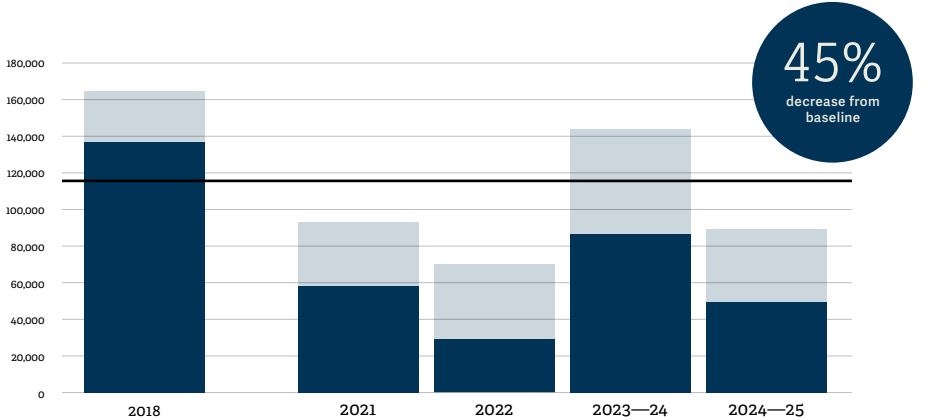
Logistics account for four percent of our total GHG emissions. From 2023-24 to 2024-25, emissions from logistics decreased by 38 percent. 45 percent lower than our 2018 baseline. The decrease from last year is mainly due to less air freight.

We continue our collaboration with Maersk to use their biofuel ECO Delivery service for most of our sea freight. Additionally, the methanol-powered vessel, Laura Maersk, which regularly docks at the port of Fredericia, cuts sea transport emissions, which supports us in reducing a portion of our upstream logistics impact.

On land, we plan to employ more electric trucks going forward. Electric trucks are more expensive to acquire and come with higher fuel expenses. The limited EV charger infrastructure in for instance Denmark often forces truck operators to drive back and charge at their own locations rather than on the road. The less efficient logistics causes elevated fuel expenses. Despite this, we are committed to helping reduce our scope 3 emissions through this transition. This strategic move is part of our broader effort to achieve lower-emission logistics.

EMISSIONS FROM  
LOGISTICS  
(tCO2e)

- Inbound
- Outbound
- 30 percent reduction target





ENHANCING  
MANUFACTURING  
EFFICIENCY

Tracking emissions within scope 3 remains a challenge due to the complexity of fashion supply chains. However, we do have significant transparency on the emissions performance of our tier 1 factories. We require all factories to track their emissions and set targets for energy reduction.

Beyond monitoring, we are proactively supporting our factories with extensive factory assessments and training. Our FWD>>ENV programme has grown, expanding into India this year, now covering around 38 percent of our global sourcing volume (products sourced). The programme works factory by factory to identify specific opportunities for resource efficiency, from water to energy usage. It brings together data, training, and tailored guidance to support practical changes in the factories.

Participants in the programme engage in eight capacity-building sessions, four knowledge-sharing events, and practical seminars focused on areas such as chemical management, energy efficiency, as well as water and waste reduction. The benefits of these improvements extend beyond BESTSELLER, as reductions made through this programme contribute to the overall improvement of the garment manufacturing industry.

COVERAGE OF SUPPLIERS  
ENROLLED IN FWD>>ENV  
PROGRAMME

Percentage of total  
production (products sourced)  
in that country:

Number of factories enrolled:

<i>Pakistan</i>	<i>Bangladesh</i>	<i>India</i>
78%	69%	34%
14	50	9

MYANMAR  
PILOT PROGRAMME

Based on the progress of the FWD>>ENV programme, this year we have also explored a pilot with one factory in Myanmar on a programme, similar to the FWD>>ENV programme’s model, where the factory was subject to full resource audit. They were given costed recommendations and training on how to reduce energy usage, delivered in partnership with MADE.

MADE is a multi-stakeholder initiative that builds on models like SMART Factories and delivers tailored training and assessments with the ambition of supporting sustainability improvements in Myanmar's garment sector.

After a six months period, while the pilot factory increased its monthly production output by 41 percent, the factory managed a 20 percent decrease in electricity consumption. Based on the strong results and engagement we experienced, the pilot will be expanded next year to cover more of our production in the country.

These factory-level programmes are designed to reduce energy use and emissions through a tailored, hands-on approach that combines resource assessments, costed recommendations, and on-site training.

Eustaquio Brant  
Environmental  
Programme Manager  
BESTSELLER

“Reducing emissions in our supply chain requires a lot of guidance and support. Each factory has a unique layout, set-up, equipment, people managing it. To create meaningful and lasting reductions in factory-related emissions, you have to take an equally granular approach that addresses the problem holistically.”

By working directly with factories and understanding their specific challenges and opportunities, we are helping our suppliers make practical changes that deliver both environmental and financial benefits.



GOING FORWARD

We acknowledge that meeting our science-based target of a 30 percent absolute reduction by 2030 presents a significant challenge, especially considering our projected business growth.

Achieving this goal requires intensified efforts, systemic collaboration across the industry and a fundamental shift in how we operate.

We will continue our efforts within three key areas:

1.  Designing products with preferred materials*	<p>Continue to establish partnerships and invest in material innovations to accelerate the development and increase the use of preferred materials.</p> <p>Achieve our 2025 material targets by end of this calendar year and set new targets.</p>
2.  Collaborating holistically across the supply chain	<p>Consolidate suppliers to those with high sustainability ratings and refine our rating criteria to drive further improvement.</p> <p>Enhance emissions transparency by scaling primary data collection.</p> <p>Engage in industry-wide collaboration and making targeted micro- and macro-level investments. Work closely with our supply chain partners to make targeted investments to reduce climate impact and drive systemic change.</p>
3.  Focusing on product longevity and circular business models	<p>Adopt design principles that enable recycling, disassembly, and reuse, turning textile waste into valuable resources.</p> <p>Invest in product quality and durability and advocate for solutions that promote reuse and recycling.</p> <p>Integrate circular business models to minimise the need for virgin raw materials, allowing us to sustain economic growth through resource efficiency and reuse.</p>

\* Preferred materials are either Better Cotton, organic, in-conversion, recycled, and/or subject to a third-party licensing agreement or certification.

GHG EMISSION (Tonnes CO <sub>2</sub> e)	FY data 2024/25 (July 31, 2025)	FY data 2023/24 (July 31, 2024)	Calendar year 2022	Calendar year 2021	Baseline year 2018	% change from baseline year
TOTAL SCOPE 1 & 2 SCIENCE-BASED TARGETS (SBT)	13,635	14,596	16,918	16,904	95,616	-86%
Total scope 1 emissions	11,075	12,874	13,907	13,840	34,691	-68%
Total scope 2 emissions (market-based)	2,560	1,722	3,011	3,064	60,925	-96%
Total scope 2 emissions (location-based)*	34,515	30,724	–	–	–	–
TOTAL SCOPE 3 SCIENCE- BASED TARGETS (SBT)	1,660,588	1,439,791	1,730,559	1,448,426	1,329,812	25%
Purchased goods and services	1,570,762	1,295,905	1,660,763	1,355,281	1,165,106	35%
Logistics	89,827	143,886	69,795	93,145	164,706	-45%
TOTAL SCOPE 3 CATEGORIES NOT UNDER SCIENCE- BASED TARGETS (SBT)	759,951	631,946	760,273	713,646	582,516	30%
Capital goods; fuel and energy-related activities; waste generated in operations; business travel; employee com- muting; end-of-life treatment of sold products	140,691	108,910	161,453	60,775	75,674	86%
Use of sold products	619,260	523,036	598,821	652,871	506,842	22%
Total scope 3	2,420,539	2,071,738	2,490,832	2,162,072	1,912,328	27%
TOTAL SCOPE 1, 2, & 3 SCIENCE-BASED TARGETS (SBT)	1,674,224	1,454,387	1,747,477	1,465,330	1,425,428	17%

\* Location-based emissions are only included for FY 2023/24 and FY 2024/25.





Through our direct-to-farm sourcing model, we support more than 33,500 organic cotton farmers.



# LAND AND BIODIVERSITY

## INTRODUCTION



The variety of life on Earth, known as biodiversity, is a critical component of healthy and functional ecosystems.

Healthy ecosystems provide essential services – clean water for dyeing and finishing, fertile soils for cotton cultivation, and climate regulation for stable production regions – all of which are critical for the apparel industry's operations.

Changes in how we use land, driven primarily by agricultural expansion, is the leading cause of terrestrial biodiversity loss, directly impacting these critical ecosystem services that underpin our entire industry. This impact is most significant in our tier 4 raw material production, where land use practices have the greatest potential to disrupt biodiversity and ecosystem function. This has far-reaching impacts, including soil degradation, water scarcity, pollution, and the decline of vital ecosystem services like pollination, which are critical for crop production.

We recognise that addressing climate change and protecting biodiversity are inextricably linked; progress on one front is impossible without addressing the other.



*Gardening for biodiversity  
— A large part of the outdoor  
space surrounding our  
offices in Brande are dedicated  
to wild and untidy woodland.*



## APPROACH

Protecting and restoring biodiversity is fundamental to achieving our material and climate goals and, crucially, supporting the long-term resilience and stability of our fashion supply chains. Therefore, we take action to mitigate our impact on key drivers of biodiversity loss, such as habitat destruction, pollution, climate change, and overexploitation.

Assessing the impact on biodiversity is complex, and we therefore support the Science Based Target Network (SBTN), which provides guidance on assessing and tracking impacts on nature. Guided by SBTN's framework, we are revising our Fashion FWD strategy to more explicitly address land use impacts, with a focus on farmland and forests.

Our efforts include sourcing raw materials that do not contribute to deforestation or land degradation. For example, we aim to source all man-made cellulosic fibres (MMCF) from low-risk suppliers and certified sources while increasing transparency to trace deforestation-free origins. Our direct-to-farm cotton programme enables insights into cotton farming impacts, promoting healthier soils and reducing habitat loss. Sourcing recycled materials also helps reduce land use pressures by decreasing the reliance on virgin raw materials.

## PROGRESS

We increased the use of organic cotton and certified MMC fibres in production this financial year and began investigating our land use to identify and mitigate risks, particularly in tier 4. For more details, refer to pages 144 and 152.



REGENERATIVE  
FARMING

We are extending our regenerative cotton projects in India with a three-year contract involving 11,000 farmers. The project is part of The Regenerative Production Landscape Collaborative (RPLC), a large-scale initiative involving multiple stakeholders, originally founded by Laudes Foundation, WWF India and IDH. The RPLC is a landscape-level collaboration in Madhya Pradesh that enables farmers to transition from intensive to regenerative agriculture while advancing ecosystem restoration and conservation. It strengthens community resilience by improving livelihoods and market access and promoting inclusive decision-making.

Through this project, BESTSELLER will strengthen its ties with the sourcing region. We believe that there is a need to invest in a sourcing region, considering the entire ecosystem from which our resources originate. This entails engaging with all the stakeholders within the landscape, including farmers, communities, and environmental NGOs and Social Change Organisations, to develop a comprehensive natural resource management plan facilitating continuous availability. This landscape-based sourcing approach offers enhanced resilience and transparency.

CONSERVATION  
INTERNATIONAL

We are collaborating with Conservation International through their Regenerative Fund for Nature programme. The programme is designed to support a landscape-scale initiative in South Africa that explores alternative approaches to wool sourcing. It addresses the relationship between grazing practices and land degradation, with a focus on land management in wool production. The intended outcomes include improved supply chain resilience, climate change mitigation, enhanced soil conditions, water conservation, biodiversity maintenance, and socio-economic development with attention to welfare, employment conditions, and poverty alleviation.

GOING FORWARD

While our most significant impacts lie in our supply chain, we will continue exploring biodiversity improvements within our own facilities.

Land use will remain a key focus in the aspects of our Fashion FWD strategy focusing on nature. It involves actions addressing raw material sourcing and landscape restoration to secure long-term protection of ecosystems and species.

We will select and implement landscape engagement programmes that align with our raw material footprint for cotton, MMCF, and wool. The programmes will be chosen based on science-based frameworks and in close collaboration with partners.



*Supporting farmers — The direct-to-farm approach benefits small organic cotton farmers through long-term purchasing commitments and direct premium payments.*



# WATER

## INTRODUCTION

Water, climate, and biodiversity are interconnected, with ecosystems vital for water availability and quality. Freshwater ecosystems are among the most degraded globally, necessitating urgent action.

Raw material production and garment manufacturing are water intensive processes. Our approach is to set robust requirements on water extraction and treatment and then collaborate with suppliers to improve their processes and enhance efficiency of wet processing.

In the raw material production stage, our biggest impact on water lies with cotton production. Cotton growing accounts for a significant part of our water consumption and is our largest material by volume. As it is often grown in water-stressed areas, we focus on using materials with reduced water consumption and use of pesticides, such as Better Cotton and those from our OCA programme (Organic Cotton Accelerator). Read more on page 114.

Collaboration with supply chain partners is key to reducing our water impact across the supply chain.

## APPROACH

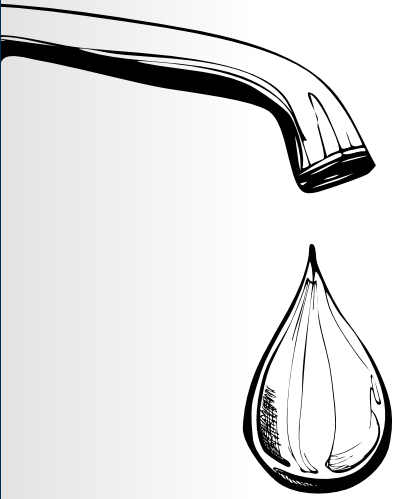
We understand the complexities of assessing our full water footprint, particularly given the challenges in obtaining primary data from raw material extraction and the inherent variability of water impacts at the local basin scale. To address this, we are:

Investing in enhanced data collection to better understand our water impact across our value chain and identify critical water stress areas. This includes working with industry partners on updated Lifecycle Assessments (LCAs) for some of the materials that have a high impact on water.

Prioritising the transition to sourced materials that require less water and promote healthy soil ecosystems.

Expanding our use of recycled materials to reduce our dependence on virgin resources and reduce the environmental impacts associated with their extraction and processing.

## AT FACTORY LEVEL



To identify potential environmental and human rights impacts, we conduct regular risk assessments, both internally and with external experts. Having a risk-based approach enables us to direct resources to areas of biggest concern, such as improving wastewater treatment practices, and safeguarding access to clean water in high-stress regions.

Our strategy is to concentrate our efforts where we will make the biggest impact. Therefore, we prioritise high-impact facilities – those with over 250 employees, more than five chemicals in use, and industrial water discharge exceeding 15 cubic metres daily.

Through the Factory Standards Programme, we collect data on how efficiently factories are using water, and integrate that performance score into our Supplier Sustainability Evaluation. Facilities with wet processing facilities are required to track water withdrawal from all sources, establish baselines for water use, and identify contributing factors to water consumption.

We set clear expectations for all tier 1 and prospective tier 2 approved materials suppliers to monitor and reduce water use. This includes the implementation of water-saving technologies, chemical management, and the operation of functional Effluent Treatment Plants (ETPs) in all wet processing facilities. Water is also a key element of our environmental rating system, which allows us to prioritise suppliers that demonstrate measurable improvements in water efficiency.

From the very beginning of our relationship with a supplier, we embed these expectations through our onboarding requirements. We do not work with factories unless their wet processing units can submit detailed water consumption and discharge data, operate a compliant ETP, and meet minimum water efficiency standards. The goal is to enable early alignment and avoid the long-term risks associated with poor water management.

## WASTEWATER MANAGEMENT

To prevent environmental damage, we enforce strict wastewater management requirements. Suppliers must treat all wastewater from industrial and domestic processes before disposal, either on-site or through approved treatment centres. Discharging untreated wastewater is prohibited and results in immediate corrective action, including potential order blocks. Treatment must use a combination of physical, chemical, and biological methods to remove pollutants before discharge.

For Bangladesh and Pakistan, we conduct third-party testing in high-risk regions, requiring factories to maintain quarterly internal and annual independent wastewater reports unless they operate a Zero Liquid Discharge (ZLD) system. Non-compliance is addressed through Corrective Action Plans, monitored by our local teams. Hazardous waste disposal processes are also closely managed, adhering to both local regulations and Zero Discharge of Hazardous Chemicals (ZDHC) guidelines.



PROGRESS

In 2024-25, we sourced all our cotton from sources that address and enhance the availability of clean water in pertinent locations. Read more about our approach and progress related to cotton on page 114.

This year, we have set new requirements, meaning that going forward, all wet processing units part of BESTSELLER’s supply chain (tier 1 and tier 2) will be subject to stricter and more detailed requirements, including regional roadmaps, detailed performance and evaluation criteria, and aspirational practices.

In Myanmar, groundwork has begun on a programme similar to the FWD>>ENV programme, where factories are subject to full resource audit, and provided training on how to reduce water usage, delivered in partnership with MADE.

Our focus on high-risk regions does not dampen our global focus. Our local teams continue to monitor, rate, and advise all suppliers in our supply chain on how to improve their water performance.

Over the past year, our local teams have conducted 29 training sessions on water-related topics.

GOING FORWARD

In the coming year, we will be looking at other and bigger levers we can pull to improve the efficiency of water use across our supply chain. We will continue to invest in and expand the FWD>>ENV programme and support our suppliers and their factories covered to improve their practices and implement the best available technology.

We will continue increasing the use of materials with verified water reductions, such as Better Cotton and organic cotton sourced through the OCA programme. By combining material choices, supplier collaboration, and robust water management systems, we aim to reduce our water footprint.

We are committed to setting water targets and start drafting a transition plan to reduce our water footprint. These goals aim to improve water efficiency in high-impact tier 1 and tier 2 facilities. By setting measurable objectives and timelines, we drive suppliers to adopt new technologies and water management practices that care for local ecosystems and efficient use of resources.

FIBRE FRAGMENTATION

Micro fibre shedding poses a significant threat to ecosystems and human health. Such fibre fragmentation occurs during the production and the use phase of textile products. Since there is no common methodology in the textile industry, it is still difficult to define the exact extent and nature of the impact.

Nevertheless, we remain dedicated to advocate for the development of a thorough and comprehensive scientific methodology. We do this by actively supporting The Microfiber Consortium through the research they conduct. Along with a range of other brands, we promote initiatives to advance industry knowledge needed to address the issue of fibre fragmentation at its source, and understand the drivers for reduced fibre fragmentation.

With more knowledge on the causes of fibre fragmentation, we are able to develop our approach to the issue, focusing on the release at the production phase and the use phase, as well as the influence of design choices. We will consider what tests to perform with our brands, and what policies to implement.

Going forward, we will continue our collaboration with The Microfiber Consortium to further industry knowledge and minimise micro fibre shedding.



Bangladesh — A water purification plant located at one of our suppliers.

# CHEMICAL MANAGEMENT

## INTRODUCTION

Chemical management is not a stand-alone issue. It is embedded in everything from water quality to worker well-being and consumer safety.

We are therefore working to eliminate harmful chemicals from processes and products in our supply chain and replacing hazardous chemicals with safe alternatives. Understanding chemical composition in the supply chain helps suppliers manage risks, ensuring our products meet our requirements.

## APPROACH

Our Restricted Substances List (RSL) prohibits or restricts certain chemicals in our products. This list applies to all suppliers and subcontractors, including those for materials, accessories, dye-houses, print-houses, and tanneries. Suppliers must ensure compliance throughout their production network, educate partners, and work only with those who meet our RSL requirements. Updated annually, our RSL reflects legislative changes and best practices.

All factories with wet processing facilities, incl. tanneries, are assessed for chemical management, waste tracking, and proper disposal. Our in-country chemical & environment teams verify chemical safety protocols and ensure employees have protective equipment and training.

To mitigate the risk of environmental damage and ensure product safety, we enforce strict chemical management protocols, requiring suppliers to test products and materials at accredited independent laboratories to confirm compliance with our requirements. Non-compliant products are re-worked. Our testing follows our publicly available Restricted Substances List (RSL) and Packaging Restricted Substances List (PRSL).



## GOAL

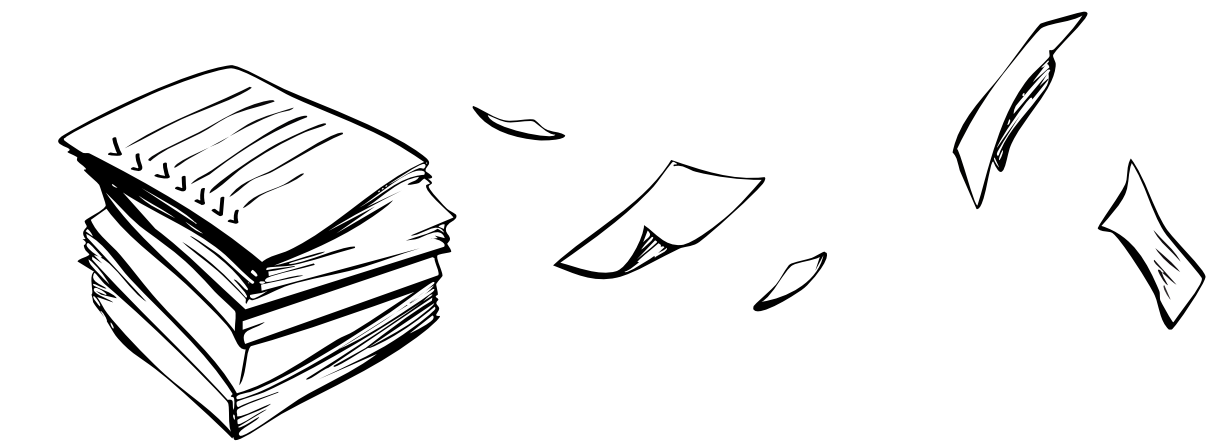
All factories with wet processes must provide a Chemical Inventory List (CIL), screened for compliance with BESTSELLER's Manufacturing Restricted Substances List (MRSL). Using the BHive app, suppliers can compare CILs with MRSL in real-time for proactive chemical management.

We have banned the use of PFAS (Per- and Poly-Fluorinated chemicals) across all BESTSELLER brands since 2020. These man-made chemicals, commonly used in water-repellent coatings, are known for their persistence in the environment and potential health risks. As a safer alternative, BESTSELLER currently approves only BIONIC-FINISH® ECO, a fluorocarbon-free water-repellent finish, for use in our products.

By 2025, all our core products will be produced using approved and traceable chemistry.







PROGRESS

Every year, we raise the standards for our chemical restrictions. In March 2025, we released the latest update to our RSL—part of our ongoing commitment to product safety and responsible chemical management across the supply chain.

This year's update includes several key additions:

The addition of a new category for Cyclosiloxanes, a group of substances with persistent, bio-accumulative, and toxic (PBT) properties, often present in silicone-based softeners and prints.

Inclusion of UV 326, a UV absorber used in plastics and foams, currently under review for PBT (Persistent, Bio accumulative, and Toxic) classification.

Expansion of Volatile Organic Compounds (VOC) list, with 22 new substances commonly used in printing, coatings, adhesives, and solvent-based polyurethane.



These updates make sure our products not only meet legal requirements but also reflect industry best practices and testing abilities. For example, this year multiple VOCs can now be screened through a single consolidated test, improving both efficiency and oversight.

By 2027, only water-based or solvent-free polyurethane (PU) will be allowed in selected product categories within our supply chain.

This transition away from solvent-based materials is a key step toward reducing harmful VOC emissions related to our production. This has multiple impacts, including lowering risks for factory workers, logistics staff, and end consumers, as well as uses of harmful chemicals in the deeper supply chain.

CHEMICAL TESTING PROGRAMME

In 2024-25, we tested 12,303 styles through our Chemical Testing Programme. Three percent failed to meet our standards, with belts and footwear having the highest failure rates.

	2024—25	2023—24	2022—23
Styles tested: 	12,303	11,813	11,759
Styles failed: 	3%	3%	4%

BESTSELLER had no product recalls in the reporting period, demonstrating the effectiveness of our chemical testing programme in safeguarding product safety.

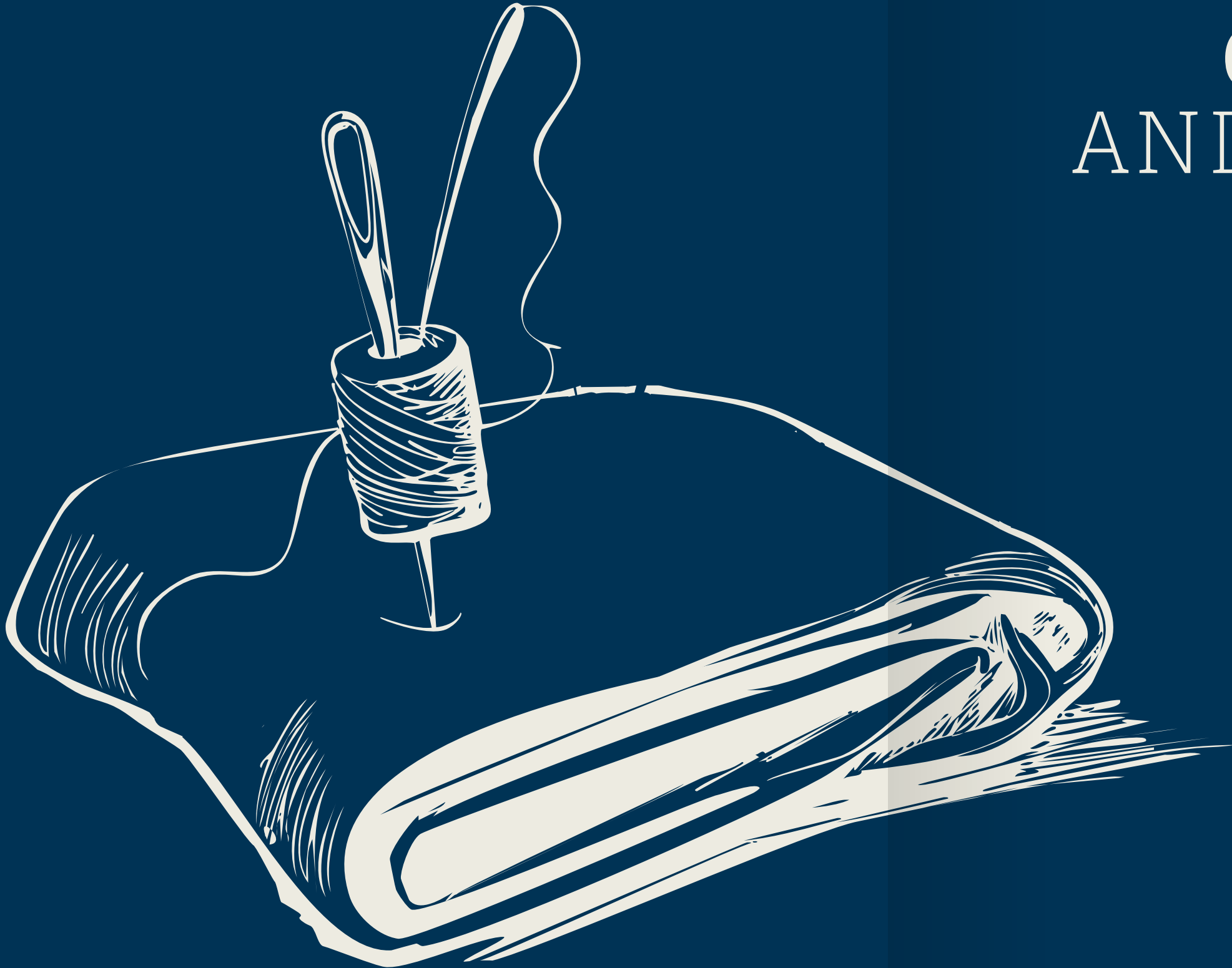
BHIVE PERFORMANCE DATA

	2024	2023	2022
No. of factories:	125	179	174
Percentage of chemicals scanned that meet ZDHC standards:	90%	83%	85%

GOING FORWARD

As we do every year, we aim to set a new and more strict Restricted Substances List, monitored through our chemical testing programme. We will continue training and supporting suppliers in transitioning to better chemicals, which either make processes more efficient or have lesser impacts or risks. Additionally, we will maintain our efforts to monitor factories and products for compliance with our chemical handling and consumer safety requirements.

# CIRCULARITY AND RESOURCE USE



136	Materials
141	Innovation
144	Cotton
148	Recycled polyester
157	Man-made cellulosic fibres
158	Other materials
160	Extending product lifecycle
164	Product impact communication
166	Packaging



The fashion industry places considerable demand on natural resources. The traditional "take-make-waste" approach relies on consuming raw materials and disposing of products through incineration or landfill, which creates challenges for both the environment and businesses.

Addressing circularity, we are increasing the use of innovative and recycled materials in our products. Progress within this area requires collaboration across the industry, as well as innovative solutions to extend product lifecycles and reduce waste.

We recognise the complexity of scaling these initiatives and understand that transitioning towards a more circular system will be an ongoing journey.

This chapter outlines our approach to materials and innovation, explains how we manage key materials, and details our efforts to extend the lifespan of our products.



*From shredded fibres to natural textiles — these materials reflect ongoing efforts to reduce resource use and rethink how fashion is made.*

# MATERIALS

## INTRODUCTION

We are focused on incorporating both established and innovative materials that are either organic, in-conversion, recycled, and/or subject to a third-party licensing agreement or certification.

Our collections feature a mix of natural and synthetic materials, such as cotton, viscose, and polyester. To move beyond the traditional linear model, we are actively exploring alternatives to conventional materials.

Our future business model emphasises efficiency and the use of resources to reduce impacts and keep materials in circulation. We have made – and will continue to make – investments to expand our range of products made with organic and recycled materials.

Additionally, we are working to close the loop by incorporating textile-to-textile recycled materials into our products.

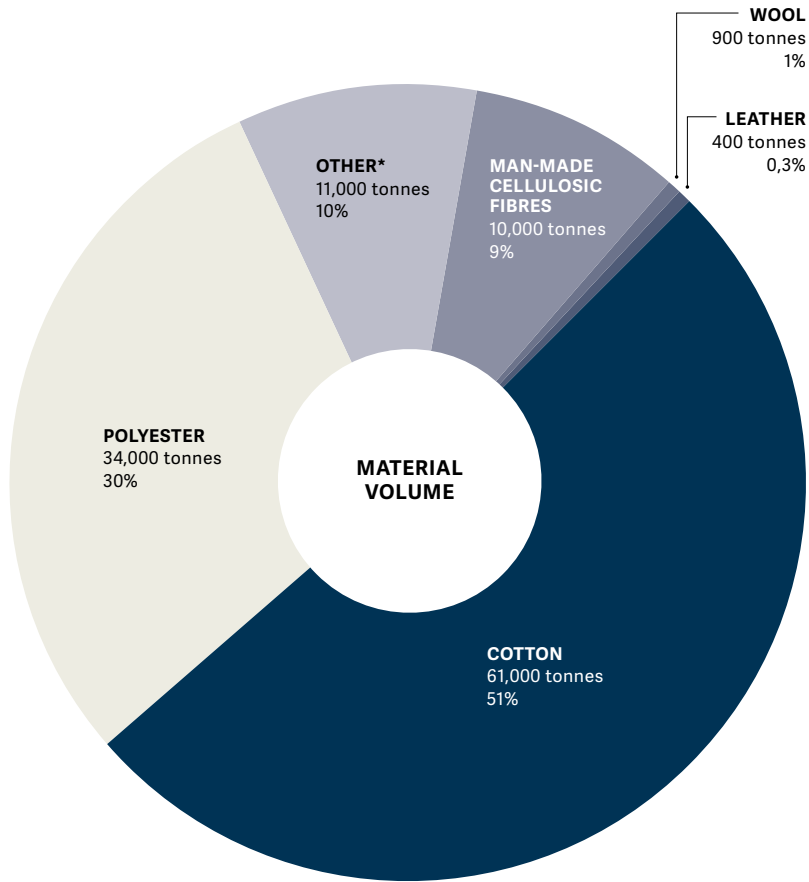


## OVERVIEW OF MATERIAL VOLUME IN TOTAL (FINISHED PRODUCTS)

Material split in category by tonnes and in percentage.

Other\*  
Includes among others acrylic, natural fibre, and silk.

The material split includes shell fabrics only and does not cover filling, lining, patting, and trims.



## PREFERRED MATERIALS

We are committed to increasing the use of preferred materials each year. At BESTSELLER, we define preferred materials as the total of certified and branded materials, along with Better Cotton fibres. Read more on the next page.

As part of the revised Fashion FWD strategy we will set new targets for preferred materials.

In 2024-25, 65 percent of our total product volume by weight was made using preferred materials. This is seven percent increase from the year before.

Use of preferred materials – sum of certified and branded materials and Better Cotton fibres (volume by weight):

2024—25	65%	2023—24	58%
---------	-----	---------	-----



# CERTIFIED AND BRANDED MATERIALS

Certified and branded materials are either organic, in-conversion, recycled, and/ or subject to a third-party licensing agreement or certification.

We enforce a minimum content requirement necessary for us to make a certified and branded material product claim. As a rule, the minimum content requirement states that the certified or branded material constitutes at least 50 percent of the main fabric content. However, with some fibres (e.g. recycled or animal), it is not feasible to include such percentage of certified and branded material due to quality issues. Therefore, the minimum content requirement for those fibres is lower.

Our material claims aim to guide customers and consumers in their product choices through transparency.

Our material claims on hang-tags aim to guide shoppers in their product choices.



## MATERIAL TRANSPARENCY

We are investing in technology and collaborating with partners to improve traceability and transparency across our supply chain.

To deliver transparency, every two months we publish our public factory list, which includes a full list of our tier 0, tier 1, and tier 2 Approved Materials Suppliers. The number of Approved Material Suppliers were 140 in 2024-25.

While we aim for full transparency, we do not yet have complete visibility of all tier 2 suppliers in our supply chain. Mapping these suppliers remains an ongoing effort.

Our data management systems track products from order placement to assembly, forming the foundation for a comprehensive approach to material transparency. These systems support accurate product labelling and enable data-driven consolidation and cost savings.

We are also implementing a materials mapping project to deepen our understanding of supply chain complexity. Strategic suppliers are required to disclose their materials suppliers twice a year, including volume details.

This data allows us to prioritise visits to key suppliers to evaluate their chemical and environmental performance, quality standards, and technical capabilities. Suppliers meeting our criteria are designated as Approved Materials Suppliers.

This mapping process is essential for addressing the diverse needs of material suppliers, from tanneries to button manufacturers. By integrating data management systems with the materials mapping initiatives, we aim to increase supply chain transparency, support informed decision-making, drive continuous improvement, and advance our Fashion FWD ambitions.

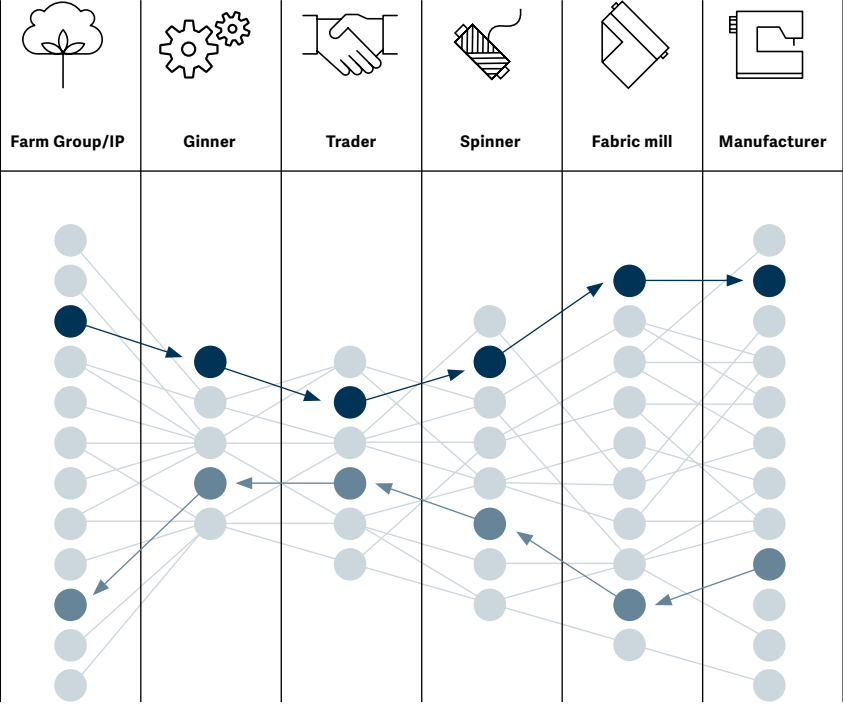
## TEXTILE GENESIS PARTNERSHIP

We partner with Textile Genesis, a traceability platform custom built for the fashion and textile ecosystem. Our partnership focuses on fibre-forward tracing of man-made cellulosic fibres and direct-to-farm cotton. Our ambition is to increase our scope by adding more manufacturers. Though we experienced a slow start, we see progress from our efforts now. Since the beginning of the partnership, we have traced more than 98 million garments through our supply chain. In 2024-25 alone, we traced 47 million pieces.

Our approach to achieving traceability is doing it factory by factory, and onboarding all downstream suppliers of each factory is a long and complex process.

TRACEABLE CHAIN OF CUSTODY FOR EVERY PRODUCT ORDER

- Fibre-forward tracing – known supply chain like Direct-to-farm
- Product order backward tracing



TRACEABLE BETTER COTTON

Better Cotton is the world’s largest programme focused on cotton production and social and environmental improvement. Its mission is to support the livelihoods of cotton-growing communities while safeguarding and restoring the environment.

Better Cotton is a minimum requirement for our suppliers. The volume of Better Cotton we source is a key metric in tracking our progress with preferred materials, reflecting its role in driving positive impact.

We have been an integral part of the Traceable Better Cotton journey and the Transition Task Force. Traceable Better Cotton is a new sourcing model from Better Cotton that allows cotton to be physically traced back to its country of origin, and eventually to the farm. BESTSELLER contributed to its development as one of ten funding brands, helping shape the traceability framework and Chain of Custody guidelines.

We continue to support the programme and the transitioning from the Mass Balance system to Traceable Better Cotton, which enables us to trace cotton used in our products back to its origin and validate its impact on cotton growing communities and the environment.

Read more about our cotton progress on page 146.

# INNOVATION

INTRODUCTION

Collaboration across the value chain is crucial to solve the material challenges facing the fashion industry.

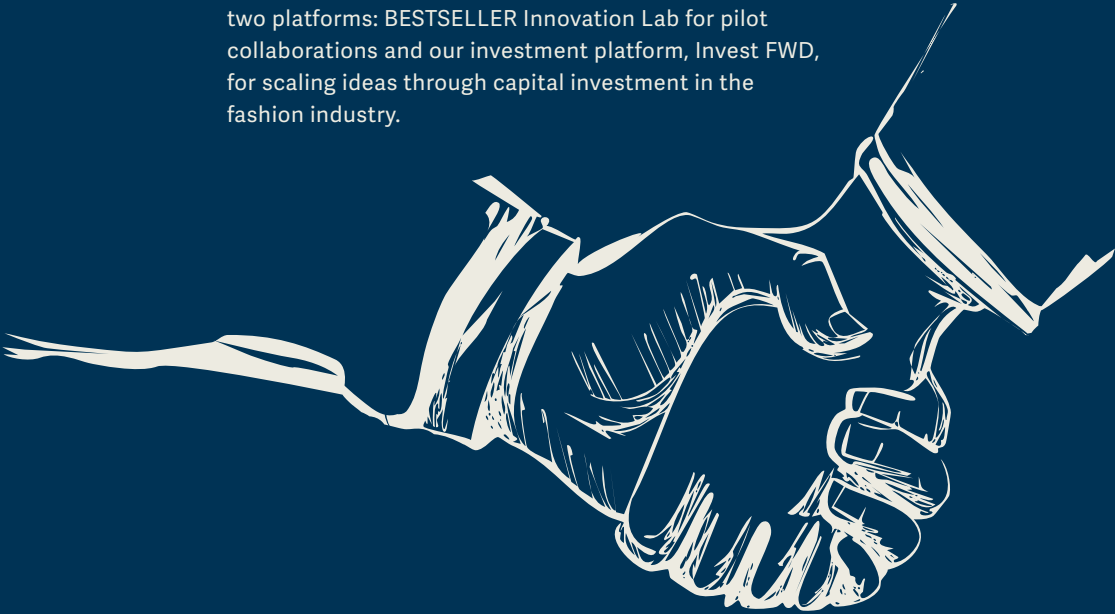
The most significant challenge lies in bridging the substantial gap that material innovators face in scaling up production to deliver the volumes required by brands.

APPROACH

By collaborating with partners, we can identify and accelerate the advancement of innovative technological solutions that mitigate our climate impact. We engage with material innovators and suppliers to increase the volume of products made using materials with certified and branded materials.

We collaborate with textile initiatives such as The Fashion Pact, Fashion for Good, Cascale, Textile Exchange, Global Fashion Agenda, Better Cotton, and Organic Cotton Accelerator to research market trends, innovative processes, technologies, and fibres that enable the fashion industry’s transition.

Our long-term innovation strategy aims to scale investments from pilot projects to production. We have two platforms: BESTSELLER Innovation Lab for pilot collaborations and our investment platform, Invest FWD, for scaling ideas through capital investment in the fashion industry.





GOAL

By 2025, we will facilitate the development of certified and branded fibres and materials at market scale through innovation and industry collaborations.

PROGRESS

Since 2021, Invest FWD has invested over DKK 240 million in 10 innovators, including an allocated investment of DKK 100 million in 2024-25.

In addition to equity investments, we are actively involved in 15 material innovation projects. Over the years, we have introduced several new designs utilising materials developed by our innovation partners, which encompass both recycled materials and those sourced from novel origins compared to traditional sources.

SOFTWARE AUTOMATION

As part of our efforts to explore new approaches to garment production, BESTSELLER has contributed to a USD 20 million funding round for Softwear Automation, a company developing automated sewing technology. The investment, made through Invest FWD, aims to accelerate the completion of the robotics technology dedicated to t-shirt production, initiate the scaling of production capacity, and strengthen R&D.

We believe that Softwear Automation can help address some of the key challenges we face across the industry – from speed and flexibility to resource efficiency. The autonomous sewing technology enables localised production, while the precision of the SEWBOT® systems can lead to more efficient use of materials by reducing fabric waste during the cutting and sewing processes.

FROM WASTE TO BLACK PIGMENT

The colour black has a long history in the fashion industry and is one of the most commonly used colours to dye apparel. But it is also a dye with known environmental challenges. Modern synthetic dyes are often derived from petro-chemical compounds, which are non-renewable.

Together with a range of other partners, we joined Fashion for Good in their Black Pigment Pilot project. The pilot aims to validate and scale black pigments derived from waste feedstock such as industrial carbon, wood waste and waste algae that could replace synthetic dyes. Our role in the project is to provide feedback on quality and performance, as well as co-financing the project.

INFINNA™

JACK & JONES continues the collaboration with Infinited Fibre Company releasing their second product made with INFINNA™ fibre. The Cargo Pants, featuring 40 percent Infinna™ fibre and 60 percent in-conversion cotton, mark progress in material innovation.

Infinna™ is a virgin-quality circular fibre made 100 percent from cotton-rich textile waste.

Invest FWD has supported the collaboration with Infinited Fiber Company through strategic investments aimed at fostering innovation within the fashion industry.

*JACK & JONES x Infinited Fiber Company: Cargo Pants made with 40% Infinna™ and 60% in-conversion cotton — a step forward in material innovation.*



GOING FORWARD

Material innovation presents several underlying challenges, such as understanding the quality and consistency of new materials, as well as navigating the necessary pricing structures and investments.

We remain committed to investing in the development of materials for the future. Our ambition is to invest to release more products made from innovative or recycled sources. Therefore, we are currently working on a polyester strategy. Such a strategy will assist us when assessing if we can convert more of our products to recycled polyester deriving from various sources including textile waste.

In our Fashion FWD strategy revision we will set a specific target for next-gen/innovative materials.

We will continue to focus on waste management by transforming waste into valuable resources. This approach aims to provide our customers and consumers with a broader selection of products with materials that are either organic, in-conversion, recycled, and/or subject to a third-party licensing agreement or certification.

# COTTON

## INTRODUCTION

Cotton is a key fibre for BESTSELLER, accounting for over 51 percent of our total material usage. Acknowledging its environmental and social impacts, we uphold certain standards to cotton sourcing.

## APPROACH

We focus on sourcing cotton from categories such as organic cotton, recycled cotton, in-conversion cotton, Cotton made in Africa (CmiA), and Better Cotton.

The fashion industry's supply chain is complex and interconnected, often limiting visibility into raw material sourcing. To address this, we have adopted direct-to-farm sourcing as part of our efforts to transition from conventional cotton to organic cotton production with increased transparency.

Our direct-to-farm model aims to shorten the supply chain by engaging directly with farmers or through third parties. Each year, we commit to off-take a specific amount of organic cotton from upcoming harvests, supporting the flow of raw materials through the value chain for future products. This approach also supports the livelihoods of farming families growing cotton organically.

At the start of the supply chain, direct-to-farm sourcing secures a market for organic cotton farmers with premium payments. Further along the chain, we work with tier 0 and tier 1 manufacturers, tier 2 fabric mills, and tier 3 spinners to increase transparency from fibre to finished product.

Our partnerships with organisations such as the Organic Cotton Accelerator (OCA), Better Cotton, and CmiA are integral to our progress. These collaborations play a crucial role in meeting our organic cotton goals.



## DIRECT-TO-FARM SOURCING

Organic cotton is grown according to organic farming practices and is a preferred alternative to conventional cotton, but its limited global supply, although increasing, presents challenges. We actively support initiatives to expand organic cotton availability.

Our direct-to-farm sourcing model facilitates market security for organic and in-conversion cotton farmers while promoting supply chain transparency. This approach allows us to trace cotton from farm to finished product, helping customers make informed choices.

Through this model, we facilitate the offtake of organic cotton from over 33,500 farmers, supporting its movement through the value chain and securing a supply of organic cotton.

For in-conversion cotton farmers transitioning to organic practices – a process that can take up to three years – we provide premium payments to support them during this period.

These long-term commitments offer farmers stability and encourage the growth of organic cotton production, reinforcing our dedication to the development of practices in cotton farming that put less strain on the environment.

*Through the direct-to-farm programme, we now support more than 33,500 organic cotton farmers.*





# BETTER COTTON

We support Better Cotton's mission to improve the livelihoods of cotton farming communities while aiming to reduce the negative impacts of cotton production. The initiative provides training in agricultural practices that are intended to be less harmful than conventional methods and promotes decent working conditions. Currently, licensed Better Cotton farmers account for 22 percent of global cotton production.

Better Cotton is sourced through a chain of custody model called mass balance, meaning it is not physically traceable to end products. We support the transition from Mass Balance to Traceable Better Cotton where possible. This shift enables full transparency and accountability by allowing us to trace cotton back to its origin and assess its impact on cotton-growing communities and the environment.

At BESTSELLER, sourcing Better Cotton is a minimum requirement for all suppliers of our cotton products. In addition, we contribute to the Better Cotton Growth and Innovation Fund, which supports the initiative's expansion through strategic investments.

GOAL

By 2022, we will source 100 percent of our cotton from preferred sources.

By 2025, within our cotton supply, we will source 30 percent from organic or in-conversion cotton.

PROGRESS

We sourced 100 percent cotton from preferred sources. For the first time, we have included Traceable Better Cotton, which accounts for 1 percent of our total cotton in 2024-25.

We increased our share of organic cotton used in products from 21 percent to 27 percent, which includes in-conversion cotton accounting for 3 percent. This makes us very close to reaching our target of 30 percent by end of the calendar year 2025.

Organic cotton +  
in-conversion cotton  
in total:

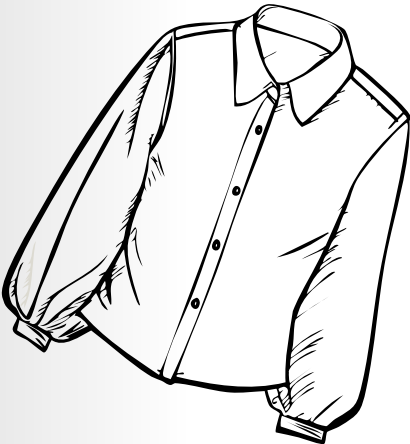
2024—25	2023—24	2022—23	2021—22
27%	21%	11%	13%

Top three brands sourcing  
the most organic cotton in  
percentage of total  
BESTSELLER organic  
cotton consumption:

JACK & JONES	45%
ONLY	24%
NAME IT	9%

Top three brands sourcing  
organic cotton in percentage  
of own brand total cotton  
consumption:

SELECTED	78%
YAS	53%
VILA	37%



In 2024-25, BESTSELLER supported over 33,500 cotton farmers, up from 18,000 farmers in 2023-24. We harvested 24,000 metric tonnes of organic cotton – a notable volume that will be reflected in our upcoming collections.

Industry data shows that women make up at least 40 percent of the global cotton workforce, yet their contributions are often overlooked in small-scale cultivation. In India, where most of our cotton is sourced, women own less than two percent of the farmland. To address this, more than 3,400 women farmers in India joined our direct-to-farm programme through OCA in 2024-25. This helps them achieve financial independence and promotes equity in the industry.

More than 3,400 women farmers joined direct-to-farm in India.

Number of cotton farmers increase from 18,000 to 33,500.

GOING FORWARD

We expect to reach our cotton target of 30 percent organic cotton by the end of the calendar year 2025, through our ongoing work with organic cotton farmers, spinners, and fabric and garment manufacturers. Additionally, we are setting new targets for cotton for 2030 to ensure continued progress.

# RECYCLED POLYESTER

APPROACH

Utilising recycled materials is imperative for decoupling growth from our greenhouse gas (GHG) emissions and the increased consumption of virgin resources. The recycled polyester we use, predominantly derives from recycling PET plastic bottles, frequently used in single-use beverage containers.

Until the systems and technology for recycling worn-out textiles are a viable alternative, we choose to prioritise other recycled materials.

We are actively engaged in innovation centred on textile-to-textile recycling of both pre-consumer and post-consumer polyester, as this holds the potential to be a significant advancement for the fashion industry.

PRE-CONSUMER AND  
POST-CONSUMER  
POLYESTER

Pre-consumer polyester is typically created from manufacturing waste like scraps, rejects, and trimmings. These materials are collected, processed, and recycled into new fibres. Since the waste is already part of the manufacturing cycle, it is easier to collect and recycle.

Post-consumer polyester typically comes from discarded consumer items such as plastic bottles and packaging. The recycling process involves collecting, sorting, cleaning, shredding, processing into chips, melting, extrusion into fibres, and spinning into yarns.

GOAL

By 2025, we will source 50 percent of our polyester from recycled polyester or other alternatives.

Use of recycled polyester in total:

2024—25	2023—24	2022—23	2021—22
32%	20%	14%	13%

Top three brands sourcing the most recycled polyester in percentage of total BESTSELLER consumption:

ONLY	35%
VERO MODA	21%
JACK & JONES	14%

Top three brands sourcing recycled polyester in percentage of own brand total polyester consumption:

SELECTED	72%
PIECES	59%
OBJECT	57%

PROGRESS

In 2024-25, the use of recycled polyester increased from 20 percent to 32 percent. Both JACK & JONES and ONLY are transitioning Never Out Of Stock (NOOS) styles to recycled polyester.

JACK & JONES converted a bumper jacket to recycled textile-to-textile polyester. It is their best-selling NOOS product, which is why they chose to start the transition here. The brand is committed to using 250,000 metres of the textile-to-textile recycled material in their first batch, equalling 150,000 pieces of garments. The products landed in stores in 2025.

In collaboration with our supplier Deniz in Turkey and the circular technology company RE&UP, ONLY converted an entire jersey programme to recycled polyester made from textile waste. The first two styles have already reached stores.

**Pernille Tøttrup**  
Sourcing Process Manager  
ONLY

“RE&UP's commitment to innovation and quality makes them an ideal partner for ONLY. Their textile-to-textile recycled polyester offers the same performance as virgin polyester, while lowering our environmental footprint.”



**matterr**

BESTSELLER has entered a partnership with German cleantech company matterr to explore new possibilities within polyester recycling. matterr has developed an innovative technology for the chemical recycling of polyester from hard-to-recycle worn-out textiles and packaging waste. The process delivers drop-in ready raw materials, identical to virgin quality.

Supported by a grant from the EU and an investment from BESTSELLER’s innovation platform, Invest FWD, matterr will start building a small-scale industrial facility in 2026. The plant is expected to process up to 10,000 tonnes of polyester-rich waste into virgin-quality raw materials annually.

This investment reflects our ongoing efforts to support scalable recycling technologies and reduce dependency on fossil-based resources.

**Dorte Rye Olsen**  
Head of Sustainability  
BESTSELLER

"We have clear ambitions to reduce dependency from fossil sources, and utilisation of recycled polyester is a crucial component in achieving this."



**GOING FORWARD**

To be able to meet our target of 50 percent by the end of calendar year 2025, we are taking several necessary actions. These include enhancing our collaboration with suppliers to facilitate more consistent recycled polyester input and increasing transparency within our supply chain to monitor progress closely.

In the revision of the Fashion FWD strategy, a new target for 2030 for recycled polyester will be set. This new target will focus on not only the percentage of recycled polyester but also on integrating textile-to-textile polyester and next-gen innovative materials into our production processes. By embracing preferred and cutting-edge materials, we aim to reduce our environmental impact further.



*ONLY has transformed its basic tops jersey programme — now made from textile-to-textile recycled polyester in collaboration with RE&UP.*

# MAN-MADE CELLULOSIC FIBRES

## INTRODUCTION

Man-made cellulosic fibres (MMCF), such as viscose, lyocell, and modal, are derived from dissolved wood pulp. The pulp undergoes processing to produce soft and lightweight fibres suitable for weaving into fabric.

Risks associated with MMCF production primarily arise from sourcing materials from forests that are not properly managed, including those at risk of deforestation. Additionally, traditional methods of processing MMCF consume significant amounts of water, energy, and chemicals.



## APPROACH

We collaborate with Canopy, an environmental NGO that aids the industry in establishing production frameworks and wood-sourcing criteria.

As a CanopyStyle partner, we are committed to sourcing all MMCF from so-called low-risk pulp suppliers, known as Green Shirt Fibre Producers. Approximately half of the MMCF we source are part of our list of certified and branded materials. The MMCF traced on the Textile Genesis platform include both fibers that are certified and branded, and those which are not.

Suppliers of MMCF are classified as either Green Shirt or Red Shirt based on their environmental practices. Green Shirt suppliers must meet a comprehensive set of criteria focused on reducing environmental risk, especially the risk of sourcing from Ancient and Endangered Forests, while Red Shirt suppliers pose a higher risk due to e.g low transparency. The MMCF industry is showing positive momentum in improving its practices, with a growing number of pulp producers attaining green ratings.

Currently, we have full traceability on more than 59 percent of our MMCF volumes. The challenge with traceability stems from the fact that we do not trace 100 percent of our MMCF orders. While we are increasing the scope, we will continue to increase the number of MMCF orders traced.

Additionally, we actively work with the supply chain to eliminate the five percent of our volumes, which was traced back to Red Shirt suppliers. The increased due diligence using block chain product traceability enables us to take corrective action and drive improvements in areas that might otherwise have remained unaddressed.

## GOAL

By 2022, we will source 100 percent of our man-made cellulosic fibres responsibly from Green Shirt Fibre Producers.

## PROGRESS

At the end of the 2024-25 financial year, we sourced 47 percent certified and branded MMC fibres from Green Shirt Fibre Producers, a three percent increase from 44 percent the previous year.

Certified and branded MMC Fibres from Green Shirt Fibre Producers:

2024—25	2023—24	2022—23	2021—22
47%	44%	39%	43%



Top two brands contributing the most to sourcing certified and branded MMC Fibres from Green Shirt Producers (percentage of total BESTSELLER consumption):

VERO MODA	36%
ONLY	34%

Top two brand sourcing certified and branded MMC Fibres from Green Shirt Producers in percentage of own brand total MMCF consumption:

YAS	81%
VERO MODA	80%

Continuing our collaboration with Textile Genesis, we have further integrated supply chain partners onto one traceability platform. Our engagement has grown from 15 manufacturers to 73 across all our sourcing regions. It has allowed us to trace numerous products through our supply chain. This ongoing collaboration enhances visibility into our supply chain and provides valuable insights for continuous traceability efforts, shaping our future roadmap and objectives.

OnceMore®

For the Spring 25 collection, SELECTED incorporated the next-gen innovative fibre, OnceMore®, from Södra, in a special collection ranging from shirts to jersey, knits, and tailoring. OnceMore® is made in the world’s first large-scale process for recycling blended fabrics. After collecting used textiles from their network of suppliers, OnceMore® revives a minimum of 20 percent recycled textile, combining it with wood cellulose from controlled or certified forests to create a material that closes the loop.

The product consists of 20 percent recycled content and 80 percent wood, and all new SELECTED designs in the special collection contained 50 percent OnceMore® material.

Louise Lund  
Sourcing & Sustainability Manager  
SELECTED

"OnceMore® blends really well with other fabrics, so it has been incredibly easy for us to design with. We look forward to continuing the cooperation with Södra and integrating their technology in future collections."

Similarly, OBJECT have successfully worked with OnceMore® and are increasing their uptake of the material. In 2024, the brand used just short of four tonnes of

CIRC LYOCCELL FIBRE

the material and so far in 2025, 4.5 tonnes have been used in OBJECT styles. The brand expects to continue their uptake of OnceMore®.

In 2025, BESTSELLER joined forces with Circ through the Fiber Club initiative, collaborating alongside other brands. The Fiber Club aims to unite brands and suppliers to potentially accelerate and scale the adoption of recycled materials. The initiative is created in partnership with Fashion for Good and Canopy, an NGO dedicated to forest conservation. As part of this collaboration, we are currently engaged in our first pilot project. SELECTED is utilising Circ's staple lyocell fibres for the pilot. Circ chemically recycles polycotton textile waste to create polyester and lyocell. This collaboration is particularly exciting due to Circ's materials and their potential to transition from innovation to scale.

GOING FORWARD

Our target on MMCF was set for 2022 and as we are still short of reaching it, we admit that we underestimated the difficulty of achieving such traceability. The work we do – using technology to enable product traceability – is still the right path in our opinion. However, the start-up phase of the platform did not progress as fast as expected, mainly due to the depth and complexity of the supply chain.

Despite the slow start, we now see an acceleration of our progress in garments traced. This acceleration means that we are optimistic when setting a new 2030 target in connection with our Fashion FWD strategy revision. The target will address both MMCF and the inclusion of recycled MMCF and next-gen innovative materials in production processes.

We are increasing our scope and are onboarding more manufacturers to the product traceability scope for 2025 and 2026, steadily moving towards full product traceability back to fibre producer.

SELECTED styles crafted with 50% OnceMore® – a fibre made from recycled textiles and wood cellulose. Innovation meets style in shirts, jersey, knits, and tailoring.





The Fashion FWD Business Challenge 2024 was a cross-brand collaboration focusing on how to implement a strategic sustainability focus into operations.



At the final meeting held at Constantinsborg in Aarhus, Denmark, the eight participating brands presented diverse approaches. While some investigated sample or waste reduction, others focused on recycled sourcing or digitalisation.



A pioneering process. The OnceMore® process combines post-consumer textile waste with Södra's pulp from controlled or certified forests to produce high-quality textile pulp, which then becomes viscose.





# OTHER MATERIALS

## INTRODUCTION

Cotton, man-made cellulosic fibre, and polyester are the primary materials used in our styles.

A small percentage of other materials are also utilised. These include animal-based fibres like wool, cashmere, alpaca, mohair, and silk, natural fibres such as linen and hemp, non-textile materials like leather and down, and synthetics such as acryl.

## APPROACH

Materials sourced from animals constitute around one percent of our total material consumption. To support the right treatment, we have an Animal Welfare Policy that mandates animals must not be harmed in the manufacturing of our products.

We are fur-free and committed to sourcing animal-derived materials from suppliers who treat animals humanely and in accordance with recognised animal welfare principles. We actively engage in industry discussions on animal welfare and land management, and support the development of standards that promote higher levels of animal welfare.

Recycled wool, when replacing virgin wool, helps conserve natural resources like water and energy, and contributes to reducing textile waste by repurposing wool into new garments.



## GOAL

By 2025, all our wool will be organic, recycled, or sourced according to the Responsible Wool Standard (RWS).

## PROGRESS

The percentage of wool that is organic, recycled, or sourced according to the Responsible Wool Standard (RWS) increased from 45 percent in 2023-24 to 54 percent in 2024-25.

*In total use of organic, recycled or RWS wool:*

2024—25	2023—24	2022—23	2021—22
54%	45%	38%	36%

## GOING FORWARD

While we are currently not on track to meet the 2025 target for wool, we remain committed to increasing the share in our product portfolio.

In the coming year, we will start up a direct-to-farm initiative on wool. We do this to promote supply chain transparency and the approach allows us to trace wool from farm to finished product. Additionally, with this initiative, we get access to primary data and are able to gain insights from the producers on the ground.



# EXTENDING PRODUCT LIFE CYCLE

## INTRODUCTION

We aim to design products that fit into future circular systems, extending their lifecycles.

## APPROACH

To align with the EU Strategy for Sustainable and Circular Textiles, our strategy focuses on designing products that are durable, repairable, and recyclable. However, achieving our climate goals also depends on global policy moving in the same direction - enabling the systemic change needed across the industry.

We are implementing pilots for circular business models that extend product lifecycles and promote resource efficiency. This includes integrating innovative and recycled materials, collaborating across the value chain to minimise waste, and exploring technologies that enable material reuse.

Our current efforts prioritise traceability, pilot recycling initiatives, and support the development of reuse and repair systems.

With our Wear & Care Guide we encourage consumers to care for their garments, extending their usable lifespan. In addition, SELECTED offers local repair service in all the brand's retail stores and JACK & JONES offers repair kits to fix your own jeans.

Addressing circularity, we must treat waste as a resource. Our Textile Waste Policy governs how we manage return and recycling flows. We collaborate with selected manufacturers to support waste segregation and, where possible, facilitate connections with local recyclers. In some cases, we also reuse materials by reintroducing recycled textiles into new garments, taking steps toward closing the loop on textile waste. Damaged unsold goods are sent to a circular solution provider for recycling.



We engage with stakeholders across the biggest EU markets, advocating for standardised legislation on recycled content in products. As part of our involvement in EBCA – European Branded Clothing Alliance and The Policy Hub – Circularity for Apparel and Footwear, a coalition representing over 700 brands, retailers, and manufacturers committed to advancing sustainability in the textile sector, we are preparing for the regulatory changes needed to operate our business and transition toward a more circular setup.

## GOAL

By 2025, we will have tested and implemented circular business models in selected key markets with relevant partners.

By 2025, we will drive forward post-consumer waste and circular infrastructure solutions, engaging in collaborative initiatives to turn waste into valuable resources.

## PROGRESS

In 2024, the Fashion FWD Business Challenge encouraged brands to define a specific project that meets our sustainability strategy and integrate it into operations. Eight brands explored different strategies, including sample reduction, recycled material sourcing, and digitalisation. The challenge concluded in valuable knowledge sharing across brands that should support our efforts to decouple growth from environmental and social impact.

## READY

As part of our collaboration with the READY project, we developed and piloted a new Material Driven Design (MDD) methodology. The approach helps designers select materials based not only on aesthetics and performance, but also sensory and technical qualities, and circular lifecycle potential. The method is currently being tested in SELECTED's knitwear category through co-creative workshops and with potential to serve as a model for future brand-level circular design practices.

## TEXTILE RECYCLING

BESTSELLER is part of the Switch to Upstream Circularity Pilot (SWITCH2CE), supported by Global Fashion Agenda (GFA), BGMEA, and Reverse Resources. The initiative scaled up textile recycling in Bangladesh, capturing over 13,000 tonnes of post-industrial waste and tracing more than 1,300 tonnes all the way to recycling. This reduced reliance on virgin materials and increased recycled material availability for manufactures. 17 of our key suppliers are currently involved, actively tracing waste on the platform. The pilot will continue until December 2025.



RESALE PLATFORM

In 2024, we introduced RE:SELECTED in Denmark, a buy-back initiative to extend the life of clothes and enable them to be worn for seasons to come. Through an online platform, consumers return SELECTED items for a gift card. They will then be part of our pre-loved assortment, available for purchase by new owners rather than ending up as waste or being recycled. One year in, RE:SELECTED forms the foundation for the strategic decisions we aim to make – and have already made – regarding our direction and strategy for more circular business models. In Autumn 2025, RE:SELECTED is planned to expand to two new markets, the Netherlands and Germany.

REDUCING ONLINE RETURNS

The fashion industry faces challenges with high volumes of online returns. Over the past two fiscal years, we made progress in reducing returns, primarily by introducing return fees and switching from pre-printed labels to an online return portal. This shift has enabled better data collection and real-time insights, allowing us to act quickly during the season.

The portal requires customers to state return reasons, eliminating data gaps and giving us item-level insights. This has improved our demand planning and customer experience. For example, if a product is often returned for being too small, we now display a size recommendation directly on the product page. These actions have led to a 4.7 percentage point drop in our return rate.

At our e-commerce logistics centre in Poland, returned products are carefully handled at our repair station make them suitable for resale. Around 98 percent of items are refolded and sealed in new bags, 1.5 percent require minor improvements like steaming and spot cleaning, and 0.5 percent go to outlets. This process helps minimise waste and gives items a second chance.

GOING FORWARD

As we approach the end of our 2025 goals, we acknowledge the progress made in our partnerships and projects. We remain committed to exploring new opportunities and solutions, ensuring efforts continue beyond 2025.

We will also explore the potential of digital tools to support decision-making in the early design stages and assess how circularity KPIs can be integrated into product development systems.

We are preparing for upcoming EU regulations (e.g., Ecodesign) by mapping required product and material data points, enabling designers to meet future requirements on durability, repairability, and material circularity.

PARTNERSHIPS

We actively engage in several partnerships and projects to address textile waste, focusing on innovative technologies and collaborations.

**MATERIAL INNOVATION** — We work with material innovators like Infinited Fiber, RE&UP, Ambercycle and Circ to explore alternatives to conventional fibres and scale those solutions. These collaborations help us test and learn from fibres made from textile waste or recycled inputs.

**SWITCH2CE** — BESTSELLER is part of the Switch to Upstream Circularity Pilot with support from Global Fashion Agenda (GFA), BGMEA, and Reverse Resources. This initiative aims to scale up textile recycling in Bangladesh by tracing and managing post-industrial waste, reducing reliance on virgin materials.

**READY** — The ambition behind READY is to strengthen innovation and competitiveness, enabling both large and small textile companies to realise their growth potential through optimised production methods, new textiles, technologies, design strategies, and circular business models.

**SECTOR COLLABORATION** — This initiative supports an inclusive transition in the textile industry by promoting circular economy principles and more sustainable practices. It strengthens collaboration between Danish and international stakeholders.

**CIRCULAR DESIGN CONSORTIUM** — The aim of the Circular Design Consortium is to accelerate impact and promote consistency across the fashion industry. Together with other peers, we have joined forces on circular design, using the Ellen MacArthur Foundation’s vision for a circular economy in fashion as a shared foundation.

**FASHION FOR GOOD** — We collaborate with Fashion for Good to identify and develop new sustainability pilots and collaborative projects such as exploring biobased polyester alternatives.

**TRACE** — A mission-driven partnership of 90 partners, which aims to support Denmark’s climate targets for plastics and textiles by 2050 through collaborative research and development projects with significant environmental impact potential. As a board member, BESTSELLER contributes its international fashion industry expertise to this initiative, anticipating Trace projects will be part of the foundation for future textile recycling efforts.

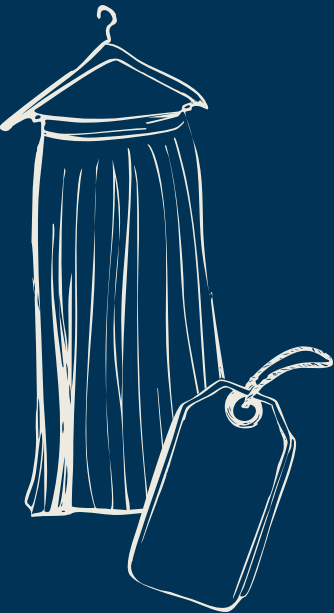
# PRODUCT IMPACT COMMUNICATION

## INTRODUCTION

We all play a vital role in transitioning the fashion industry, encompassing both our company and our consumers.

By engaging with consumers, we can enable them to make more informed decisions regarding their purchases. Effective communication of product impact can foster stronger relationships with our consumers and stakeholders. Conversely, incorrect and/or inconsistent communication may pose risks in terms of loss of consumer credibility.

## APPROACH



To effectively communicate product impact and inform consumers, we need to provide accurate and transparent information. This requires reliable data and a consistent calculation methodology. With the increasing regulation, such as the EU's Eco-design for Sustainable Products Regulation (ESPR), Green Claims Directive, and Product Environmental Footprint (PEF) initiative, we must ensure our data is ready for these standards.

Until a harmonised methodology is well-established in legislation, we will focus on refining our own data and refrain from making product impact claims to avoid the risk of misleading consumers. However, we will continue to provide the appropriate and balanced information regarding the fibres and materials used in our products to guide our consumers. To qualify such messages, we have an internal task force, where legal counsel and specialists in sustainability, marketing, and communication meet every week.

To help drive the industry towards a useful and accepted product footprinting, we advocate for a standardised, science-based, and harmonised approach in the EU for calculating and communicating product impact.

## PROGRESS

This year, our industry was one of the first to get a set of approved Product Environmental Footprint Category Rules (PEFCR) for Apparel and Footwear. This is a big step towards harmonisation and communication of product level impacts. While this methodology supports our data collection efforts and provides much needed guidance, adjustments to the underlying environmental footprinting methodology are needed to support scalability and communication of impact. We are active in these industry-wide discussions and work proactively to provide feedback that supports a scalable revision of the methodology.

## GOING FORWARD

The evolving landscape of product impact communication and legal requirements will demand our attention. We will explore best practices for consumer engagement while assessing our current and future obligations related to our goals. Our involvement in industry discussions, interactions with external stakeholders, and advocacy for comprehensive industry guidance on product footprinting will continue.





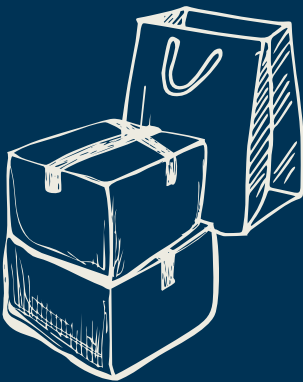
# PACKAGING

## INTRODUCTION

We have moved away from how we previously used plastic and paper-based packaging – towards reusable, recycled, or compostable alternatives.

*Our major usage of paper-based packaging comes from shipping boxes. Using 16 million boxes annually, this amounts to over 7,000 tonnes of material.*

## APPROACH



Our Paper-Based Packaging and Plastic Packaging policies define our approach to achieving our goals. These policies encompass all types of packaging, aiming to reduce consumption. They prioritise recycled mono-materials and support high-quality recycling.

A key method to reduce our consumption of plastics and packaging and to support innovation of new materials is to set up design criteria. These criteria constitute our BESTSELLER policy for plastic packaging which covers all our activities from sourcing from our suppliers to selling to our wholesale, retail, and e-commerce customers.

For our paper-based packaging materials, the design criteria help optimise the quality and quantity of packaging that can be reused, recycled, or composted, reducing CO<sub>2</sub> emissions and waste.

Additionally, these criteria reflect our support to Ancient and Endangered Forests and ecosystem protection as stated in our Forest Protection Policy.

We continuously update our policies to align with the European Union's latest legislation. Read more about the specific updates to our packaging policies prompted by Regulation (EU) 2025/40 on packaging and packaging waste, in the section on progress.

We are a part of leading international initiatives such as Canopy Pack4Good, Fashion for Good. Through these, we gain more knowledge and collaborate in finding alternative solutions to packaging. We understand that to solve these challenges related to packaging resources, a systemic change, involving collaboration with other industries, is needed.

## GOAL

By 2025, all consumer-facing packaging will be 100 percent reusable, recyclable, or compostable.

By 2025, we will have phased out single-use virgin plastic wherever possible.

## PROGRESS

As a result of our efforts, we have reached our 2025 targets, and we managed to increase our share of post-consumer waste as feedstock for packaging significantly. Our work with improving packaging solutions is always ongoing.

In 2025, we updated our packaging policies and introduced two new policies on trim materials, focusing on using only mono-materials for trims. These policies for plastic and metal trims align with our core values and industry best practices. Field studies and close collaboration with stakeholders helped shape these policies, which are available on our [website](#).

Significant adjustments to our existing policies include transitioning all paper-based packaging to 100 percent Forest Stewardship Council-recycled FSC-recycled by 2026. By 2028, our plastic packaging will primarily use post-consumer waste, with polybags requiring 100 percent post-consumer waste.

Our design criteria aim to secure eco-modulated discounts for packaging materials distributed within Denmark and the EU.

We continuously enhance the volume and quality of recycled packaging, ensuring all plastic materials, including clips, are made from recycled sources and designed for high-quality recycling.

## GOING FORWARD

The next important step for BESTSELLER is to support high-quality recycling via sorting, collecting, and recovering of paper-based packaging material used in our distribution, e-commerce, and retail operations.

We will adopt best practices, including researching and applying emerging and circular economy innovations. We will do so by collaborating on recycling infrastructures across our key markets and with external experts, stakeholders, and peers.

We are monitoring best packaging practices and European Union legislation on packaging and deforestation. Following this, we will adjust our plans and policies accordingly.



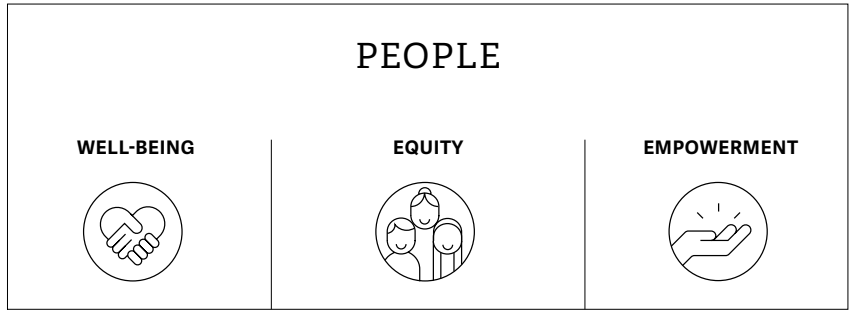
# PEOPLE IN OUR VALUE CHAIN

171	Human rights in our supply chain
176	Occupational health & safety
181	Gender equity in our supply chain
184	Social dialogue and grievance mechanisms
190	Our people
194	Diversity and inclusion at the workplace



BESTSELLER is dedicated to positively impacting our own colleagues, the people working in our supply chain, and the communities where we operate.

We aim to promote dignity, equality, and safe working conditions throughout our value chain. This chapter outlines our approach to human rights, safer working conditions, social dialogue, and gender equality policies for colleagues and suppliers.



# HUMAN RIGHTS IN OUR SUPPLY CHAIN

Our business depends on people worldwide to design, make, transport, and sell our products.

## INTRODUCTION

BESTSELLER strives to uphold human rights across our value chain, adhering to the International Bill of Human Rights, ILO core conventions, UN Guiding Principles on Business and Human Rights, and OECD Guidelines for Multinational Enterprises. We focus on human rights issues with the highest risk of adverse impact, aiming to enhance the well-being of those in our supply chain.

We recognise that our supply chain is complex and not without risks. While we strive to uphold high standards, we understand that challenges persist and that our efforts must continuously evolve. We focus on human rights issues with the greatest potential for adverse impact.

## APPROACH

We adopt a consistent and holistic approach to supply chain management. We assess human rights risks, focusing on issues like forced labour, health and safety, gender-based violence, discrimination, labour rights, freedom of association, migrant labour, wage monitoring, working hours, and high-risk regions.

Respecting human rights in our supply chain starts with understanding the risks. We build management and oversight into our partnerships, fostering transparency, trust, and continuous improvement. Factory assessments are essential but not the only tool we use. We develop tailored trainings and initiatives to help factories manage their workforce in a way that aligns with our values, beyond legal requirements.

SUPPLIER SUSTAINABILITY  
EVALUATION

In addition to factory-level efforts, BESTSELLER supports farmer-level programmes that integrate social aspects into cotton production. These initiatives, such as regenerative cotton projects in India and CmiA-Organic in Africa, focus on improving livelihoods, promoting gender inclusion, and facilitating decent working conditions for smallholder farmers. Through partnerships with organisations like IDH and OCA, BESTSELLER provides training, premium payments, and digital traceability tools.

BESTSELLER is committed to preventing modern slavery and human trafficking in our supply chain. To meet the requirements of national due diligence legislation, such as the UK and Canadian Modern Slavery Acts and the Norwegian Transparency in Supply Chains Act, we produce separate annual statements on our [website](#), to ensure compliance with these requirements.

BESTSELLER assesses the saliency of human rights risks in our supply chain based on severity, scope, and irremediability through an annual salient human rights risk identification process. We focus on the most significant risks and continuously review our policies and methodologies for managing those risks.

Collaborating with suppliers and workers, we leverage dispute resolution mechanisms and industry initiatives to mitigate impacts and promote ethical practices.

Our Social & Labour Requirements address risks within tiers 0 and 1 of our supply chain, supported by dedicated teams, programmes, and training. This multifaceted approach enables us to manage risks effectively and support individuals' well-being throughout our supply chain.

A supplier and their respective factory-level human rights assessments contribute 50 percent to the Supplier Sustainability Evaluation.

A high rating in the Supplier Sustainability Evaluation indicates that a supplier is actively working to reduce human rights risks at production level. It reflects robust internal systems, commitment from leadership, and strong processes to manage key risks.

Read more about our Supplier Sustainability Evaluation on page 90.

POLICIES

We have policies to address human rights risks and establish mitigation actions. Find all supply chain related policies on our [website](#).

Human Rights  
Policy

We commit to respecting and promoting human rights across our value chain. The policy is grounded in international standards such as the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and ILO core conventions.

Code of  
Conduct

Defines the ethics and behaviour that is expected throughout the supply chain and directed at any supplier and their subcontractors and/or factories, who manufacture products for BESTSELLER.

Child Labour  
Policy

We firmly reject child labour and will not partner with suppliers who engage in it. We demand robust systems to prevent child labour in all the production facilities.

Forced Labour  
Policy

Recognising the risk of forced labour, we collaborate with worker representatives to develop a clear policy outlining our expectations and processes to prevent, protect, and mitigate this risk within our supply chain.

Home-working  
Policy

We acknowledge homeworkers as legitimate workers and require suppliers to comply with legal requirements when employing them.

Responsible  
Offboarding Policy

When ending partnerships, our Responsible Offboarding Policy aims to support suppliers in upholding worker rights and minimising negative impacts on employees.

Unauthorised  
Subcontracting Policy

To ensure adherence to our Code of Conduct, we require full transparency regarding all factories and subcontractors involved in our product manufacturing. Unauthorised production is strictly prohibited.

Gender Identity-Based  
Violence Policy

This policy addresses the heightened risk of harassment, abuse, and other forms of violence faced by individuals based on sex, gender identity, or expression.

Migrant Labour  
Policy

This policy, developed in collaboration with the UN's International Organisation for Migration (IOM), outlines BESTSELLER's expectations and requirements for suppliers regarding the treatment of migrant workers.



PROGRESS

During the financial year 2024-25, we identified and solved hundreds of minor non-compliances at factory level and conducted 170 in-depth investigations into allegations of critical non-compliance with our supply chain requirements.

These investigations address allegations of potential or actual critical factory-related violations and may trigger escalation procedures.

This financial year, the largest escalated case categories which occurred were wages & benefits (29 percent), employment practices (15 percent), employment treatment (11 percent), worker unrest (nine percent), and unauthorised subcontracting (eight percent).

The case resolution data is as follows: 52 percent of cases investigated were dismissed after the investigation found no evidence of violation, 16 percent of cases had been closed as of 31 July 2025, and the remaining cases are still under investigation or resolution at the time of reporting.

The cases were raised via the following channels: 28 percent came from BESTSELLER (through the factory standards programme or colleagues), 25 percent from media, 24 percent from the Accord/RSC – of which 62 percent were non-OHS cases – 10 percent from other sources, five percent from international NGOs, four percent from factory representatives, three percent from unions, one percent from local NGOs, and one percent by anonymous complaint.

Read our updated Supply Chain Due Diligence Report 24/25 for more information and resolution data on minor, major and critical Code of Conduct non-compliance cases.

Garment workers in a factory in Bangladesh specialising in jeans production.



GOING FORWARD

Improving factory conditions is not a one-time exercise. Risks evolve, and so must our response. At BESTSELLER, we continuously update our policies and assessment tools to reflect emerging issues, shifting risk profiles, and lessons learned from the ground.

We collaborate with suppliers and factory managers to support continuous improvement and engage with local and international stakeholders, including unions, NGOs, and subject-matter experts, to ensure we are monitoring the right issues and addressing the concerns that matter most to workers.

By keeping our systems responsive and grounded in real-world insights, we aim to uphold human rights not just on paper, but in practice.



We piloted Ulula’s grievance tool in four factories in Myanmar, providing access to raise concerns and help drive progress. Read more on page 186.

# OCCUPATIONAL HEALTH & SAFETY



## INTRODUCTION

At BESTSELLER, we are committed to building a supply chain where safety, health, and dignity are protected.

Occupational Health and Safety (OHS) is a fundamental human rights issue in the apparel industry, encompassing not only physical safety but also well-being and protection from harassment and discrimination.

## APPROACH

We take a comprehensive approach to risk prevention, focusing on structural, fire, and electrical safety, as well as promoting worker well-being including mental health and social protections. Occupational health and safety rights entail employers' responsibility to identify and mitigate workplace risks, provide necessary training and protective equipment, and establish procedures for reporting and addressing hazards.

Promoting safe and healthy working environments remains a core priority. We advocate for stronger industry mechanisms to support safe workplaces in the garment industry and mitigate the risk of workplace accidents within our supply chain.

We collaborate with trusted partners, local experts and universities, and our on-site sourcing office teams to monitor safety risks, support remediation, and improve factory resilience.

At factory level, our approach to promoting OHS is enshrined in our supply chain policies and monitored through the Factory Standards Programme. We assess workplace health and safety precautions and HR systems to uphold and protect workers' rights. Identifying health and safety risks is a key part of our Social & Labour requirements.

BESTSELLER takes any indication of unsafe working conditions extremely seriously. When concerns are identified, they prompt immediate investigation and engagement with the supplier and factory management to address the issue. Our approach prioritises corrective and preventive action and long-term improvement.

To address OHS risks at a broader industry level, we are signatories to the International Accord for Health and Safety in the Textile and Garment Industry. Additionally, BESTSELLER is represented on the board of the Accord. This legally binding agreement promotes worker safety through inspections, training, and complaint mechanisms in Bangladesh and Pakistan. In Bangladesh, we work with the RMG Sustainability Council (RSC), and in Pakistan, with the Pakistan Accord team to monitor, mitigate, and remediate OHS risks at the factories.

BESTSELLER responds to and addresses all complaints raised at our factories. Any critical findings are reported publicly on the Accord website and our own Incident Log. Additionally, any concerns raised through the Accord's whistleblowing line that fall outside the Accord's scope are addressed by our local Social & Labour team.

Read more about the Factory Standards Programme on page 88.

*Supporting safe and healthy working conditions for female garment workers in Bangladesh - a key focus in our supply chain efforts.*





PROGRESS

PAKISTAN

This year, progress was made in rolling out the Pakistan Accord. While Accord teams on the ground led the implementation, BESTSELLER supported by facilitating engaged suppliers that understand both the process and benefits.

We are also monitoring the upcoming launch of the Pakistan Accord’s grievance mechanism, which is a crucial tool for identifying and resolving workplace concerns going forward.

BANGLADESH

The Bangladesh Accord continues to make progress, now incorporating a focus on boiler safety. This area is complex and technical, presenting significant risk, and its implementation has faced challenges. Nonetheless, we are committed to supporting the programme and its ambition to make Bangladesh’s garment sector even safer and a mark of high health and safety standards.

In 2025, we have an average RSC-verified remediation rate of 87 percent, and 88 percent of factories in Bangladesh have completed safety training.

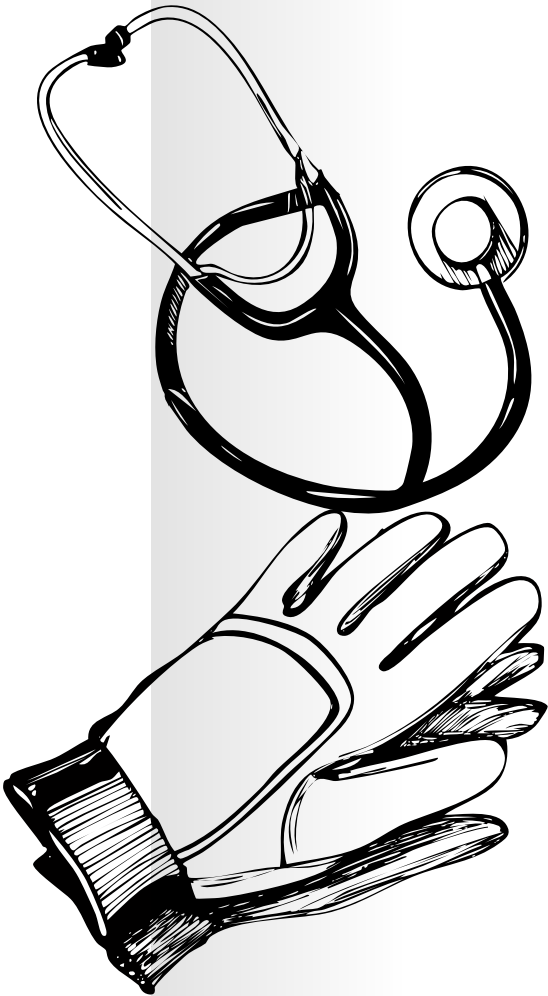
<i>Average RSC-verified remediation rate:</i>	<i>Factories completed safety training:</i>
87%	88%

TÜRKIYE

After the 2023 earthquake, BESTSELLER conducted structural safety assessments of all our suppliers' buildings. To ensure a collective effort, we partnered up with other brands across the sector and a local university in the design of our approach.

MYANMAR

In February 2025, Myanmar experienced an earthquake. Although our factories are located in Yangon, which was not directly affected, we have applied the same level of caution and integrated earthquake related risk into our due diligence procedure.



INDIA

SOCIAL PROTECTION AWARENESS AND ACCESS

Social protection is broader than OHS, covering everything from medical benefits and maternity leave to workplace injury compensation and education subsidies. In Pakistan, we are in discussion with national stakeholders and other international brands to create solutions that strive for 100 percent of workers at tier 1 suppliers are enrolled in all legally required social protection schemes. Additionally, we are rolling out awareness materials and training, including education on how to access these rights and entitlements. We are also exploring the integration of social protection awareness into factory grievance systems, with tailored materials for high-risk worker groups.

In Bangladesh, we continue to support the ILO’s Employment Injury Scheme, which provides compensation and medical support for injured workers. This year, the scheme has been expanded to include commuting accidents, a key milestone in national level social protection infrastructure.

SUPPORTING MIGRANT WORKERS IN INDIA

In October 2024, we concluded the Migrant Workforce Well-being project, supported by BESTSELLER and implemented by Upfront, aimed to improve the inclusion and welfare of migrant workers across five garment factories in India. Through a three-phased framework (research, programme design, and implementation), the project addressed key barriers such as limited access to social protection, language barriers, and inadequate grievance systems.

The initiative resulted in the establishment of multilingual help desks, policy translations, inclusive committee reforms, and capacity-building sessions on gender equality and workplace rights. Over 230 workforce champions were trained, reaching thousands of workers and significantly improving awareness around social security and sexual harassment prevention.

GOING FORWARD

Our health and safety work will continue to evolve, focusing not only on remediation but on building long-term resilience across sourcing regions.

In the coming year, we will support the continued implementation of the Pakistan Accord, including the rollout of its grievance mechanism. Additionally, we will engage actively in the boiler safety expansion in Bangladesh, supporting suppliers through technical complexity.

It is important to note that OHS is not a single solution – it is a process of strengthening systems, identifying gaps, and making space for continuous learning.

*BESTSELLER's Social Impact & Responsibility Manager, Andrei Vasiliev, joined a panel discussion focused on fair wages, gender equality, and freedom of association in the Best of Bangladesh event in the Netherlands.*



GENDER EQUITY IN OUR SUPPLY CHAIN

INTRODUCTION

We are committed to promoting equal opportunities and responsibilities for women across our suppliers globally.

Although we acknowledge that sourcing countries have different cultural heritage related to gender, influenced by local and legal context, our expectation is that our suppliers treat all individuals with fairness, provide everybody equal access to opportunities, and safeguard everyone from discrimination and harassment.

APPROACH

In accordance with our Code of Conduct, we require that all suppliers and their factories ensure non-discrimination and harassment-free workplaces. This is monitored through our Factory Standards Programme. Additionally, we enrol suppliers and their factories in workplace initiatives aimed at mitigating gender-based discrimination and harassment, while addressing broader cultural inequities prevalent in our sourcing countries.

Previously, our gender-related efforts were focused on targeted projects. Currently, we are integrating gender considerations across all aspects of our human rights due diligence. This transition acknowledges the often underrepresented voices of women in traditional factory

assessment processes and emphasises the necessity of actively designing inclusive methods to identify and address risks.

We collaborate with our partners - RISE (Bangladesh, Cambodia, China, India, Pakistan), ACEV (Türkiye), and Phulki (Bangladesh) - to deliver women empowerment programmes. These programmes are designed to enhance impact, and promote equality for female workers in global garment and footwear supply chains. The programmes are tailored to each country's specific needs and languages, addressing various topics such as health, digital tools, financial planning, workplace respect, and leadership development.



GOAL

By 2025, all women employed with our strategic suppliers will have access to resources for informed decision-making on health and professional development.

PROGRESS

We achieved our 2025 target of all women working with strategic suppliers now having access to health-related resources and professional development. In total, our gender-focused programmes have reached over 225,000 women in our supply chain - an increase from 200,000 women the year before. In the financial year 2024–25, more than 45,500 women were reached through gender-based programmes, covering both new initiatives launched this year and programmes that continued from previous years.

Percentage of strategic suppliers with access to health-related resources:

2024-25	2023-24
100%	83%
+ 225,000	200,000

Number of women in our supply chain reached through our women empowerment initiatives:

In 2024-25, we began embedding gender-responsive due diligence into our broader assessment framework. This includes a country-specific strategy for each of our major sourcing regions, acknowledging that gender-related risks present differently depending on local contexts.

For example, in Pakistan, we are exploring the barriers women face in accessing social security. In Türkiye, following the 2023 earthquake, we are supporting mental health initiatives and upskilling efforts tailored to women’s resilience and recovery.

In Bangladesh, we expanded our partnership with Phulki to strengthen childcare services at the factory level, addressing the risks of undue stress on women working in Bangladeshi factories related to childcare duties and worries. In 2024, pilots were launched with GMS Textile and AKM Knitwear, where Phulki provided needs assessments, caregiver training, and operational support.

As of summer 2025, the programme has been rolled out to nine factories, with the goal of improving safe, supportive childcare environments for working parents.

In Türkiye, we supported a mental health resilience programme beyond our direct supply chain, in collaboration with Öz İplik-İş Union, Asos, and other stakeholders. The programme reached 397 women in three factories in Malatya and Şanlıurfa. Activities included psychological support sessions, art therapy workshops, and awareness training on labour rights and gender equality. Feedback from participants highlighted increased emotional well-being and confidence after the sessions.

“By supporting the psychological well-being of workers, promoting gender equality, and raising awareness of labour rights, we hope to contribute to safer and more resilient factories.”

Seçil Orhan

Social & Labour Manager  
for EMEA, BESTSELLER

RISE RESPECT PROGRAMME

Out of the programmes that BESTSELLER collaborates on with BSR through the RISE initiative, the RISE Respect, the RISE Respect programme specifically tackles gender-based violence and harassment by promoting a safe and inclusive workplace culture through awareness-raising, behavioural training, and structured dialogue between workers and management. In doing so, the programme aligns with BESTSELLER's women empowerment goal by strengthening workplace policies, amplifying women’s voices, and fostering systemic change across supply chains.

During 2024–25, the programme reached 14,535 workers, including 9,744 in factories in Bangladesh. Of these, 7,402 were female workers, with 4,478 based in Bangladesh.

GOING FORWARD

Embedding gender-responsive due diligence is a long-term commitment. Our approach involves listening differently, acting earlier, and designing systems that include often-overlooked voices. Over the next year, we aim to deepen this integration by continuing to implement country-specific gender strategies across our sourcing regions, reflecting the distinct risks women face in different contexts.

Additionally, we will pilot and refine our voluntary gender self-assessment tool to support suppliers in evaluating and strengthening their own systems, policies, and services for gender inclusion. We will develop and implement context-driven gender-focused initiatives across our sourcing network.



# SOCIAL DIALOGUE AND GRIEVANCE MECHANISMS

## INTRODUCTION

Social dialogue and effective grievance mechanisms are essential for respecting workers' rights. They create the conditions for early issue resolution, trust, and shared accountability between workers, factory management, and brands.

Effective social dialogue is essential for bringing together the perspectives of factory workers and management in the decision-making process. It serves as a crucial mechanism for encouraging workers to address a wider range of human and labor rights issues, including but not limited to discrimination, occupational health and safety, sexual harassment, gender-based violence, wages, and working hours.

## APPROACH

We engage with factory management to foster healthy dialogue between workers and managers. Our social impact programmes raise awareness among workers, suppliers, and brands about the benefits of social dialogue and dispute resolution mechanisms.

*Workplace Dialogue and Productivity Programme in Türkiye and the graduation ceremony that followed the completion of the programme.*



## GRIEVANCE MECHANISMS



BESTSELLER requires all factories to establish and maintain factory-level grievance mechanisms that are accessible, transparent, and fair. Labour disputes are best resolved as close to their origin as possible, through robust factory management systems and workplace structures such as Workplace Coordination Committees and other accepted social dialogue mechanisms.

Addressing disputes at this level helps ensure timely and context-specific solutions. However, when these mechanisms prove insufficient or fail to achieve resolution, we actively support further action by engaging with relevant stakeholders, making use of credible alternative labour dispute resolution mechanisms, and working in close collaboration with rights holders to ensure fair and rights-respecting outcomes.

We work across three simultaneous directions that construct a multi-layered grievance framework: factory-level mechanisms, monitored on-site by BESTSELLER regional teams, country- or industry-level mechanisms such as the International Accord's grievance systems, and BESTSELLER-level grievance channels used in exceptional or unresolved cases.

In all cases, our goal is to facilitate that workers not only have access to these systems but feel safe and confident in using them.



PROGRESS

As every year, we report the number of escalated cases handled, categorised by type. Read more on page 174 for specific data. Also read our Global Supply Chain Due Diligence Report for a comprehensive overview of this data for FY24-25.

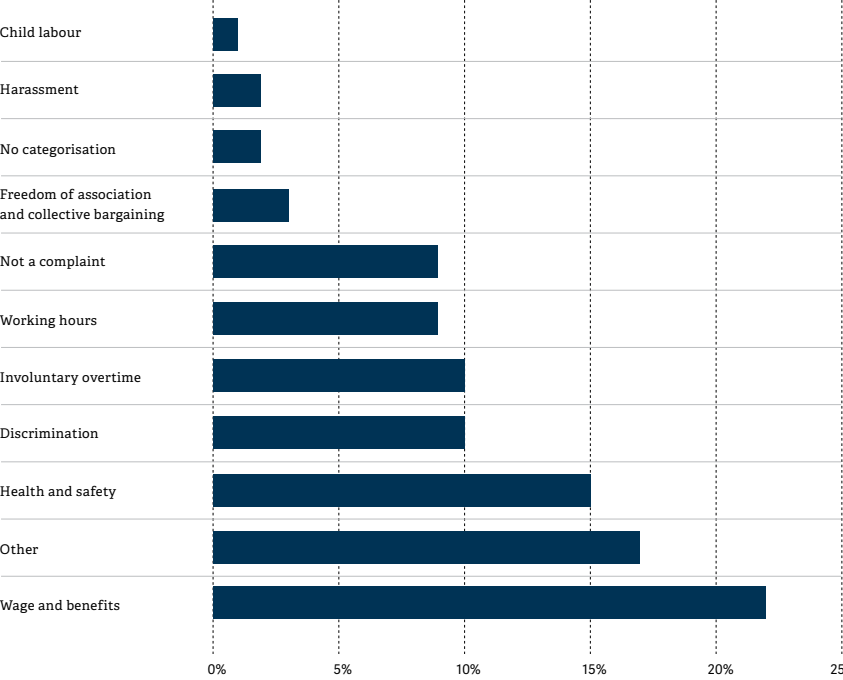
TÜRKIYE PILOT:  
Strengthening Factory-Level  
Grievance Systems

We have also launched a pilot project in Türkiye in collaboration with MUDEM to implement an online complaint and information-sharing mechanism in line with the UN Guiding Principles. Ten factories were chosen based on risk and worker demographics. Factory workers will be able to report labour rights violations or other related issues through the website, request consultations, and make notifications anonymously or by sharing personal information. The pilot duration is 12 months ending by the end of 2025, with the current number of reach-outs counting 19, most of which are consultations.

DIGITAL CHANNELS:  
Ulula Rollout

To provide workers with opportunities to raise their concerns, we piloted Ulula's grievance reporting tool in four factories in Myanmar this year. The tool is now operational in these factories, providing 3,703 employees with confidential, round-the-clock access to report concerns. Cases are tracked by a factory-based Ulula-trained case manager and are monitored by BESTSELLER, with best practice guidance provided for factories. BESTSELLER intervenes in high-risk or unresolved cases. Ongoing engagement with factory representatives, union partners, and management has been essential to reinforcing the confidentiality and security of the platform.

Ulula Grievance Mechanism.  
Categories of cases reported  
in percentage:



SOCIAL DIALOGUE THROUGH  
REPRESENTATION

We continue to support the strengthening of worker–management dialogue structures, with a focus on promoting the inclusion of vulnerable worker groups such as piece-rate workers (PRWs).

In 2024, PRW presence and risks began being mapped in Pakistan, with a goal to ensure PRWs are represented on worker committees. Models for training and peer-led learning to improve representation and participation at the factory level are being explored.

Dedicated workstreams focused on social protection awareness were also launched in Pakistan and India, ensuring workers know their rights and entitlements – including how to raise concerns if these are not respected.

GOING FORWARD

Recognising that a grievance mechanism is only effective if workers feel safe using it and if it results in fair, timely, and meaningful resolution, we plan to scale up the Türkiye pilot in the coming year. This will involve incorporating worker feedback and extending the UNGP-aligned approach to more factories.

Additionally, we will expand the use of digital grievance reporting tools across more sourcing regions, strengthening trust through continuous training, communication, and simplified reporting tools.

We aim to finalise our strategy to support PRW inclusion in dialogue structures in Pakistan, using pilot findings to inform a broader rollout. Continuing to invest in gender-sensitive training and communication is crucial to ensure that grievance systems are not only universal but equitable.

Furthermore, we will support the upcoming rollout of the Pakistan Accord’s grievance mechanism, which serves as a key tool for scalable, third-party resolution in one of our most important sourcing regions.







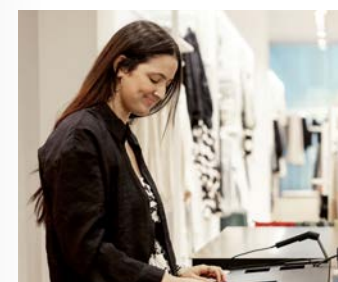
# OUR PEOPLE

## INTRODUCTION

At BESTSELLER, we have expanded from a single retail store to a global network of 25,000 colleagues bound together by our shared commitment to nearness.

Despite our growth, our culture rooted in family ownership, trust, and respect remains essential. Fairness, opportunities, and a sense of responsibility are central to our vision. We treat each other like family, valuing diversity and creating an inclusive environment for professional and personal development.

While we prioritise business performance and results, we also recognise the importance of personal growth and fostering meaningful human connections.



## APPROACH

Our colleagues are our most valuable asset. We are dedicated to nurturing an environment where all colleagues can excel, ensuring that we remain a desirable workplace while creating value for our stakeholders.

We promote a culture that prioritises initiative and responsibility. At BESTSELLER, everyone shares the duty of creating a positive and productive work environment.

We aim to inspire and promote physical and mental well-being through social events and activities. We motivate colleagues to make informed health choices, engage departments in supporting mental health, and build a supportive work environment.

Our biannual global employee engagement survey, Our People's Voice (OPV), enables colleagues to voice their opinions and help shape the workplace.

We invest in our colleagues' development through the BESTSELLER Academy, offering diverse training programmes from entry-level like Apprentice and Business Trainee Programmes, via Specialist Programmes to leadership. Our training philosophy focuses on empowering colleagues to succeed in their roles. We also support local talent programmes and educational institutions to secure a strong pipeline of future talent.

Our Leadership Pipeline programme is designed to identify and enhance the values that leaders offer, analyse their time management practices, and develop the skills necessary for them to effectively support their teams. Based on these insights, we have created a comprehensive training programme aimed at colleagues in managerial positions, enabling them to further refine their leadership abilities. Fairness, opportunity, and responsibility are fundamental to our company.

A CULTURE OF RESPECT

Our founding principles guide everything we do, from how we treat each other to how we conduct business. As a family-owned company we base our relations on trust, respect, honesty, and dignity.

All colleagues should feel safe and secure at work. Harassment is a risk associated with any workplace. Any form of harassment, bullying, intimidation, or discrimination is not tolerated. Our Stand Together Against Harassment Policy and Code of Ethics outline our approach to these matters.

BESTSELLER Germany celebrating diversity, represented at Christopher Street Day, an annual reminder of the fight for LGBTQIA+ rights.



PROGRESS

We strive to make BESTSELLER a better workplace by focusing on the entire employee lifecycle, including Our People’s Voice, onboarding, and exit surveys. Since 2023-24, we have gathered data on onboarding experience and reasons for leaving us. This helps us improve retention, ensure positive onboarding experiences, and predict departures. Investing in onboarding and offboarding processes can help create a supportive environment, which may contribute to improved retention and productivity.

OUR PEOPLE’S VOICE

In March 2025, more than 78 percent of recipients responded to Our People’s Voice (OPV), which was rolled out to all markets globally. The engagement score for the survey was a satisfactory 80 points, compared to 78 point last year. With responses from more than 11,000 colleagues and 27,000 comments received, colleagues made their voices heard clearly.

Our People's Voice  
engagement score:

2025	2024
80 points	78 points

HEALTH WEEK

At BESTSELLER, employee health and well-being are essential to our success. In Autumn 2024, we launched BESTSELLER Health Week, a week-long initiative open to all colleagues in Denmark, regardless of their role or location.

BESTSELLER Health Week featured centrally organised activities and talks on body, mind, and nutrition, accessible both in person and via livestream. Participation was encouraged across all departments, fostering a healthier and more supportive work environment for everyone.

TRAINING AND SKILLS DEVELOPMENT

Our colleagues without managerial roles make up about 90 percent of BESTSELLER, making their development a high priority. On our digital training platform FUSE, self-studies on topics like planning, feedback, language training, using AI, and applying SMART goals are available globally.

In Spring 2025, we launched two development tracks for non-managerial colleagues, namely the Specialist Transition Programme (STP) and the BESTSELLER Specialist Programme (BSP). The STP serves as the foundational step in the Specialist development journey, helping participants understand their role as Knowledge Experts or Knowledge Leaders and equipping them with the mindset and tools needed to succeed. Building on this, the BSP offers a more extensive, hands-on learning experience focused on applying the Specialist Standards in real business contexts.

Together, STP and BSP form a comprehensive education pathway for Specialists at the Leading Self level of the Leadership Pipeline. The BSP is open to specialists across BESTSELLER globally who have completed the STP and are ready to deepen their expertise and broaden their impact.

During 2024–25, more than 1,200 colleagues participated in on-site training sessions offered by BESTSELLER Academy. In addition, many more engaged in online trainings and self-study through our digital learning platform, FUSE, reflecting a strong commitment to continuous development across hybrid learning formats.

GOING FORWARD

Efforts will be made to improve response rates for Our People’s Voice, particularly among retail colleagues. Furthermore, we aim to expand the global reach of our development programmes for specialists.

For the first time, our Health Week in Autumn 2025 is a global event.



# DIVERSITY AND INCLUSION AT THE WORKPLACE

## INTRODUCTION

A diverse workforce and an equitable and inclusive work environment are crucial for our global competitiveness and innovation.



Addressing diversity, equity, and inclusion inadequately poses a risk concerning employee conditions. Consequently, we focus on promoting an inclusive work environment that creates a safe and welcoming bases for a diverse workforce. Our colleagues contribute a vast array of backgrounds and perspectives, shaping strong values and positive outcomes. We believe in fair opportunities for all.

## APPROACH

Our Diversity, Equity, and Inclusion Policy (DEI) and Code of Ethics underpin our strategy. The DEI policy delineates BESTSELLER's dedication to cultivating a more diverse, equitable, and inclusive workplace. Our vision, "One World, One Philosophy, One Family," guides our efforts in recognising individual differences while nurturing a sense of belonging for all colleagues.

We are a signatory to the Diversity Pledge of Confederation of Danish Industry, the leading association of businesses in Denmark. The pledge supports a joint mission of a more diverse, equal, and inclusive work environment for everyone on every level in organisations across Denmark and beyond.

With our global DEI policy and action plan towards 2026, we are committed to engaging all colleagues in conversation on DEI, to foster knowledge and understanding on the topic. We are particularly committed to creating a strong and constructive link between local DEI initiatives in our markets, brands, and functions, and those on a global level. Furthermore, we are developing and implementing tools for teams and leaders to build an inclusive work environment

Our DEI Steering Committee with five members of our top management are set to ensure the necessary business input and feedback to current and future DEI initiatives. The group meets approximately every quarter.

*Three colleagues from our DEI Ambassador Network, launched in 2024–25 to support local inclusion efforts across brands, markets, and functions:*

*Mihai Ursu, 3D Lead & Team Lead, PIECES (top right).*

*Eylül Tekin, Learning & Development Responsible, Türkiye (left).*

*Mai Trinh, E-commerce & Marketing Manager, Canada (bottom right).*



PROGRESS

In 2024-25, a new initiative was the establishment of the DEI Ambassador Network with over 30 ambassadors that represent our markets, brands, and functions. Through the network, the DEI Ambassadors receive training on key aspects of DEI, gain inspiration from local DEI initiatives, and draw on expertise from their local PEOPLE team.

Two new questions have been added to the OPV focusing on an inclusive work environment. One question addresses psychological safety, exploring whether individuals feel comfortable speaking their minds without fear of negative repercussions. The other question concerns non-discrimination, investigating if the workplace environment is free from harassment and discrimination. Together with the other questions in Our People’s Voice, we are gaining valuable insights for our DEI work in the future.

To promote inclusive work environments, we have also launched a new Psychological Safety Team Training. The training is self-facilitated and provides teams with the opportunity to learn more about psychological safety, its benefits and how to promote it in a team setting.

GENDER COMPOSITION ON GROUP LEVEL

We have set a target for the gender composition for the top leaders on BESTSELLER group level. Top leaders are defined as the CEO and the CFO in BESTSELLER A/S and their direct reports across the BESTSELLER Group. It is our ambition that by the end of 2029-2030, 40 percent of all top leaders are women. Overall, there are currently 34 top leaders in the BESTSELLER Group, of whom 24 are men and 10 are women. This means 29 percent are women.

Due to organisational changes, a few females left the top leader group. Additionally, the group of top leaders got smaller, which means that every female leaving this group has a bigger impact on the overall number. The size of the group went from 42 last year to 34 this year.

GOING FORWARD

We are currently developing an Inclusive Leadership Training, which we will be implemented in the next years to come. We are committed to enabling our leaders to support an inclusive work environment in their teams and to creating conditions where everyone at BESTSELLER can thrive. Additionally, we will be launching a Senior Policy in Denmark aimed at helping colleagues close to retirement age to stay longer in the workplace.

GENDER COMPOSITION OF MANAGEMENT — BESTSELLER A/S

*Under section 139 (c) of the Danish Companies Act, BESTSELLER A/S, parent company of the BESTSELLER Group, is subject to the rules on target figures and policies for the gender composition of management. Although the reporting requirement pursuant to section 99b of the Danish Financial Statement Act has been repealed, we have chosen to report on the gender composition in BESTELLER A/S nonetheless.*

BOARD OF DIRECTORS

The Board of Directors of BESTSELLER A/S consists of five members – three men and two women, one of whom is chair of the Board. Therefore, there is an equal gender composition on the Board of Directors at BESTSELLER A/S.

OTHER MANAGEMENT LEVELS

Based on section 139c (4) of the Danish Companies Act, “other management levels” include the two management levels below the Board of Directors.

- Level 1: Executive Board: Anders Holch Povlsen, CEO, and Thomas Børglum Jensen, CFO (resigned August 31 2025.)
- Level 2: Managers directly reporting to the Executive Board.

At the end of FY 2024-25, the “other management levels” in BESTSELLER A/S consists of four women and 17 men. This means 19 percent are women, and therefore there is currently not an equal gender composition at “the other management levels”. In 2023-24, 22 percent were women, and the result this year therefore shows a decrease.

Our ambition is that by the end of FY 2029-30, we will reach a gender composition of at least 30 percent women on “other management levels” for the legal entity BESTSELLER A/S.

To increase the number of women at the “other management levels”, BESTSELLER A/S has a Gender Balance Policy that includes actions, such as having female leaders serve as role models, monthly reporting on the gender diversity to the top management, intensified search for qualified female candidates for open positions on highest management levels, clearly defined leadership standards for all leadership levels, and training on unconscious bias and the effects of them on recruitment and people reviews, etc. All actions listed above have continuously been carried out in the FY 2024-25.

The Gender Balance Policy is supplemented by our general DEI policy and action plan that outline our strong belief in and commitment to having a diverse workforce and an inclusive work environment. Read more about our general work on Diversity & Inclusion on page 194. Once we have reached the target figure of 30 percent, we will reevaluate and set the next milestone until we have reached an equal gender composition on “other management levels” in BESTSELLER A/S.



OVERVIEW 2024–25

Gender composition  
BESTSELLER Group:

TOP MANAGERS – BESTSELLER GROUP	TOTAL NUMBER 34
Number of women	10
Number of men	24
Gender distribution in % (women/men)	29/71
Target figure in %	40
Year of fulfilment of target figure	2029-2030

Gender composition  
BESTSELLER A/S:

BOARD OF DIRECTORS – BESTSELLER A/S	TOTAL NUMBER 5
Number of women	2
Number of men	3
Gender distribution in % (women/men)	40/60
Target figure in %	N/A (equal representation)
Year of fulfilment of target figure	N/A
OTHER MANAGEMENT LEVELS – BESTSELLER A/S	TOTAL NUMBER 21
Number of women	4
Number of men	17
Gender distribution in % (women/men)	19/81
Target figure in %	30
Year of fulfilment of target figure	2029–2030

An internal interview series titled ‘SHE/HER/LEADER-SHIP’ features female colleagues in top-level management positions:

Pictured here is Michelle Lam, Managing Director, Global Supply Chain, Hong Kong (top left).  
Mette Christensen, Buying & Design Director, JACK & JONES (top right).  
Thilde Mynte Andersen Skovgård, International Brand Identity Manager, VERO MODA (bottom left).  
Elke Jungbauer, Country Commercial Manager, UAE+ (bottom right).

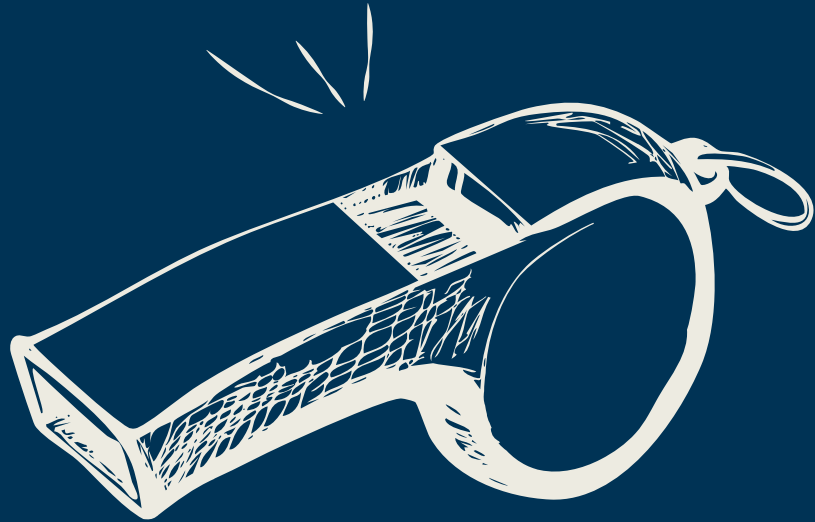


# BUSINESS CONDUCT

The complex fashion supply chain demands ethical conduct, especially in regions where risks of unethical practices, such as corruption and bribery, may occur.







#### APPROACH

The Code of Ethics is our primary tool to guide colleagues in conducting business with a high standard of integrity and protecting our business against unethical practices. It exemplifies and supports the principles and requirements set out in various policies and guidelines, including our Anti-Corruption and Anti-Fraud Policies.

To mitigate risks related to business conduct, colleagues receive biennial training on our Code of Ethics. To close the two-year gap, this online training is also included in our onboarding material for new colleagues.

Online training provides the most efficient way to ensure all colleagues globally are trained in our Code of Ethics and receive any new guidance. Our Sanctions Screening Tool assists our

sourcing colleagues in identifying supplier risks associated with sanctions.

All suppliers of finished products must comply with several policies related to ethical business conduct, including our Supplier Code of Conduct (CoC). We maintain close dialogue with our suppliers and their factories to make sure they are compliant with our CoC. Our Factory Standards Programme includes regular assessments of supplier factories to identify potential violations and provides guidance and assistance to overcome potential challenges.

We take all reports of potential violations seriously and investigate them thoroughly to ensure compliance with our CoC and related supply chain sourcing policies.

#### GRIEVANCE MECHANISMS

Through open communication and an accessible grievance mechanism, we aim to support a supply chain that respects human rights and environmental standards.

We encourage open communication and provide multiple channels for reporting potential CoC violations within our supply chain. Stakeholders, including individuals, communities, and representatives, can raise concerns regarding adverse impacts caused by us or those acting on our behalf.

Through our parent company, HEARTLAND, we offer a whistleblower system for employees and partners to report unethical practices. This system provides an alternative channel for reporting serious issues, especially when formality or anonymity is desired.

We recognise the importance of effective grievance mechanisms and offer various avenues for workers in our supply chain to report human rights and environmental risks. Our approach acknowledges that no single mechanism addresses all issues, and we strive to improve their efficacy. We publish annual data in our Incident Log and prohibit retaliation against whistleblowers, as outlined in our Code of Conduct. Confidentiality is prioritised, but identification may be necessary with permission from relevant rightsholders. Read more about grievance mechanisms in our supply chain on page 184.

#### GOAL

All colleagues must complete Code of Ethics training every two years, and new colleagues will be introduced to the Code of Ethics training as part of their onboarding in order for us to uphold our founding principles and maintain ethical business practices.

#### PROGRESS

In 2024-25, our Code of Conduct was rolled out to all new colleagues continuously and to all other colleagues biennially. The course includes short videos covering specific subjects in our Code of Ethics, including bribery and anti-corruption, with real-life examples, making it relevant and practical. The training is divided into two versions: one for office and warehouse colleagues, and one for retail colleagues.

In 2024-25, our Sanctions Screening Tool automatically flagged a number of suppliers for further review. However, upon investigation, none were found to pose actual compliance risks as the review showed no relation to a sanctioned entity (false positive). These results confirm the effectiveness of our screening process and our standard operating procedures.

For more information regarding our approach and progress in terms of identifying and addressing non-compliance with our Code of Conduct in our supply chain, read our Supply Chain Due Diligence Report 24-25.

GOING FORWARD

We will roll out the Code of Ethics training to all new colleagues continuously, and in 2026, the next updated version and training rollout is planned.

DATA ETHICS

Statutory statement regarding data ethics, cf. section 99d of the Danish Financial Statements Act.

We respect and protect the personal rights of our customers, colleagues, and business partners. Our Data Ethics Policy outlines principles that all colleagues must follow, including data protection, digitalisation, transparency, confidentiality, discrimination, diversity, and awareness.

Protecting personal data is of highest priority when evaluating new business ideas. We have implemented policies and guidelines for data protection and IT security. BESTSELLER processes data mainly in HR and recruitment, customer-related activities (both B2C and B2B), business development, and finance. Each area has relevant guidelines, process descriptions, and privacy policies.

We conduct regular awareness campaigns and training programmes for all colleagues, including the Code of Ethics training.





# BESTSELLER FOUNDATION

Investing in  
entrepreneurs that  
invest in people  
and planet.



# BESTSELLER FOUNDATION

## INTRODUCTION

Funded by BESTSELLER, the foundation supports, co-creates, and invests in solutions to drive social and environmental impact in Sub-Saharan Africa and communities close to BESTSELLER's value chain.

Convinced that talent is everywhere, but opportunity is not, the foundation was among the first to believe in the potential of impact investing on the African continent. By 2030, about 50 percent of the world's youth will live in Africa. By 2050, one in four people on the planet will be African. That is why the foundation is committed to investing in local, scalable, and climate-resilient ventures that deliver both social and financial value.

Next to investing, the foundation engages in collaborations through partnerships and donations. The partnership programme is focused on supporting organisations that streamline the entrepreneurial journey and innovation in Sub-Saharan Africa and Asia. The funding supports in-depth workshops, roundtables, innovation programmes, and other activities. The donation programme is aimed for positive impact within three areas; promoting circular economy, empowering communities, and collective action addressing social and environmental challenges.

This year, the foundation granted a total donation of DKK 50 million to 50 organisations across BESTSELLER communities in the honour of BESTSELLER's 50th anniversary.

## DELTA40 X BESTSELLER FOUNDATION CIRCULAR ECONOMY INNOVATION PROGRAMME

*In 2025, the foundation funded a programme hosted by Delta40 Venture Studio in Nairobi, Kenya, to support transformative circular economy ventures across the African continent through venture development support, funding opportunities, and strategic guidance.*



## ANNIVERSARY DONATION

Joining the year-long celebration of BESTSELLER, the foundation invited colleagues to nominate a charitable cause close to their hearts for the special anniversary donation from BESTSELLER Foundation.

50 organisations supporting various vulnerable groups or causes were granted a total donation of DKK 50 million. The recipients are all located within a BESTSELLER community or in Sub-Saharan Africa.



# 32

countries reached

# 40

donations within social causes

# 10

donations within environmental causes





# FINANCIAL STATEMENTS



# CONSOLIDATED FINANCIAL STATEMENTS GROUP



# INCOME STATEMENT

## 1 AUGUST - 31 JULY

(mDKK)	Note	2024/25	2023/24
<b>Revenue</b>	<b>1</b>	<b>38,074</b>	<b>35,651</b>
Other operating income		200	187
Cost of sales		-17,478	-16,639
Other external costs		-7,292	-6,878
<b>Gross profit</b>		<b>13,504</b>	<b>12,321</b>
Staff costs	2	-6,819	-6,066
Depreciation, amortisation, and impairment losses	7-8	-752	-956
<b>Profit before net financials</b>		<b>5,933</b>	<b>5,299</b>
Income from investments in associates		4	6
Financial income	3	219	193
Financial costs	4	-268	-161
<b>Profit before tax</b>		<b>5,888</b>	<b>5,337</b>
Tax on profit for the year	5	-1,309	-1,405
<b>Profit for the year</b>		<b>4,579</b>	<b>3,932</b>

### DISTRIBUTION OF PROFIT

6

Proposed dividend for the year	3,000	3,500
Minority interests' share of net profit of subsidiaries	208	221
Retained earnings	1,371	211
<b>Profit for the year</b>	<b>4,579</b>	<b>3,932</b>



### VERO MODA

Located in 15th century surroundings in the heart of Milan, the brand house hosted a VIP event to showcase new collections for key stakeholders.

# BALANCE SHEET

## 31 JULY

Assets (mDKK)	Note	2025	2024
Software		11	8
Goodwill		92	110
Key money/leasehold rights/trademark rights		18	26
<b>Intangible assets</b>	<b>7</b>	<b>121</b>	<b>144</b>
Land and buildings		3,221	3,135
Other fixtures and fittings, tools, and equipment		657	548
Leasehold improvements		1,444	1,060
Property, plant and equipment in progress		2,289	1,264
<b>Property, plant and equipment</b>	<b>8</b>	<b>7,611</b>	<b>6,007</b>
Investments in associates	9	19	18
Deposits		340	343
<b>Fixed asset investments</b>		<b>359</b>	<b>361</b>
<b>Total non current assets</b>		<b>8,091</b>	<b>6,512</b>

Assets (mDKK)	Note	2025	2024
<b>Inventories</b>		<b>7,122</b>	<b>6,332</b>
Trade receivables		2,986	2,859
Receivables from group enterprises		2,433	2,440
Other receivables		627	463
Deferred tax asset	11	243	255
Corporation tax		125	105
Prepayments	10	432	286
<b>Receivables</b>		<b>6,846</b>	<b>6,408</b>
<b>Cash and cash equivalents</b>		<b>2,617</b>	<b>2,493</b>
<b>Total current assets</b>		<b>16,585</b>	<b>15,233</b>
<b>Total assets</b>		<b>24,676</b>	<b>21,745</b>



# BALANCE SHEET

## 31 JULY

Equity and liabilities (mDKK)	Note	2025	2024
Share capital		110	110
Reserve for exchange rate adjustments		-429	-229
Reserve for hedging adjustments		-12	0
Retained earnings		9,119	7,939
Proposed dividend for the year		3,000	3,500
<b>Equity before non controlling interests</b>		<b>11,788</b>	<b>11,320</b>
Non controlling interests		607	507
<b>Equity</b>		<b>12,395</b>	<b>11,827</b>
Deferred tax	11	69	127
Other provisions	12	1,504	1,697
<b>Total provisions</b>		<b>1,573</b>	<b>1,824</b>
Mortgage loans		64	67
<b>Total non current liabilities</b>	<b>13</b>	<b>64</b>	<b>67</b>

Equity and liabilities (mDKK)	Note	2025	2024
Credit institutions		2,024	91
Mortgage loans	13	3	2
Trade payables		4,117	4,226
Payables to group enterprises		74	93
Corporation tax		1,136	1,045
Other payables		3,220	2,499
Deferred income	14	70	71
<b>Total current liabilities</b>		<b>10,644</b>	<b>8,027</b>
<b>Total liabilities</b>		<b>10,708</b>	<b>8,094</b>
<b>Total equity and liabilities</b>		<b>24,676</b>	<b>21,745</b>

### PIECES

Set against the warmth of the Spanish sun, *PIECES* invited 150 partners to explore two exclusive collections created especially for the occasion.



# STATEMENT OF CHANGES IN EQUITY

(mDKK)	Share capital	Reserve for exchange rate adjustments	Reserve for hedging adjustments	Retained earnings	Proposed dividend for the year	Equity before non controlling interests	Non controlling interests	Total
Equity at 1 August 2024	110	-229	0	7,939	3,500	11,320	507	11,827
Exchange adjustments	0	-200	0	0	0	-200	-6	-206
Ordinary dividend paid	0	0	0	0	-3,500	-3,500	-102	-3,602
Fair value adjustment of hedging instruments	0	0	-16	0	0	-16	0	-16
Tax on transactions on equity	0	0	4	0	0	4	0	4
Other equity movements	0	0	0	-191	0	-191	0	-191
Net profit/loss for the year	0	0	0	1,371	3,000	4,371	208	4,579
Equity at 31 July 2025	110	-429	-12	9,119	3,000	11,788	607	12,395

The share capital consists of:	Nominal Value (mDKK)
220,000 shares of DKK 500	110

### ACCOUNTING POLICY

**Reserve for exchange rate adjustments** — The reserve for exchange rate adjustment comprises the share of foreign exchange rate differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange rate adjustments of assets and liabilities considered part of the Parent’s net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange rate adjustments will be included in this equity reserve instead.

**Dividends** — Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

**Reserve for hedging transactions** — The reserve for hedging transactions includes the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future cash flows and the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging is no longer effective. The reserve does not represent a company law binding and may therefore be negative.



# CASH FLOW STATEMENT

(mDKK)	Note	2024/25	2023/24
Net profit for the year		4,579	3,932
Adjustments	21	1,794	2,895
Change in working capital	22	-841	948
Corporation tax paid		-1,280	-1,195
Cash flows from operating activities		4,252	6,580
Purchase of intangible assets		-16	-19
Purchase of property, plant and equipment		-2,504	-1,794
Purchase of non current investments		0	0
Sale of property, plant and equipment		104	83
Sale of intangible assets		16	2
Sale of non current investments		0	0
Dividends received from associates		3	3
Deposits		3	-45
Purchase of minority shares		0	-99
Cash flows from investing activities		-2,394	-1,869
Repayment/raising of loans from credit institutions		1,930	-2,041
Changes in receivables/payables to group enterprises		0	600
Dividend paid		-3,602	-3,187
Cash flows from financing activities		-1,672	-4,628
Change in cash and cash equivalents		186	83
Cash and cash equivalents at 1 August 2024		2,493	2,431
Exchange rate adjustment		-62	-21
Cash and cash equivalents at 31 July 2025		2,617	2,493



## ACCOUNTING POLICY

### THE CASH FLOW STATEMENT

The cash flow statement shows the cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year’s changes in cash and cash equivalents and the cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

### CASH FLOWS FROM OPERATING ACTIVITIES

Cash flows from operating activities comprise cash flows presented according to the indirect method and are calculated as the share of the profit for the year adjusted for changes in the working capital, paid corporate taxes and non-cash income statement items such as depreciation, amortisation, and impairment losses and provisions made.

The working capital comprises current assets less current liabilities – exclusive of the financial statement items included in cash and cash equivelants.

### CASH FLOWS FROM INVESTING ACTIVITIES

Cash flows from investing activities comprise cash flows from payments associated with the purchase of sale of companies, activities and financial non-current assets as well as purchase, development, improvement and sale etc. of intangible assets and property, plant, and equipment.

### CASH FLOWS FROM FINANCING ACTIVITIES

Cash flows from financing activities comprise changes in the size or composition of the Group’s share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at hand and in bank.

# TABLE OF GROUP NOTES GENERAL ACCOUNTING POLICIES



## NOTES TO INCOME STATEMENT

**NOTE 1**  
Revenue

**NOTE 2**  
Staff costs

**NOTE 3**  
Financial income

**NOTE 4**  
Financial costs

**NOTE 5**  
Tax on profit for  
the year

**NOTE 6**  
Distribution of profit

## NOTES TO BALANCE SHEET

**NOTE 7**  
Intangible assets

**NOTE 8**  
Property, plant  
and equipment

**NOTE 9**  
Investments in associates

**NOTE 10**  
Prepayments

**NOTE 11**  
Deferred tax

**NOTE 12**  
Other provisions

**NOTE 13**  
Mortgage loans

**NOTE 14**  
Deferred income

## OTHER NOTES

**NOTE 15**  
Events after the  
balance sheet date

**NOTE 16**  
Rent and lease liabilities

**NOTE 17**  
Contingent liabilities

**NOTE 18**  
Financial instruments

**NOTE 19**  
Related parties and owner-  
ship structure

**NOTE 20**  
Fee to auditors  
appointed at the  
general meeting

**NOTE 21**  
Cash flow statement –  
adjustments

**NOTE 22**  
Cash flow statement  
– change in working capital



# ACCOUNTING POLICIES

This section introduces BESTSELLER’s accounting policies. A detailed description of accounting policies is disclosed in the respective notes.

The annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied are consistent with those of last year.  
The annual report for 2024-25 is presented in mDKK.

Change in classification in the Statement of Financial Position:  
Comparative figures in the Statement of Financial Position have been restated to match this year's presentation. The adjustments of comparative figures have no effect on the total balance or result of the year.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All costs, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the group and the parent company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the group’s and the parent company’s and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

BASIS OF  
RECOGNITION AND  
MEASUREMENT

RECOGNITION  
AND MEASUREMENT  
OF BUSINESS  
COMBINATIONS

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Newly acquired or newly established subsidiaries are recognised in the consolidated financial statement from the date of acquisition or the date of establishment respectively. When subsidiaries are sold or liquidated, they cease to be recognised in the consolidated financial statement at the time of transfer or time of liquidation and earnings or losses at the time of sale or liquidation are recognised in the profit and loss account. The comparative figures are not adjusted for acquisitions or disposals.

Gains and losses on the disposal of subsidiaries and associates are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal including any non-amortised goodwill and anticipated disposal costs.

Acquisitions of enterprises are accounted for using the purchase method, according to which the identifiable assets and liabilities acquired are measured at their fair value at the date of acquisition. Costs for restructuring recognised in the acquired entity before the date of acquisition and not an agreed part of the acquisition is part of the acquisition balance sheet and hence the calculation of goodwill. Costs relating to restructuring decided by the acquiring entity must be recognised in the income statement. The tax effect of the restatement of assets and liabilities is considered.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset. Any excess of the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition (badwill), representing an anticipated adverse development in the acquired enterprises is recognised in the income statement at the date of acquisition when the general revenue recognition criteria are met.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed, and equity instruments issued.

Costs incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

RECOGNITION AND  
MEASUREMENT OF  
INTRAGROUP BUSINESS  
COMBINATIONS

The uniting of interests method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, additions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided the combination is considered final at the time of acquisition with restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity are recognised in the equity.

Expenses defrayed in connection with acquisitions are recognised in the income statement in the year in which they are defrayed. If, at the date of acquisition, the identification or measurement of acquired assets, liabilities and/or contingent liabilities or the size of the purchase consideration are associated with uncertainty, initial recognition will be based on preliminarily calculated amounts. If it subsequently turns out that the identification or measurement of the purchase consideration, acquired assets, liabilities and/or contingent liabilities was not correct on initial recognition, the calculation will be adjusted with retrospective effect, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments made will be recognised through the income statement.

CONSOLIDATED  
FINANCIAL  
STATEMENTS

The consolidated financial statements comprise the Parent company BESTSELLER A/S and subsidiaries in which the Parent company, directly or indirectly, holds more than 50 percent of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20 percent and 50 percent of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates, cf. the Group chart.

The consolidated annual accounts are prepared as a consolidation of the accounts of the Parent company and the individual subsidiaries. Adjustments are made for intercompany turnover and expenditure, shareholdings, intra-group balances and dividends, as well as unrealised internal income and loss. The accounts used for the consolidation are prepared in accordance with the Group’s accounting policies.

Investments in subsidiaries are set off against net assets and liabilities at the balance sheet.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date at which control is obtained. Entities sold during the year are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

NON-CONTROLLING  
INTERESTS

The annual accounts of the Group’s subsidiaries are included 100% in the consolidated figures. The non-controlling interests proportionate share of the profit and loss as well as the equity in subsidiaries not 100% owned by the Group are included as a part of the Group’s profit and loss but are disclosed separately. On initial recognition, non-controlling interest are measured at the fair value of

FOREIGN  
CURRENCY  
TRANSLATION

the non-controlling interests’ proportionate share of the fair value of the acquired entity’s identifiable assets, liabilities and contingent liabilities. Goodwill relating to the non-controlling interests’ share of the acquiree is not recognised.

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial costs. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date.

The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial costs. Non-current assets acquired in foreign currencies are measured at the exchange rate at the transaction date.

Foreign subsidiaries, associates, and participating interests are considered separate entities.

The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of such entities opening equity at closing rate and on translation of the income statements from the exchange rates at the transaction date to closing rate are taken directly to the reserve under ‘Equity’ in the consolidated financial statements.

Foreign exchange adjustments of balances with separate entities which are considered part of the investment in the subsidiary are taken directly to equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments entered into to hedge net investments in such entities are taken directly to equity.

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in ‘Other receivables’ or ‘Other payables’, respectively. Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets or liabilities are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future cash flows are recognised in other receivables or



other payables and in equity. If the future transaction results in recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or costs, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

As for derivative financial instruments that do not qualify for hedge accounting, fair value adjustments are recognised in the income statement on a current basis.

OTHER OPERATING INCOME

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

COST OF SALES

Cost of sales comprises costs incurred in generating the revenue for the year. Cost of sales includes provisions for loss on returned goods.

OTHER EXTERNAL COSTS

Other external costs comprise costs for distribution, marketing and administration, including office costs, etc.

AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

Amortisation, depreciation, and impairment losses comprise the year's amortisation, depreciation, and impairment of intangible assets and property, plant, and equipment.

IMPAIRMENT OF NON-CURRENT ASSETS

The carrying amount of intangible assets and property, plant, and equipment is reviewed in general to determine whether there is any indication of impairment in addition to that expressed by amortisation or depreciation. The impairment test is performed for each individual asset or group of assets. The recoverable amount of the asset is calculated as the value in use or the fair value less disposal costs, whichever is higher.

Where there is indications of impairment, an impairment test is performed for each individual asset or group of assets, respectively. If it is not possible to determine the recoverable amount for individual assets, the assets are reviewed jointly in the smallest identifiable group of assets to determine a reliable recoverable amount.

The recoverable amount is the higher of the net selling price and the value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Domicile properties and other assets, for which it is not possible to calculate an individual capital value as the asset, in itself, does not generate future cash flows,

are subject to a test for indication of impairment together with the group of assets, to which they may be attributed.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

OTHER NON-CURRENT ASSETS

Other non-current assets consists of deposits in leaseholds, measured at cost and securities, which consists of listed shares and bonds, that is measured at fair value at the balance sheet date.

INVENTORIES

Inventories are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value. The cost of inventories comprises the purchase price plus delivery costs. The net realisable value of inventories is calculated as the selling price less costs incurred to effect the sale.

The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

RECEIVABLES

Receivables are measured at amortised cost. An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

PREPAYMENTS

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest.

LIABILITIES OTHER THAN PROVISIONS

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

REVENUE

(mDKK)	2024/25	2023/24
Revenue	38,074	35,651
<b>Total Revenue</b>	<b>38,074</b>	<b>35,651</b>
Denmark	1,892	1,943
Rest of Europe	33,493	30,923
Rest of the world	2,689	2,785
<b>Total revenue</b>	<b>38,074</b>	<b>35,651</b>

The Group's revenue is disclosed by geographical markets. The Group's activities consists of one business segment why the revenue is only disclosed by geographical markets.



ACCOUNTING  
POLICY

Revenue from the sales of goods is recognised in the income statement when delivery is made, and risk has passed to the buyer and that the income can be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted and estimated returns.

STAFF  
COSTS

(mDKK)	2024/25	2023/24
Wages and salaries	5,560	4,923
Pensions	297	249
Other social security costs	701	613
Other staff costs	261	281
	<b>6,819</b>	<b>6,066</b>
Average number of employees	21,638	20,704

Executive Board received remuneration of mDKK 31 (2023/24 mDKK 27). The remuneration is dependent on the Group's profit. The Board of Directors received no remuneration.



ACCOUNTING  
POLICY

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the employees. The item is net of refunds made by public authorities.



FINANCIAL INCOME

(mDKK)	2024/25	2023/24
Financial income, group enterprises	0	0
Other financial income	219	193
	219	193

FINANCIAL COSTS

(mDKK)	2024/25	2023/24
Financial costs, group enterprises	0	0
Other financial costs	268	161
	268	161



ACCOUNTING POLICY

Financial income and costs comprise interest income and costs, realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies, dividends received on other investments, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme.

TAX ON PROFIT FOR THE YEAR

(mDKK)	2024/25	2023/24
Current tax for the year	1,325	1,314
Change in deferred tax for the year	-69	49
Adjustment of tax concerning previous years	39	23
Adjustment of deferred tax concerning previous years	14	19
	1,309	1,405

PILLAR II DISCLOSURE

The Group is within the scope of the OECD Pillar II model rules. The Pillar II legislation was enacted in Denmark in December 2023, the jurisdiction in which the Ultimate Parent of the Group is incorporated, and is effective from January 1, 2024. The Pillar II legislation is effective as of the reporting date, and The Group applies the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar II income taxes, as provided in the amendments to IAS 12 issued in May 2023 as applicable to the Danish Financial Statements Act.

Under the legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. The potential top-up tax is calculated on a jurisdictional level, including all subsidiaries in the Group of the Ultimate Parent.

The Group has established a process of assessing its exposure to the Pillar II legislation, as it is effective as of 2024/25. This preliminary assessment is conducted on a stand-alone basis and is based on the latest available tax filings, country-by-country reporting, and local financial statements. As the initially affected jurisdictions only have a relatively small share of the Group total profits and the impact of other subsidiaries of the ultimate parent carries a level of uncertainty for the final calculations, no provisions have been booked for the year.

The parent company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

DISTRIBUTION  
OF PROFIT

(mDKK)	2024/25	2023/24
Proposed dividend for the year	3,000	3,500
Non-controlling interests	208	221
Retained earnings	1,371	211
	4,579	3,932



OBJECT

As part of its KINDNESS campaign with Blue Cross Denmark and TUBA, OBJECT hosted a podcast production during CPHFW.





INTANGIBLE ASSETS

(mDKK)	Software	Goodwill	Key money Leasehold rights
Cost at 1 August 2024	84	725	217
Adjustment to opening balance	0	0	0
Exchange adjustment	-2	-2	-1
Additions for the year	8	6	2
Disposals for the year	-6	-61	-14
Cost at 31 July 2025	84	668	204
Impairment losses and amortisation 1 August 2024	76	615	191
Adjustment to opening balance	0	0	0
Exchange adjustment	-1	-2	0
Impairment losses for the year	0	0	1
Amortisation for the year	4	8	8
Reversal of amortisation of sold assets	-6	-45	-14
Impairment losses and amortisation at 31 July 2025	73	576	186
Carrying amount at 31 July 2025	11	92	18



ACCOUNTING POLICY

Intangible assets are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Interests are not included in the cost. Where individual components of an item of intangible assets have different useful lives, they are accounted for as separate items, which are depreciated separately. Non-current assets are depreciated on a straight-line basis, based on cost and on the following continually estimated useful lives:

Software is amortised according to the straight-line method over the expected useful life of 3-5 years.

Leasehold rights/key money/trademark rights is amortised according to the straight-line method of the non-terminable leaseterm. In case such term does not exist, the leasehold right/key money/trademark rights is amortised over 5 to 7 years.

Goodwill is amortised over the estimated useful life between 5-20 years. The estimated useful life is determined by management based on their experience within each area of business. The amortisation period is determined based on to what extent the purchase concerns a strategically acquired company with a strong market position and a long-term profitability and to what extent the goodwill includes temporary intangible resources which has not been able to spin off and recognise as individual assets.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs.

PROPERTY, PLANT, AND EQUIPMENT

(mDKK)	Land and buildings	Other fixtures and fittings, tools, and equipment	Leasehold improvements	Property, plant, and equipment in progress
Cost at 1 August 2024	4,347	2,647	4,180	1,264
Adjustment to opening balance	0	-19	-72	0
Exchange adjustment	1	-35	-27	-4
Additions for the year	79	408	822	1,195
Disposals for the year	-4	-229	-323	-49
Transfers for the year	115	-10	12	-117
Cost at 31 July 2025	4,538	2,762	4,592	2,289
Impairment losses and depreciation at 1 August 2024	1,212	2,099	3,120	0
Adjustment to opening balance	0	-19	-73	0
Exchange adjustment	0	-28	-7	0
Impairment losses and reversals for the year	0	51	66	0
Depreciation for the year	105	181	328	0
Reversal of depreciation of sold assets	0	-179	-286	0
Transfers for the year	0	0	0	0
Impairment losses and depreciation at 31 July 2025	1,317	2,105	3,148	0
Carrying amount at 31 July 2025	3,221	657	1,444	2,289



ACCOUNTING POLICY

Property, plant, and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Interests are not included in the cost.

Where individual components of an item of property, plant, and equipment have different useful lives, and the individual component is a significant part of the total cost, the cost is divided into separate components, which are depreciated separately.

Non-current assets are depreciated on a straight-line basis, based on cost and on the following continually estimated useful lifes:

- Buildings: 10-50 years
- Other fixtures and fittings, tools, and equipment: 3-5 years
- Leasehold improvements: 5-10 years

The basis of depreciation is based on the residual value of the asset at the end of its useful life. The depreciation periode and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Property, plant, and equipment are written down to its recoverable amount if this is lower than the carrying amount.

Gains or losses from the disposal of property, plant, and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.



# INVESTMENTS IN ASSOCIATES

(mDKK)	2025	2024
Cost at 1 August 2024	36	27
Adjustment to opening balance	0	9
Cost at 31 July 2025	36	36
Revaluations at 1 August 2024	-18	-11
Adjustment to opening balance	0	-10
Exchange adjustment	0	0
Net profit/loss for the year	4	6
Received dividend	-3	-3
Revaluations at 31 July 2025	-17	-18
Carrying amount at 31 July 2025	19	18

For ownership in associates, see group chart on page 291.



## ACCOUNTING POLICY

### INVESTMENTS IN ASSOCIATES

Investments in associates are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the Group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

Investments in associates with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

### INCOME FROM INVESTMENS IN ASSOCIATES

The proportionate share of the profit/loss for the year of associates is recognised in both the consolidated and the Parent company's income statement after elimination of the proportionate share of intra-group profits/gains and amortisation of goodwill. In situations of sales of associates gains/losses are recognised in the income statement.

# PREPAYMENTS

Prepayments comprise prepaid costs regarding rent, insurance premiums, subscriptions and interest.

# DEFERRED TAX

(mDKK)	2025	2024
Deferred tax at 1 August 2024	128	188
Exchange adjustment	-8	-3
Adjustment of deferred tax for the year	69	-49
Deferred tax recognised on equity	4	-4
Other movements on deferred tax	-5	15
Deferred tax concerning previous years	-14	-19
Deferred tax at 31 July 2025	174	128
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	243	255
Deferred tax liabilities	-69	-127
	174	128

We have unrecognised tax losses carried forward in India amounting to mDKK 393.



## ACCOUNTING POLICY

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity. Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.



### NAME IT

More than 100 colleagues supported hospitalised children by spending a day in NAME IT stores to launch a T-shirt in collaboration with Danske Hospitalsklovne.





OTHER PROVISIONS

(mDKK)	2025	2024
Balance at beginning of year	1,697	1,182
Exchange adjustment	-6	-1
Provision in year	459	712
Applied in the year	-646	-196
	1,504	1,697
The expected due dates of other provisions are:		
Within one year	531	568
Between 1 and 5 years	848	1,003
Over 5 years	125	126
	1,504	1,697



ACCOUNTING POLICY

Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled far into the future the obligation is measured at fair value. Provisions comprise anticipated costs for losses on returned goods, obligations concerning leases and other contractual liabilities. Provisions are recognised when the Group has a legal or constructive obligation at the balance sheet date and there is a probability of an outflow of resources required to settle the obligation.

MORTGAGE LOANS

(mDKK)	2025	2024
After 5 years	52	56
Between 1 and 5 years	12	11
Non current portion	64	67
Within 1 year	3	2
Current portion	3	2
Mortgage loans at 31 July 2025	67	69



ACCOUNTING POLICY

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

# DEFERRED INCOME

Deferred income consists of payments received in respect of income in subsequent financial years. Etc. rent income, tenant allowance, and other deferred income.

# EVENTS AFTER THE BALANCE SHEET DATE

No events materially affecting the financial position have occurred after the balance sheet date.

# RENT & LEASE CONTRACTUAL OBLIGATIONS

(mDKK)	2025	2024
Within 1 year	2,544	1,854
Between 1 and 5 years	5,140	3,508
After 5 years	793	523
	8,477	5,885

# CONTINGENT LIABILITIES

## GUARANTEE COMMITMENTS

The Group has issued guarantee commitments for mDKK 429.

## OTHER CONTINGENT LIABILITIES

The Group has other obligations amounting to a total of mDKK 63.

The Group is party to a number of pending disputes that are not deemed to have any material effect on coming financial years.

The Group has, through a Letter of Intent, pledged mDKK 700 towards the Renewable Energy Initiative (REI) offshore wind project in Bangladesh.

The Group has provided collateral for mortgage debt and bank debt totalling mDKK 67 (2023/24: mDKK 69) which is secured by land and buildings, with a carrying amount of mDKK 129 (2023/24: mDKK 130).

## CONTINGENT LIABILITIES

The Danish group participates in a joint Danish taxation arrangement with HEARTLAND A/S serving as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Group is therefore secondarily liable for income taxes etc. for the jointly taxed entities as well as for the withholding of tax on interest, royalties, and dividends for the jointly taxed entities. The jointly taxed entities’ total known net liability under the joint taxation arrangement is disclosed in the administration company’s financial statements.

## OTHER CONTRACTUAL OBLGIATIONS

The Group has entered into mutually binding agreements with its sourcing suppliers for delivery of goods during the financial year 2025/26 amounting to approx. bDKK 2.2.

The Group has also entered into mutually binding agreements regarding construc-tual work on property amounting to approx. bDKK 3.5.



# FINANCIAL INSTRUMENTS

The Group seeks to reduce foreign currency risks by hedging currency exposure on purchase of goods and selling goods. At 31 July 2025, the Group has entered into foreign exchange forward contracts relating to future purchase transactions in foreign currency of mUSD 165 with a value of mDKK -13 before tax. Furthermore, we have also entered into foreign exchange forward contracts relating to future purchase transactions in foreign currency of contracts of mCNY 299 with a value of mDKK -4 before tax. Lastly, we have entered into foreign exchange forward contracts relating to future sales transactions in foreign currency of contracts of mGBP 10 with a value of mDKK 1 before tax. All are recognised on other receivables and equity.

All transactions is to be realised within the next financial year 2025/26.

The Group has also entered into foreign currency options. The market value amounts to mDKK -46 at 31 July 2025.

As the agreements is made with the company's core banking partners, as the counterparties, it is our assement that there is no payment risk associated with these counterparties.

(mDKK)	Derivate financial instruments
Fair value, at 1 August 2024	8
Value adjustments in the income statement	-54
Changes recognised in the reserve for hedging transactions	-16
Fair value, at 31 july 2025	-62

# RELATED PARTIES AND OWNERSHIP STRUCTURE

**CONTROLLING INTEREST:**  
BESTSELLER United A/S, Store Torv 1, 3.,  
8000 Aarhus C (Majority owner)

TRANSACTIONS (MDKK)

Sale of goods to related parties	132
Sale of services to related parties	32
Purchase of goods from related parties	0
Purchase of services from related parties	650
Interest income from related parties	0
Interest costs to related parties	0
Paid dividend	3,500
Receivables from related parties	2,433
Payables to related parties	-74

No other transactions were carried through with shareholders in the year. Remuneration/fees to members of the Executive Board are reflected in note 2.

FEE TO AUDITORS  
APPOINTED AT THE  
GENERAL MEETING

(mDKK) PricewaterhouseCoopers	2024/25	2023/24
Fees regarding statutory audit	11	11
Other assurance engagements	1	1
Tax assistance	0	0
Other assistance	0	0
	12	12

(mDKK) Other auditors	2024/25	2023/24
Fees regarding statutory audit	1	1
Other assurance engagement	0	0
Tax assistance	0	0
Other assistance	0	0
	1	1

CASH FLOW STATEMENT:  
ADJUSTMENTS

(mDKK)	2024/25	2023/24
Gain from sale of assets	34	28
Unrealised exchange rate adjustment	-104	-3
Depreciation, amortisation, and impairment losses	752	956
Income from investments in associates	-4	-6
Tax on profit for the year	1,309	1,405
Change in other provisions	-193	515
	1,794	2,895

CASH FLOW STATEMENT:  
CHANGE IN  
WORKING CAPITAL

(mDKK)	2024/25	2023/24
Change in inventories	-790	-775
Change in receivables	-438	324
Change in trade payables, etc.	387	1,399
	-841	948



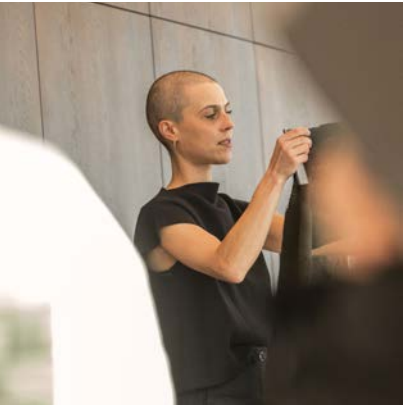
# FINANCIAL STATEMENTS PARENT



# INCOME STATEMENT

## 1 AUGUST - 31 JULY

(mDKK)	Note	2024/25	2023/24
<b>Revenue</b>	1	<b>20,611</b>	<b>19,521</b>
Other operating income		385	252
Cost of sales		-14,402	-13,215
Other external costs		-2,595	-1,570
<b>Gross profit</b>		<b>3,999</b>	<b>4,988</b>
Staff costs	2	-1,780	-1,549
Depreciation, amortisation, and impairment losses	7	-149	-145
<b>Profit before net financials</b>		<b>2,070</b>	<b>3,294</b>
Income from investments in subsidiaries		2,912	1,379
Financial income	3	234	235
Financial costs	4	-391	-502
<b>Profit before tax</b>		<b>4,825</b>	<b>4,406</b>
Tax on profit for the year	5	-454	-695
<b>Profit for the year</b>		<b>4,371</b>	<b>3,711</b>
<b>DISTRIBUTION OF PROFIT</b>	6		
Proposed dividend for the year		3,000	3,500
Retained earnings		1,371	211
<b>Profit for the year</b>		<b>4,371</b>	<b>3,711</b>



### 5 DECADES OF DESIGN

*In celebration of our anniversary year, a design competition was launched inviting design talents to reinterpret five decades of design into a capsule collection made for SELECTED.*



# BALANCE SHEET

## 31 JULY

Assets (mDKK)	Note	2025	2024
Land and buildings		2,019	2,043
Other fixtures and fittings, tools, and equipment		165	190
Leasehold improvements		4	10
Property, plant, and equipment in progress		520	287
<b>Property, plant, and equipment</b>	<b>7</b>	<b>2,708</b>	<b>2,530</b>
Investments in subsidiaries	8	8,630	7,916
Deposits		1	1
<b>Fixed asset investments</b>		<b>8,631</b>	<b>7,917</b>
<b>Total non current assets</b>		<b>11,339</b>	<b>10,447</b>
<b>Inventories</b>		<b>5,243</b>	<b>4,404</b>
Trade receivables		7	13
Receivables from group enterprises		6,544	6,204
Other receivables		21	10
Prepayments	9	134	148
<b>Receivables</b>		<b>6,706</b>	<b>6,375</b>
<b>Cash at hand and in bank</b>		<b>488</b>	<b>382</b>
<b>Total current assets</b>		<b>12,437</b>	<b>11,161</b>
<b>Total assets</b>		<b>23,776</b>	<b>21,608</b>

Equity and liabilities (mDKK)	Note	2025	2024
Share capital		110	110
Reserve for hedging adjustments		-12	0
Retained earnings		9,530	8,360
Proposed dividend for the year		3,000	3,500
<b>Equity</b>		<b>12,628</b>	<b>11,970</b>
Deferred tax	10	25	61
Provisions relating to investments in group entities		2	0
Other provisions	11	61	155
<b>Total provisions</b>		<b>88</b>	<b>216</b>
Credit institutions		2,016	91
Trade payables		863	956
Payables to group enterprises		7,370	7,491
Corporation tax		344	528
Other payables		467	356
<b>Total current liabilities</b>		<b>11,060</b>	<b>9,422</b>
<b>Total liabilities</b>		<b>11,060</b>	<b>9,422</b>
<b>Total equity and liabilities</b>		<b>23,776</b>	<b>21,608</b>

# STATEMENT OF CHANGES IN EQUITY

Equity (mdKK)	Share capital	Reserve for hedging adjustments	Retained earnings	Proposed dividend for the year	Total
Equity at 1 August 2024	110	0	8,360	3,500	11,970
Ordinary dividend paid	0	0	0	-3,500	-3,500
Exchange adjustments	0	0	-200	0	-200
Fair value adjustment of hedging instruments	0	-16	0	0	-16
Tax on transactions on equity	0	4	0	0	4
Other equity movements	0	0	-1	0	-1
Net profit/loss for the year	0	0	1,371	3,000	4,371
Equity at 31 July 2025	110	-12	9,530	3,000	12,628

The share capital consists of:	Nominal Value (mDKK)
220,000 shares of DKK 500	110

§

## ACCOUNTING POLICY

**Dividends** — Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

**Reserve for hedging transactions** — The reserve for hedging transactions includes the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future payment flows and the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging is no longer effective. The reserve does not represent a company law binding and may therefore be negative.



### SELECTED

Teaming up with British art studio Nous Vous, **SELECTED** hosted a series of creative events to launch an exclusive collab collection.





TABLE  
OF PARENT  
NOTES  
GENERAL  
ACCOUNTING  
POLICIES



NOTES TO  
INCOME  
STATEMENT

**NOTE 1**  
Revenue

**NOTE 2**  
Staff cost

**NOTE 3**  
Financial income

**NOTE 4**  
Financial costs

**NOTE 5**  
Tax on profit for the year

**NOTE 6**  
Distribution of profit

NOTES TO  
BALANCE  
SHEET

**NOTE 7**  
Property, plant, and  
equipment

**NOTE 8**  
Investments in  
subsidiaries

**NOTE 9**  
Prepayments

**NOTE 10**  
Deferred tax

**NOTE 11**  
Other provisions

OTHER  
NOTES

**NOTE 12**  
Rent and lease liabilities

**NOTE 13**  
Contingent liabilities

**NOTE 14**  
Events after the  
balance sheet date

**NOTE 15**  
Financial instruments

**NOTE 16**  
Related parties and owner-  
ship structure



ACCOUNTING  
POLICY

NOTE 1

For a summary of the general accounting policies please refer to page 232 in the notes to the consolidated financial statements.

REVENUE

(mDKK)	2024/25	2023/24
Revenue	20,611	19,521
<b>Total Revenue</b>	<b>20,611</b>	<b>19,521</b>
Denmark	1,031	837
Rest of Europe	19,371	18,556
Rest of the World	209	128
<b>Total revenue</b>	<b>20,611</b>	<b>19,521</b>

The Company's revenue is disclosed by geographical markets. The Company's activities consists of one business segment why the revenue is only disclosed by geographical markets.



ACCOUNTING  
POLICY

Revenue from the sale of goods is recognised in the income statement when delivery is made, and risk has passed to the buyer and that the income can be reliably measured and is expected to be received. Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

NOTE 2

STAFF  
COSTS

(mDKK)	2024/25	2023/24
Wages and salaries	1,522	1,323
Pensions	143	115
Other social security costs	22	20
Other staff costs	93	91
	<b>1,780</b>	<b>1,549</b>
Average number of employees	2,591	2,379

Executive Board received remuneration of mDKK 31 (2023/24: mDKK 27). The remuneration is dependent on the Group's profit. The Board of Directors received no remuneration.



ACCOUNTING  
POLICY

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the employees. The item is net of refunds made by public authorities.

FINANCIAL INCOME

(mDKK)	2024/25	2023/24
Financial income, group	152	148
Other financial income	82	87
	234	235

FINANCIAL COSTS

(mDKK)	2024/25	2023/24
Financial costs, group	238	375
Other financial costs	153	127
	391	502



ACCOUNTING POLICY

Financial income and costs comprise interest income and costs, realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies, dividends received on other investments, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme.

TAX ON PROFIT FOR THE YEAR

(mDKK)	2024/25	2023/24
Current tax for the year	442	639
Adjustment of tax concerning previous years	44	1
Adjustment of deferred tax concerning previous years	0	0
Change in deferred tax for the year	-32	55
	454	695



ACCOUNTING POLICY

The parent company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.



# DISTRIBUTION OF PROFIT

(mDKK)	2024/25	2023/24
Proposed dividend for the year	3,000	3,500
Retained earnings	1,371	211
	4,371	3,711



**BESTSELLER BELGIUM**  
Set in an industrial space in Brussels, we celebrated 25 years of BESTSELLER Belgium with a special event for colleagues and partners.



PROPERTY, PLANT AND EQUIPMENT

(mDKK)	Land and buildings	Other fixtures and fittings, tools, and equipment	Leasehold improvements	Property, plant, and equipment in progress
Cost at 1 August 2024	3,148	709	54	287
Additions for the year	65	33	0	233
Disposals for the year	-3	-26	-1	0
Transfers for the year	0	0	0	0
Cost at 31 July 2025	3,210	716	53	520
Impairment losses and depreciation at 1 August 2024	1,105	519	44	0
Depreciation for the year	86	57	6	0
Reversal of impairment and depreciation of sold assets	0	-25	-1	0
Transfer for the year	0	0	0	0
Impairment losses and Depreciation at 31 July 2025	1,191	551	49	0
Carrying amount at 31 July 2025	2,019	165	4	520



ACCOUNTING POLICY

Property, plant, and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Interests are not included in the cost.

Where individual components of an item of property, plant, and equipment have different useful lives, and the individual component is a significant part of the total cost, the cost is divided into separate components, which are depreciated separately.

Non-current assets are depreciated on a straight-line basis, based on cost and on the following continually estimated useful lifes:

- Buildings:** 10-50 years
- Other fixtures and fittings, tools, and equipment:** 3-5 years
- Leasehold improvements:** 5-10 years

The basis of depreciation is based on the residual value of the asset at the end of its useful life. The depreciation periode and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Property, plant, and equipment are written down to its recoverable amount if this is lower than the carrying amount.

Gains or losses from the disposal of property, plant, and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

INVESTMENTS IN SUBSIDIARIES

(mDKK)	2025	2024
Cost at 1 August 2024	9,068	8,839
Additions for the year	472	229
Disposals for the year	0	0
Cost at 31 July 2025	9,540	9,068
Revaluations at 1 August 2024	-1,616	-395
Disposals for the year	0	0
Exchange adjustment	-200	-8
Net profit for the year	2,912	1,379
Received dividend	-2,191	-2,575
Other equity movements, net	-35	-17
Extraordinary amortization of goodwill	0	0
Revaluations at 31 July 2025	-1,130	-1,616
Net value at 31 July 2025	8,410	7,452
Reconciliation to the book value		
Booked value of investment in subsidiaries at 31 July 2025	8,630	7,916
Provisions relating to investments in group entities	-2	0
Netting of intercompany balances from enterprises with negative equity	-218	-464
Net value at 31 July 2025	8,410	7,452
Remaining positive difference included in the above carrying amount at 31 July 2025	37	59



ACCOUNTING POLICY

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the Group’s accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

Investments in subsidiaries, with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. As an accounting policy choice, the consolidation method has been applied.

INCOME FROM INVESTMENS IN SUBSIDIARIES

The proportionate share of the profit/loss for the year after tax of sub-sidiaries is recognised in the Parent company’s income statement after full elimination of intra-group profits/losses and amortisation of goodwill. In situations of sales of subsidiaries gains/losses are recognised in the income statement.



BESTSELLER UK

In celebration of the market’s 25-year anniversary, our UK-based colleagues created an exhibition at our London office on Fashion Street to display key moments and key styles in a chronological run of events.



PREPAYMENTS

Prepayments comprise prepaid expenses regarding rent, insurance premiums sub-  
scriptions, and interest.

DEFERRED  
TAX

(mDKK)	2025	2024
Deferred tax at 1 August 2024	-61	-2
Adjustment of deferred tax for the year	32	-55
Deferred tax recognised on equity	4	-4
Deferred tax concerning previous years	0	0
Deferred tax at 31 July 2025	-25	-61



ACCOUNTING  
POLICY

Current tax liabilities and current tax receivables are recognised in the bal-  
ance sheet as the estimated tax on the taxable income for the year, adjusted  
for tax on the taxable income for previous years and tax paid on account.  
Deferred tax is measured according to the liability method in respect of  
temporary differences between the carrying amount of assets and liabil-  
ities and their tax base, calculated on the basis of the planned use of the  
asset and settlement of the liability, respectively. Deferred tax is measured  
at net realisable value. Adjustment is made to deferred tax resulting from  
elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates  
applicable in the respective countries at the balance sheet date when the  
deferred tax is expected to crystallise as current tax. Deferred tax adjust-  
ments resulting from changes in tax rates are recognised in the income  
statement, with the exception of items taken directly to equity. Deferred  
tax assets, including the tax base of tax losses allowed for carry forward, are  
measured at the value to which the asset is expected to be realised, either  
as a set-off against tax on future income or as a set-off against deferred  
tax liabilities within the same legal tax entity. Any deferred net tax assets  
are measured at net realisable value.

OTHER  
PROVISIONS

(mDKK)	2025	2024
Balance at beginning of year	155	132
Provision for the year	0	58
Applied for the year	-94	-35
	61	155

The expected due dates of other provisions are:

Within one year	26	61
Between 1 and 5 years	35	94
Over 5 years	0	0
	61	155

Other provisions primarily compromise pending disputes, donations, and other  
liabilities, etc.



ACCOUNTING  
POLICY

Provisions are measured at net realisable value or fair value. If the obligation  
is expected to be settled far into the future the obligation is measured at fair  
value. Provisions comprise anticipated costs for losses on returned goods,  
obligations concerning leases and other contractual liabilities. Provisions  
are recognised when the Group has a legal or constructive obligation at  
the balance sheet date and there is a probability of an outflow of resources  
required to settle the obligation.

# RENT AND LEASE CONTRACTUAL OBLIGATIONS

(mDKK)	2025	2024
Within 1 year	140	145
Between 1 and 5 years	201	299
After 5 years	0	0
	341	444

**NOISY MAY**  
The brand launched a bold visual identity complete with a new logo to support its ongoing focus on fearless self-expression.



# CONTINGENT LIABILITIES

**GUARANTEE COMMITMENTS**  
The Parent company has issued guarantee commitments for mDKK 35.

**OTHER CONTINGENT LIABILITIES**  
The Group is party to a number of pending disputes that are not deemed to have any material effect on coming financial years.

The Parent company has issued letters of support for subsidiaries. Furthermore the Parent company has issued a guarantee of payment for the liabilities of a number of subsidiaries totalling mDKK 1,360 at 31 July 2025.

The Parent has, through a Letter of Intent, pledged mDKK 700 towards the Renewable Energy Initiative (REI) offshore wind project in Bangladesh.

**CONTINGENT LIABILITIES**  
The Company participates in a joint Danish taxation arrangement with HEARTLAND A/S serving as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore secondarily liable for income taxes etc for the jointly taxed entities as well as to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

**OTHER CONTRACTUAL OBLGIATIONS**  
The Parent company has entered into mutually binding agreements with its sourcing suppliers for delivery of goods during the financial year 2025/26 amounting to approx. bDKK 1.9.

## EVENTS AFTER THE BALANCE SHEET DATE

No events materially affecting the financial position have occurred after the balance sheet date.

## FINANCIAL INSTRUMENTS

BESTSELLER A/S seeks to reduce foreign currency risks by hedging currency exposure on purchase of goods and selling goods. At 31 July 2025, BESTSELLER A/S has entered into foreign exchange forward contracts relating to future purchase transactions in foreign currency of mUSD 165 with a value of mDKK -13 before tax. Furthermore, we have also entered into foreign exchange forward contracts relating to future purchase transactions in foreign currency of contracts of mCNY 299 with a value of mDKK -4 before tax. Lastly, we have entered into foreign exchange forward contracts relating to future sales transactions in foreign currency of contracts of mGBP 10 with a value of mDKK 1 before tax. All are recognised on other receivables and equity.

All transactions is to be realised within the next financial year 2025/26.

BESTSELLER A/S has also entered into foreign currency options. The market value amounts to mDKK -46 at 31 July 2025.

As the agreements is made with the company's core banking partners, as the counter-parties, it is our assement that there is no payment risk associated with these counterparties.

(mDKK)	Derivate financial instruments
Fair value, at 1 August 2024	8
Value adjustments in the income statement	-54
Changes recognised in the reserve for hedging transactions	-16
Fair value, at 31 july 2025	-62

## RELATED PARTIES AND OWNERSHIP STRUCTURE

**Controlling  
interest:**

*BESTSELLER United A/S  
Store Torv 1, 3.  
8000 Aarhus C  
(Majority owner).*

*The financial statement  
for BESTSELLER A/S is  
included in the consolidated  
financial statement for  
HEARTLAND A/S,  
Store Torv 1, 3.  
8000 Aarhus C  
being the largest group.*

**Transactions (mDKK)**

Sale of goods to subsidiaries	20,536
Sale of services to subsidiaries	4,370
Sale of goods to other related parties	5
Sale of services to other related parties	18
Purchase of services from subsidiaries	4,389
Purchase of services from other related parties	132
Interest income from subsidiaries	152
Interest income from other related parties	1
Interest cost to subsidiaries	238
Share of profits from subsidiaries	2,912
Capital contribution	438
Dividend received	2,191
Dividend paid	3,500
Receivables from group companies	4,116
Payables to group enterprises	-7,352
Receivables from other related parties	2,428
Payables to other related parties	-18

*No other transactions  
were carried through  
with shareholders in  
the year. Remuneration/fees  
to members of the Executive  
Board are reflected in note 2.*



# MANAGEMENT'S STATEMENT

# STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and Executive Board have today discussed and approved the annual report of BESTSELLER A/S for the financial year 1 August 2024 – 31 July 2025.

AARHUS,  
03 OCTOBER 2025

The annual report is prepared in accordance with the Danish Financial Statements Act. In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the company and the group financial position at 31 July 2025, and of the results of the group and the company operations and consolidated cash flows for the financial year 1 August 2024 – 31 July 2025.

In our opinion, the management's review of the annual report provides a fair view of the developments of BESTSELLER's financial results for the year, as well as a description of the most significant risks and uncertainties that may affect the group and the parent company.

BOARD OF DIRECTORS  
AND MANAGEMENT

Chair of the Board – Merete Bech Povlsen  
Member of the Board and Chief Executive Officer – Anders Holch Povlsen  
Member of the Board – Troels Holch Povlsen  
Member of the Board – Finn Poulsen  
Member of the Board – Lise Kaae

\* New CFO onboards Spring 2026 to be part of the Executive Board.



## BESTSELLER AARHUS CITY HALF

*In support of local initiatives, we continued our long-standing partnership with Aarhus Motion and created a new visual identity for the city's sold-out half marathon.*



# INDEPENDENT AUDITOR’S REPORT

To the Shareholder of BESTSELLER A/S

OPINION

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 July 2025, and of the results of the Group’s and the Parent Company’s operations as well as the consolidated cash flows for the financial year 1 August 2024 - 31 July 2025 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of BESTSELLER A/S for the financial year 1 August 2024 - 31 July 2025, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows (“the Financial Statements”).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

STATEMENT ON  
MANAGEMENT’S  
REVIEW

Management is responsible for Management’s Review.

Our opinion on the Financial Statements does not cover Management’s Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management’s Review and, in doing so, consider whether Management’s Review is materially inconsistent with the Financial Statements or our knowledge

MANAGEMENT’S  
RESPONSIBILITIES  
FOR THE FINANCIAL  
STATEMENTS

obtained during the audit, or otherwise appears to be materially misstated. Moreover, it is our responsibility to consider whether Management’s Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management’s Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management’s Review.

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group’s and the Parent Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR’S  
RESPONSIBILITIES  
FOR THE AUDIT OF  
THE FINANCIAL  
STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Continued

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AARHUS,  
03 October 2025

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

**MADS MELGAARD**  
State Authorised Public Accountant  
mne34354

**CLAUS LYNGSØ SØRENSEN**  
State Authorised Public Accountant  
mne34539

EXECUTIVE  
BOARD



**Chief Executive Officer**  
Anders Holch Povlsen

BOARD OF  
DIRECTORS



**Chair of the Board**  
Merete Bech Povlsen



**Member of the Board**  
Anders Holch Povlsen



**Member of the Board**  
Troels Holch Povlsen



**Member of the Board**  
Finn Poulsen



**Member of the Board**  
Lise Kaae

# COMPANY DETAILS

	<b>BESTSELLER A/S</b> Fredskovvej 5 7330 Brande  CVR no.: 88 21 65 12 Reporting period: 1 August 2024 - 31 July 2025 Domicile: Ikast-Brande
BOARD OF DIRECTORS	Merete Bech Povlsen, Chair Anders Holch Povlsen Finn Poulsen Lise Kaae Troels Holch Povlsen
EXECUTIVE BOARD	Anders Holch Povlsen
AUDITORS	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 8000 Aarhus C

## GROUP CHART SYMBOL OVERVIEW

•	Subsidiary
••	Subsidiary of subsidiary
•••	Subsidiary of subsidiary of subsidiary
*	Associated company
1	Use of the exemption from Article 264 Para. 3 HGB [Handelsgesetzbuch: German Commercial Code] (no preparation of a management report)
	All companies highlighted in beige are 100% owned subsidiaries of BESTSELLER A/S and/or through other subsidiaries.

# GROUP CHART

COMPANY	LOCATION	OWNERSHIP
<b>BESTSELLER A/S</b>	<b>Brande, Denmark</b>	
AHPK GmbH 1	Hamburg, Germany	100%
24.5.2011 US Corporation	Wilmington, Delaware, USA	100%
• BESTSELLER Wholesale US LLC	Wilmington, Delaware, USA	100%
• BESTSELLER Stores US LLC	Wilmington, Delaware, USA	100%
BALMOHK Fashion S.L.	Churriana, Spain	100%
BESTSELLER Fashion Trading MENA LLC	Dubai, United Arab Emirates	100%
BESTSELLER Stores Maloprodaja d.o.o.	Zagreb, Croatia	100%
BESTSELLER AS	Olso, Norway	100%
BESTSELLER Logistics A/S	Brande, Denmark	100%
BESTSELLER Australia PTY Ltd.	Mosman, Australia	100%
BESTSELLER Birlesik Tekstil Ltd.	Istanbul, Türkiye	90%
BESTSELLER Commerce B.V.	Amsterdam, Netherlands	100%
• BESTSELLER Handels B.V.	Amsterdam, Netherlands	100%
• BESTSELLER Service B.V.	Amsterdam, Netherlands	100%
BESTSELLER Commerce Poland Sp. z O.O.	Lozienica, Poland	100%
BESTSELLER Handels Portugal, Unispessoal LDA	Lisbon, Portugal	100%
BESTSELLER Italy SpA	Castel San Pietro Terme, Italy	100%
• BESTSELLER Stores Italy SpA	Castel San Pietro Terme, Italy	100%
BESTSELLER Stores Austria GmbH	Vienna, Austria	100%
• BESTSELLER Handels GmbH	Vienna, Austria	100%
• BESTSELLER MENA GmbH	Vienna, Austria	100%
BESTSELLER Retail Europe A/S	Brande, Denmark	75%



• BESTSELLER Retail Benelux B.V.	Leusden, Netherlands	100%
• ONLY Stores Austria GmbH	Vienna, Austria	100%
• Grønhaug Retail AS *	Bergen, Norway	50%
• ONLY Stores A/S	Brande, Denmark	100%
•• ONLY Stores Spain S.L.U.	Churriana, Spain	100%
•• ONLY Stores Poland sp. z o.o	Warsaw, Poland	100%
•• ONLY Stores UK LIMITED	London, United Kingdom	100%
•• ONLY Stores Italy SRL	Castel San Pietro Terme, Italy	100%
•• ONLY Stores Belgium BVBA	Antwerp, Belgium	100%
•• ONLY Stores Czech s.r.o.	Prague, Czech Republic	100%
•• ONLY Stores Denmark A/S	Brande, Denmark	100%
•• ONLY Stores Finland OY	Espoo, Finland	100%
•• ONLY Stores France SaS	Paris, France	100%
•• ONLY Stores Germany GmbH 1	Viersen, Germany	100%
•• ONLY Stores Ireland Ltd.	Dublin, Ireland	100%
•• ONLY Stores Holland B.V.	Leusden, Netherlands	100%
•• ONLY Stores Luxembourg S.a.r.l.	Luxembourg, Luxembourg	100%
•• ONLY Stores Norway AS	Bergen, Norway	100%
•• ONLY Stores Sweden AB	Solna, Sweden	100%
•• ONLY Stores Switzerland AG	St. Gallen, Switzerland	100%
•• Retail-Fabrikken A/S *	Haderslev, Denmark	50%
BESTSELLER Retail Ireland Limited	Dublin, Ireland	100%
BESTSELLER Retail UK Ltd.	Birmingham, England	100%
BESTSELLER (Schweiz) AG	Glattbrugg, Switzerland	100%
BESTSELLER Stores Belgium BVBA	Antwerp, Belgium	100%
• Belalan Meir Leasehold SRL	Antwerp, Belgium	100%
BESTSELLER Stores Denmark A/S	Brande, Denmark	100%
BESTSELLER Stores Finland OY	Helsinki, Finland	100%
BESTSELLER Stores Germany GmbH 1	Hamburg, Germany	64%

BESTSELLER trgovina SLO d.o.o.	Ljubljana, Slovenia	100%
BESTSELLER Fashion India Pvt. Ltd.	Mumbai, India	12%
BESTSELLER Stores Netherlands B.V.	Amstelveen, Netherlands	100%
• BESTSELLER Wholesale Benelux B.V.	Amstelveen, Netherlands	100%
• BESTSELLER United NL B.V.	Amstelveen, Netherlands	100%
•• Indifusion Apparels India Pvt. Ltd.	New Delhi, India	100%
•• BESTSELLER Fashion India Pvt. Ltd.	Mumbai, India	88%
••• BESTSELLER Wholesale India Pvt. Ltd.	Mumbai, India	17%
••• VERO MODA Retail Pvt. Ltd	Mumbai, India	14%
••• BEST United India Comforts Pvt. Ltd	Mumbai, India	19%
BESTSELLER Stores Luxembourg Sarl	Luxembourg, Luxembourg	100%
BESTSELLER Stores Norway AS	Bergen, Norway	100%
BESTSELLER Stores Sverige AB	Solna, Sweden	100%
BESTSELLER Stores Switzerland AG	Glattbrugg, Switzerland	100%
BESTSELLER Sverige AB	Solna, Sweden	100%
• Hagamagasinet AB	Solna, Sweden	100%
BESTSELLER Textilhandels GmbH 1	Hamburg, Germany	100%
BESTSELLER United China Ltd.	Kowloon, Hong Kong	100%
BESTSELLER United Singapore Pte. Ltd.	Singapore, Singapore	100%
• BESTSELLER Wholesale India Pvt. Ltd.	Mumbai, India	83%
• BEST United India Comforts Pvt. Ltd.	Mumbai, India	81%
• ONLY Retail Pvt. Ltd.	Mumbai, India	100%
• SELECTED Retail Private Limited	Mumbai, India	100%
• VERO MODA Retail Pvt. Ltd.	Mumbai, India	86%
BESTSELLER Wholesale A/S	Brande, Denmark	100%
BESTSELLER Wholesale Belgium BVBA	Antwerp, Belgium	100%
BESTSELLER Wholesale Canada Inc.	Montréal, Canada	100%
• BESTSELLER Retail Canada Inc.	Montréal, Canada	100%
BESTSELLER Wholesale Finland OY	Helsinki, Finland	100%

BESTSELLER Wholesale France SaS	Paris, France	100%
• BESTSELLER Stores France SaS	Paris, France	100%
• 9/9 - 49 France Sarl	Paris, France	100%
• Paris Property SASU	Paris, France	100%
BESTSELLER Wholesale (Ireland) Ltd.	Dublin, Ireland	100%
BESTSELLER Wholesale Spain S.L.U.	Churriana, Spain	100%
• BESTSELLER Tekstil Ltd.	Istanbul, Türkiye	100%
• BESTSELLER Stores Spain S.L.U.	Churriana, Spain	100%
• BS Company of 14.12.2014 Sociedad Limitada	Churriana, Spain	100%
• • BESTSELLER Latam ZF S.A.	Montevideo, Uruguay	100%
• • BESTSELLER Textil Mexico S.A. de C.V.	Ciudad de México, Mexico	100%
• • BESTSELLER Textil Whs Uruguay S.A.	Montevideo, Uruguay	100%
• • BESTSELLER Wholesale Chile SpA	Santiago, Chile	100%
• • BESTSELLER Wholesale Mexico S.A. C.V.	Ciudad de México, Mexico	100%
BESTSELLER Wholesale UK Ltd.	London, England	100%
Best Whs Clothing Greece LLC	Athens, Greece	100%
Bluetide Ltd.	Dubai, United Arab Emirates	100%
Braveheart International Limited.	London, England	100%
BRN Best Retail Norge AS	Namsos, Norway	51%
Toast (Mail Order) Limited	London, England	100%
• TOAST US, Inc.	Chicago, USA	100%
• • TOAST US, Retail, LLC.	Chicago, USA	100%
VILA A/S	Skanderborg, Denmark	100%
• VILA Belgium BVBA	Antwerp, Belgium	100%
• VILA Benelux B.V.	Amstelveen, Netherlands	100%
• VILA Clothes AG	Glattbrugg, Switzerland	100%
• VILA Clothes Handels GmbH	Vienna, Austria	100%
• VILA Clothes Ltd.	Dublin, Ireland	100%
• VILA Clothes Ltd.	London, England	100%
• VILA Finland Oy	Espoo, Finland	100%

• VILA France SaS	Paris, France	100%
• VILA Italy S.R.L.	Caste San Pietro Terme, Italy	100%
• VILA Norge AS	Oslo, Norway	100%
• VILA Spain S.L.U.	Torremolinos, Spain	100%
• BESTSELLER Stores Germany GmbH	Hamburg, Germany	36%
• • VILA GmbH 1	Hamburg, Germany	100%
• VILA Sweden AB	Solna, Sweden	100%
• VILA Wholesale A/S	Skanderborg, Denmark	100%