

BESTSELLER

ANNUAL REPORT

1 AUGUST 2025
31 JULY 2026



MANAGEMENT'S REVIEW

8 Letter from our CEO & Owner

10 Joint letter from our CFO & Head of Sustainability

14 Highlights

20 Economic contribution

22 A closer look at BESTSELLER



DRIVING CHANGE — DELIVERING PERFORMANCE

26 Portfolio & brand momentum

40 Market & retail growth

42 Consumer experience & store innovation

48 Building for the future

50 From digital change to real impact

52 Sustainability in action

54 New ways of working

56 BESTSELLER Foundation



SUSTAINABILITY STATEMENT

64 General

88 Environment

140 Social

174 Governance



FINANCIAL STATEMENTS

202 Group statements

244 Parent statements

270 Management's statement

274 Independent Auditor's report

280 Company details

281 Group chart

MANAGEMENT'S REVIEW

How we report. This annual report presents BESTSELLER's financial and sustainability performance, investments, risks, strategy, and governance for the financial year 1 August 2025 to 31 July 2026. All financial and sustainability figures refer to the reported financial year unless otherwise specified.

The report brings together BESTSELLER's financial and sustainability information in one consolidated publication. While we are not yet reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD), we are starting to prepare for the future requirements.

The Sustainability Statement includes BESTSELLER's statutory corporate sustainability and data ethics disclosures prepared in accordance with Sections 99b and 99d of the Danish Financial Statements Act.

DRIVING CHANGE – DELIVERING PERFORMANCE

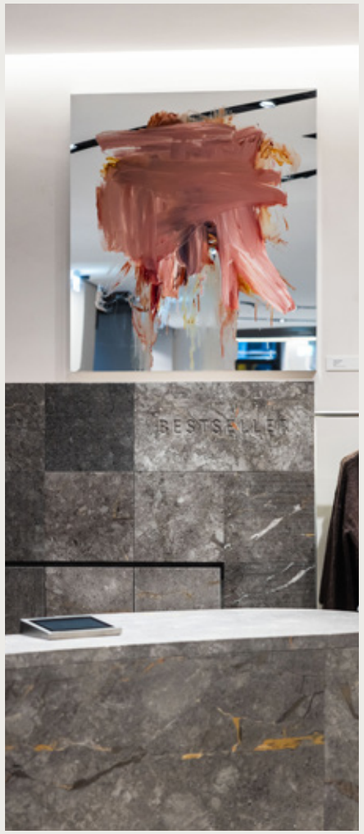
From a single store in Denmark to a global company operating across 90 markets worldwide, change has always been part of our business.

The past financial year has been marked by shifting market conditions, global uncertainty, and evolving customer expectations. In this environment, our ability to adapt has been just as important as our ability to grow.

Throughout the year, we have continued to strengthen our business and invest in the areas that will support our future development. We have navigated a demanding landscape with focus and discipline, guided by our strong values.

The progress we have made is the result of consistent effort and commitment across our organisation.

'Driving change – delivering performance' is not a new ambition for us. It is how we operate. By developing where needed and scaling what works, we aim to create value today while preparing for what comes next.





LETTER FROM CEO & OWNER



We have strengthened our business and delivered satisfying results in a year that required difficult decisions and a willingness to challenge the way we work. As we look ahead, we will continue to adapt to changing demands and build on the strength of our people and partnerships. We expect further growth in the year ahead, with both revenue and profit before tax set to increase within a single-digit range.

Markets move.
Customer expectations evolve.
Technology continues to reshape our industry – perhaps even faster than any of us fully grasp.

As always, our task is to keep moving with these changes: adapting thoughtfully, improving steadily, and positioning ourselves to make change work in our favour.

Despite a global environment marked by economic uncertainty and shifting trade conditions, large parts of our business have performed well.

We have strengthened our position in key markets and kept investing in the capabilities, partnerships, and people that will shape our future. Not every market develops at the same pace, and that is part of being a global business. What matters is that we respond with focus and discipline and that we try to do better every day.

At BESTSELLER, growth is not a goal in itself. It must be disciplined and built to last. That requires us to keep developing how we operate, collaborate, and create value across our business – while taking responsibility for our role as a corporate citizen and the impact we have on people and nature.

This means transforming where it is necessary, scaling what works, and using technology in ways that help us meet customer needs. It also means strengthening our financial, operational, and organisational foundation, so we remain resilient in the years ahead.

This year, we have delivered satisfying results in a period that also required difficult decisions and careful prioritisation. In January, we adjusted parts of our organisation to better reflect the realities of a changing business. As part of that process, we had to say goodbye to valued colleagues. Such decisions are never easy, but they are sometimes necessary to ensure we continue to operate as a strong and responsible business.

Throughout the year, colleagues and longstanding partners across our wider network have once again shown great dedication. I want to acknowledge their efforts and the responsibility they take every day.

We never stand still. Remaining relevant in our industry depends on understanding our customers and their businesses, being curious, and moving with speed – while continuing to challenge ourselves.

Looking ahead, we expect market conditions to remain uncertain and change to keep accelerating. Even so, we are confident in the strength of our business, our people, and our partnerships. Our focus now is to keep moving forward responsibly and with determination, while delivering the performance that secures our future.



Anders Holch Povlsen
CEO & Owner

JOINT LETTER FROM OUR CFO & HEAD OF SUSTAINABILITY

Results matter – not only because they represent our performance in the year gone by, but because they lay the foundation for the ambitions we have for the years ahead. As we look back on 2025/26, our results reflect both progress and adaptation.

The year brought growth in revenue as well as pre-tax profit, driven by solid results across our sales channels.

Revenue amounted to 39,805 mDKK, a year-on-year growth of 5 percent, while our pre-tax profit amounted to 5,935 mDKK, a year-on-year increase of 1 percent, reflecting the impact of our ongoing investments and long-term focus.

We welcomed new brands, embraced new technology, and grew our business in new regions. We achieved several sustainability targets on materials and suppliers, while continuing our collaboration with key partnerships and initiatives across the value chain, ultimately providing a strong foundation for the next phase of our sustainability strategy.

Listing these accomplishments, however, should not overshadow the fact that the year has also come with challenges. The landscape around us continues to change. Consumer behaviour is evolving, market conditions remain uncertain, and the pace of change requires us to continuously adapt to ensure our business remains fit for the future.

Ambitions achieved – and ambitions ahead

Looking closer at our sustainability efforts, the year marked a status on our 2025 targets, originally defined to support our Fashion FWD strategy launched in 2018.

These ambitions have guided our work in recent years and today, we are pleased to have achieved several milestones. The materials we use and the suppliers we work with remain central to our strategy, and during the calendar year 2025, we reached our targets for organic cotton usage, recycled polyester usage, and orders placed with highly rated suppliers.

These targets were also significant as they marked the first time in BESTSELLER's history that colleagues were incentivised based on sustainability targets. Thanks to dedicated efforts across the organisation, a total bonus payout of DKK 80 million was awarded.



Line Andrea Fandrup
Chief Financial Officer
BESTSELLER

Dorte Rye Olsen
Head of Sustainability
BESTSELLER

While encouraged by the progress made, we recognise that the scale of transformation required across our industry extends beyond any one company and will depend on collective action and effective policy measures.

However, that does not lessen our own responsibility to act. Building on the progress and learnings of recent years, we are now setting our direction towards 2030/31 with an updated set of ambitions that reinforce our long-term strategy and focus on nature, people, and approach.

One of our most important ambitions is to reduce our Scope 3 emissions. With a 23 percent increase from baseline, emissions remain significantly above our target pathway and continue to be influenced by business growth. This underlines both the scale of the challenge and the need to evolve our approach, maintaining our ambition while focusing on materials, manufacturing, logistics, and industry collaboration as the key levers for reducing emissions across our value chain.

Building a stronger business

At BESTSELLER, we believe financial performance and sustainability ambitions are closely linked, forming both a responsibility and a driver of long-term success. A healthy and profitable business is what enables us to invest, adapt, and drive change over the long term.

Ultimately, it is about building a stronger business, and our ability to do so depends on creating products that customers want and value, while continuing to reduce the impacts associated with how those products are made.

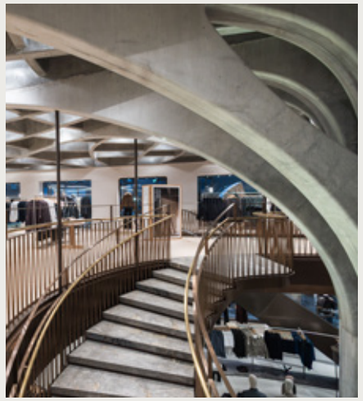
During this financial year, we have made meaningful progress through solid results, key sustainability milestones, and decisions aimed at strengthening our company.

As we look ahead, we remain focused on building a business that is well positioned to navigate change and create opportunities, today and in the years ahead.



Aerial view of the building site of our new Logistics Centre West in Lelystad, the Netherlands, as construction gets underway.

HIGHLIGHTS 2025 — 2026



New BESTSELLER flagship store

We opened a new state-of-the-art BESTSELLER flagship store in a historic building at Gammeltorv in Copenhagen, bringing all our brands together under one roof.



DKK 80 million bonus for colleagues

BESTSELLER colleagues were rewarded with an extra week's salary after reaching targets linked to our work on sustainability within core business areas.



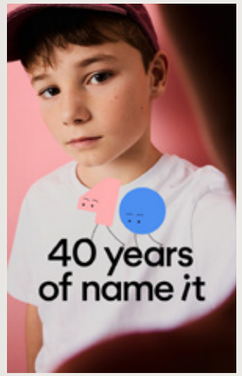
JACK & JONES entering UAE

Region East reached a milestone with the opening of the two first JACK & JONES stores in the United Arab Emirates. The new locations in Abu Dhabi and Sharjah mark a key step in the brand's continued regional growth.



Progress on material goals

83 percent of our key materials came from preferred sources and 25 percent from recycled content, making progress towards our updated 2030 targets.



40 years of NAME IT

Founded in Denmark in 1986 under the name of EXIT, NAME IT has grown into an international kidswear brand, present in more than 45 countries.



ONLY opened store no. 300 in Germany

Situated in Bielefeld, Germany, ONLY's store no. 300 is the brand's largest flagship concept to date, featuring multiple ONLY sub-brands and cementing Germany as a core market.



DEI Ambassador Network driving local impact

FY 25/26 marks the first full year of BESTSELLER's DEI Ambassador Network, driving local action to strengthen inclusion and build a workplace where everyone feels welcome, valued, and free to be themselves.



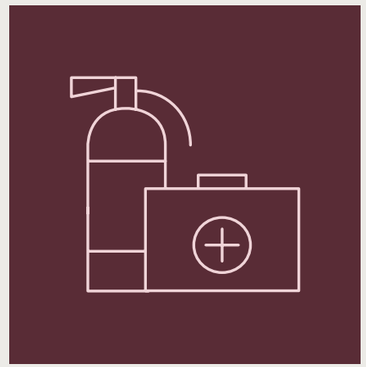
Welcoming four new brands

With TOPSHOP, HYPEDROP, JJXX KIDS, and SEVENZONE now part of our brand portfolio, we continue to strengthen our offering and accelerate our growth.



DKK 20 million donation to Danmarks Indsamling

BESTSELLER donated DKK 20 million to 'Danmarks Indsamling', Denmark's nationwide fundraising campaign – the largest single donation in the 20-year history of the annual event.



Renewed commitment

In January, we renewed our agreement with the Pakistan Accord for Health and Safety in the Textile and Garment Industry, reaffirming our commitment to safe working conditions across our supply chain.

HIGHLIGHTS 2025 — 2026



Achieved official brand certification

Following an independent audit, BESTSELLER has been certified in line with recognised industry standards for sourcing, handling, and tracing certified materials. The certification strengthens traceability across our value chain and enables verified certification claims from raw material to finished garment.



Worker Voice

We reached over 16,000 workers across six of our key sourcing countries through the Ulula Worker Voice Survey, which enables us to receive direct feedback from the workers in the factories.



Textile recycling in Bangladesh

BESTSELLER concluded its participation in the SWITCH2CE pilot in Bangladesh, contributing to improved segregation, data, and traceability of post-industrial textile waste, with learnings informing our ongoing waste management approach.



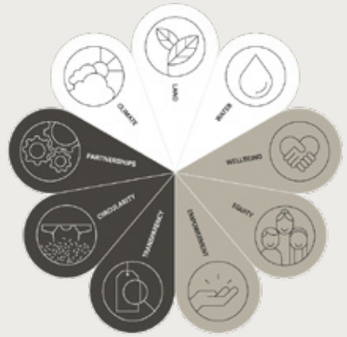
Supporting regenerative fund for nature

BESTSELLER contributed USD 3 million, equivalent to DKK 19 million, to the Regenerative Fund for Nature to support regenerative agriculture and local livelihoods in South Africa.



HYPEDROP

In May, HYPEDROP launched its direct-to-consumer e-commerce platform, marking the transition from a pure B2B model into a direct-to-consumer business.



Fashion FWD 2030

In 2026, we updated our sustainability strategy, Fashion FWD, with new 2030 ambitions built around two interconnected strategic pillars: '*Nature*', focusing on climate, land, and water – and '*People*', promoting well-being, equity, and empowerment.



FUTURE50 reached its finale

December marked the conclusion of FUTURE50, an innovation programme launched as part of BESTSELLER's 50th anniversary, where five cross-functional teams explored bold ideas for the company's future. The winning team highlighted how stronger cross-channel growth and a sharper B2C mindset can help shape what comes next.

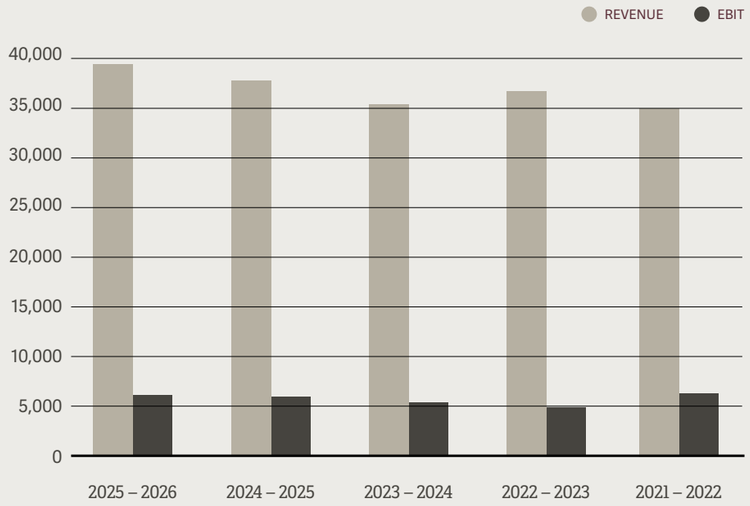


Award for Logistics Centre West

Our new Logistics Centre West in Lelystad, Netherlands, continues to move forward as planned. In March, LCW received the MIPIM Award for Best Industrial & Logistics Project in Cannes, recognising outstanding, innovative industrial and logistics developments.

FINANCIAL HIGHLIGHTS

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



5%

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

1%

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

(mDKK)	2025/26	2024/25	2023/24	2022/23	2021/22
Income statement					
Revenue	39,805	38,074	35,651	37,013	35,248
Gross profit	22,595	20,596	19,012	17,097	17,534
Gross operating profit	14,720	13,558	12,321	11,223	12,201
Profit before net financials (EBIT)	5,969	5,933	5,299	4,790	6,263
Net financials	-34	-45	38	154	-179
Profit before tax	5,935	5,888	5,337	4,944	6,085
Profit for the year	4,760	4,579	3,932	3,913	5,143
Balance sheet					
Balance sheet total	26,399	24,676	21,745	21,132	22,308
Investment in property, plant, and equipment	4,238	2,504	1,794	1,779	1,371
Equity	14,048	12,395	11,827	11,848	11,881
Financial ratios					
Gross profit margin	56.8%	54.1%	53.3%	46.2%	49.7%
Gross operating profit margin	37.0%	35.6%	34.6%	30.3%	34.6%
EBIT margin	15.0%	15.6%	14.9%	12.9%	17.8%
Solvency	53.2%	50.2%	54.4%	56.1%	53.3%

DEFINITION OF FINANCIAL RATIOS:

Gross Profit:	Revenue - Cost of sales
Gross profit margin:	Gross profit x 100 / Revenue
Gross operating profit margin:	Gross operating profit x 100 / Revenue
EBIT margin:	Profit before net financials x 100 / Revenue
Solvency ratio:	Equity (at year end) x 100 / Total assets

ECONOMIC CONTRIBUTION

We strive to contribute positively to the countries and regions in which we operate. In addition to our commercial activities, this includes the taxes and duties we pay and collect as part of our business.

As a global fashion company, we contribute to public finances through corporate income taxes as well as a range of other taxes and duties.

Our total tax contribution reflects the broader economic value we generate, including value-added taxes, payroll-related taxes from our approximately 27,000 colleagues, customs duties, and property taxes.

Each year, we publish an overview of our total tax contribution to provide transparency on the economic support we generate during the financial year.

Taxes borne:

Corporate income taxes, customs duties, and other taxes directly paid by BESTSELLER, such as property taxes, amounting to 2,710 mDKK.

Taxes collected:

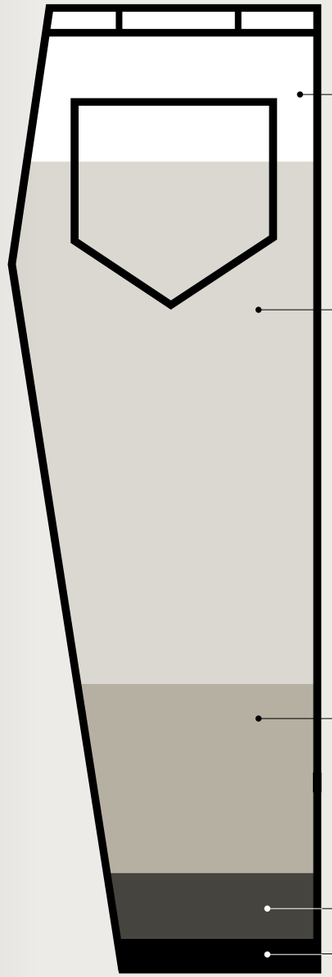
Indirect taxes such as VAT, GST, and sales taxes, as well as payroll-related taxes collected on behalf of authorities, amounting to 6,776 mDKK.

TOTAL TAX CONTRIBUTION YEAR ON YEAR:

Our total tax contribution amounted to 9,486 mDKK in 2025/26, compared with 8,722 mDKK in 2024/25.

+764 mDKK

+8.8 %



1,932 mDKK **CORPORATE INCOME TAXES**

Include all taxes in relation to the companies' profit and cover both taxes payable on tax settlements and tax assessments in the form of tax pre-payments. No tax provisions or accruals are included.

4,731 mDKK **INDIRECT TAXES**

Include taxes and duties levied on producing, selling, or using goods and services, and comprise of Value Added Taxes ("VAT"), Goods and Services Tax ("GST"), and Sales taxes.

2,045 mDKK **EMPLOYEE TAXES**

Include all taxes and social contributions in relation to the employment of staff. The employee taxes cover the taxes collected by the BESTSELLER Group on behalf of the employees and which are withheld from employee wages and salaries.

625 mDKK **CUSTOMS**

Include all duties levied on goods imported and exported across international borders.

153 mDKK **OTHER TAXES**

Include, among others, council taxes, property taxes, lease taxes as well as other taxes which are not included in the above tax categories.

A CLOSER LOOK AT BESTSELLER

Founded in Denmark in 1975 by the Holch Povlsen family, BESTSELLER has grown from a single store into an international fashion company with a wide portfolio of brands.

While the company has expanded significantly over the decades, our foundation remains the same: creating fashion with the ambition of offering good quality at competitive prices.

Today, our products are sold in more than 90 countries across Europe, Asia, North America, South America, Oceania, and the Middle East.

We reach our customers through a combination of wholesale, retail stores, and e-commerce platforms, working closely with more than 16,600 wholesale partners worldwide, including multi-brand stores, department stores, and online platforms.

Our retail network includes approximately 3,100 branded stores across 50 countries. Most of these stores are owned and operated by BESTSELLER, while others are run by close and trusted partners who play an important role in expanding our presence in markets around the world.

Online, our brands are available through our own webshops as well as through leading third-party marketplaces, giving customers flexible access to our collections wherever they choose to shop.

Across the company, we are more than 27,000 colleagues working in areas such as design, buying, sourcing, logistics, technology, and sales. Collaboration across brands, markets, and functions is central to how we operate and develop our business.

Our global supply chain includes more than 400 suppliers producing across 17 countries. Together with our partners, we work continuously to improve production practices and strengthen transparency and responsibility across our value chain, supporting the livelihoods of more than 800,000 people in our near supply network.

Our business model

We distribute our products via three main channels: a wholesale network supplying multi-brand stores, branded retail stores, and a strong e-commerce platform.

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 source materials that support product quality, performance, and our sourcing ambitions.

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

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

Sales
Nurturing partnerships built over time by understanding what customers need and supporting their commercial success.

Production
Working with suppliers to optimise production, enhance quality, and embed improvements.

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

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

Consumers
Engaging with consumers, helping them find the right products for their needs.

DRIVING CHANGE DELIVERING PERFORMANCE

PORTFOLIO & BRAND MOMENTUM

BESTSELLER's brand portfolio is organised into a number of brand houses, each with a distinct identity, target audience, and market position. Within these brand houses, sub-brands and concepts enable us to meet a broad range of consumer needs and preferences.

This structure combines the strength of established brands with the flexibility to evolve our offering in response to changing market trends.

JACK & JONES BRAND HOUSE
—

JACK & JONES
JJXX
JACK & JONES JEANS INTELLIGENCE
JACK & JONES ORIGINALS
JACK & JONES CORE
JACK & JONES AUTHENTIC
JACK & JONES PREMIUM
JACK & JONES ADDITIONALS
JACK & JONES PLUS
JACK & JONES KIDS
JJXX KIDS
JJ REBEL



Team members: 6,800+
Stores: 864
Founded: 1990

With roots in jeanswear dating back to 1990, JACK & JONES has grown into one of Europe's leading menswear brands. Denim and jeanswear remain the core business, alongside a broad range of everyday essentials, tailoring, sportswear, footwear, and accessories. Today, the JACK & JONES extends beyond menswear and includes sub-brands and concepts for kids, plus sizes, as well as JJXX, a growing womenswear brand that shares the same love of denim.



ONLY BRAND HOUSE
—

ONLY & SONS
ONLY & SONS JUNIOR
ONLY PLAY
SEVENZONE
ONLY CARMAKOMA
ONLY GIRLS
ONLY MATERNITY
KIDS ONLY
JDY

ONLY was founded with the ambition to make great denim accessible to everyone. What began as a womenswear brand has grown into a leading European denim brand and, today, a complete brand house. Across women, men, and children, ONLY Brand House brings together a portfolio of brands built on a shared belief: great style should feel inspiring, relevant, and within reach.

Team members: 10,100+
Stores: 984
Founded: 1995

VERO MODA

—

AWARE
TOPSHOP
MAMALICIOUS
VERO MODA INCLUDED
VERO MODA CURVE
VERO MODA GIRL
VERO MODA MATERNITY
VERO MODA ACCESSORIES



Team members: 3,300+
Stores: 400
Founded: 1987

VERO MODA was established in 1987 as the first brand in BESTSELLER's portfolio. Over the decades, VERO MODA has built a strong position in womenswear through collections that combine contemporary design and commercial relevance. Today, the brand offers a complete wardrobe spanning denim, essentials, tailoring, maternity wear, footwear, and accessories.



SELECTED

—

Since 1997, SELECTED has offered contemporary clothing for men and women. The brand's design approach has always been inspired by Nordic lifestyle and Scandinavian design traditions, with a clear focus on quality and simplicity.

Team members: 460+
Stores: 29
Founded: 1997

PIECES, YAS & HYPEDROP

—



Team members: 500+
Stores: 37
Founded: 2003

PIECES, established in 2003, creates playful daily fashion built around a tightly edited core, everyday essentials, and standout accessories designed to complete every look. Since 2013, YAS has created contemporary, sophisticated designs with modern femininity and a bold approach to prints and colour. HYPEDROP, established in 2025, is a fully digital brand bringing everyday wardrobe essentials to market through weekly drops, shaped by real-time demand and data-driven decisions.



VILA

—

NOISY MAY
ROUGE EDIT

VILA is a womenswear brand founded in 1994. The brand is known for its soft, delicate cuts, feminine details, and playful mixes of prints. VILA creates collections that range from everyday basics to tailored blazers and occasion dresses. The VILA Brand House also includes NOISY MAY, focused on denim and trend-driven casualwear, and ROUGE EDIT, which offers occasionwear and more elevated styles.

Team members: 830+
Stores: 75
Founded: 1994

NAME IT
BRAND HOUSE
—

LMTD
LIL' ATELIER



Team members: 1,700+
Stores: 200
Founded: 1986

NAME IT began as EXIT in 1986 and was rebranded in 2008. Today, it offers playful, affordable fashion for babies, kids, and tweens, with a strong focus on comfort and quality. Within the brand house, LIL'ATELIER brings a more nature-inspired and timeless expression through soft tones and natural materials, while LMTD offers trend-led fashion for teenagers aged 10-16.



OBJECT
—

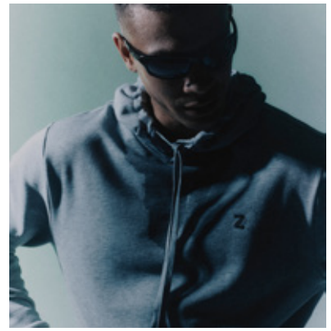
Since 2003, OBJECT has created quality womenswear with attention to detail and effortless style. The brand is known for creating modern, feminine looks that are both high-quality and affordable.

Team members: 80+
Stores: 20
Founded: 2003







NEW BRANDS – NEW OPPORTUNITIES





In 2025/26, we added four new brands to our portfolio, bringing fresh perspectives on how we design, develop, and bring products to market. Together, they reinforce our continued focus on evolving the business across both retail, wholesale, and e-commerce. Two of these are HYPEDROP and TOPSHOP.

HYPEDROP

Launched as a fully digital brand, HYPEDROP brings trends to market quickly. By combining data and global insights, products can be developed in around six weeks based on current demand.

As BESTSELLER's only 100 percent digital brand, HYPEDROP operates without physical samples, reducing waste while increasing speed and flexibility. Through a self-service platform, customers can easily explore and test new styles. Instead of following fixed collection cycles, the brand releases continuous drops based on real-time demand.

This step strengthens the brand's ability to connect directly with consumers and gain closer insights into their preferences and behaviour.



Rine Wagner Bock

Head of Brand
HYPEDROP

"HYPEDROP has been met with strong interest from both customers and markets, where the concept is seen as both refreshing and forward-thinking. It is a new, more agile way of working, and that takes a mindset shift for us and our partners. We are building the model step by step. With weekly drops now in place, we are moving into the next phase: scaling the brand."

TOPSHOP

In 2024, BESTSELLER's parent company, Heartland, bought a majority stake in British fashion retailer TOPSHOP through a joint venture with ASOS. In autumn 2025, we started bringing the brand back, with VERO MODA leading its development.

TOPSHOP is a well-known womenswear brand, recognised for trend-led clothing, shoes, and accessories. Our relaunch builds on this history, while updating the look and feel for today.

In February 2026, we launched a TOPSHOP comeback collection on Zalando, followed by a reintroduction of the brand to customers on veromoda.com in spring 2026.

Henrik Matthiesen

Brand Director
VERO MODA

"Launching TOPSHOP has been a key focus for us this year. Building a strong foundation with global customers and seeing the brand come to life has been incredibly promising and has strengthened our confidence in its long-term potential. From Mexico City to Sydney, TOPSHOP is now live in 21 countries. We have high expectations for the future performance and look forward to seeing TOPSHOP's momentum translate into sustained commercial success."





NAME IT – 40 YEARS OF KIDSWEAR



In 2026, NAME IT marks its 40th anniversary. Founded in Denmark in 1986 under the name EXIT, the brand has grown into one of Europe's leading kidswear brands and an established part of BESTSELLER's portfolio.

Over four decades, NAME IT has evolved alongside changing markets while remaining committed to its core purpose: creating relevant, quality-driven fashion for children and teenagers aged 0–16.

A brand shaped over time

Today, NAME IT is present in more than 45 countries through wholesale, retail, and e-commerce channels, supported by a strong international organisation and long-standing partnerships across the value chain.

The anniversary reflects not only the brand's commercial development, but also the dedication of the many colleagues, customers, and partners who have contributed to shaping NAME IT over the years. For many, the brand has been part of their career for decades. For others, it has been part of family life for generations, with parents who grew up with the brand now choosing it for their own children.

Reaching 40 years is an important milestone, reflecting both consistency and the ability to adapt to changing consumer expectations. Most recently, this has included the launch of NAME IT Footwear, a natural addition to the brand's range and part of its continuous development. Looking ahead, the focus remains on strengthening the brand, expanding its retail presence, deepening customer relationships, and continuing to develop products and experiences that meet the needs of modern families.

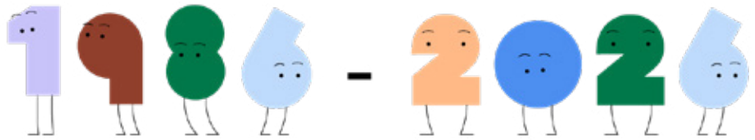
Michael Vinther
Brand Director
NAME IT

"Turning 40 is a proud milestone for everyone connected to NAME IT. While we are proud of our history, our focus is on the future. Our next chapter will be shaped by stronger brand experiences, a growing retail presence, and a closer connection to our customers through data and insights. We are also investing in new technologies, including AI, to improve how we develop products and bring them to market. The spirit of NAME IT has always been curious, optimistic, and forward-looking – and that will continue to guide us."



For 40 years, NAME IT has designed clothes that support children as they move, play, grow, and discover the world.





1986 NAME IT begins its journey in Denmark under the name EXIT. At the time, the brand operates with a small, dedicated team, designing one annual collection for other retailers. Just a year later, the concept expands beyond Denmark with entry into the Norwegian market.

1989 EXIT introduces EXIT BOY.

1996 The first EXIT store opens, marking an important milestone in the brand's development and the beginning of a direct relationship with customers.

2005 EXIT increases production to six collections annually.

2008 As the brand grows, so does its name. EXIT becomes NAME IT, marking a new chapter that reflects who the brand is becoming and the kids it designs for.

2009 NAME IT takes a digital step forward with the launch of www.nameit.com. The platform strengthens accessibility and dialogue with customers. In 2024, this connection is further developed with the introduction of Club NAME IT.

2016 LMTD is launched as a tween/teen brand within the NAME IT brand house.

2019 LIL' ATELIER is added to NAME IT's brand portfolio in response to growing demand from parents seeking more timeless childrenswear with a balanced colour palette and a more refined expression.

2025 NAME IT reaches 200 retail stores across 11 countries.

2026 NAME IT launches NAME IT Footwear – kids' and teens' footwear from first walking sizes up to size 39, released through two main collections a year.



MARKET & RETAIL GROWTH

Across our retail network, 2025/26 was a year of both growth and continuous optimisation. We opened 377 new stores, bringing the total number of branded BESTSELLER stores to 3,100 across 50 markets.

At the same time, our brands invested in existing locations through refurbishments, new visual concepts, and strategic relocations to further strengthen the store portfolio.

Looking ahead, we will continue to develop our stores and concepts, ensuring they remain relevant, efficient, and closely aligned with customer expectations across markets.

20+ Brands	16,600 Multi-brand & department stores
90+ Markets	3,100 Branded retail stores

NEW MARKETS

In January, BESTSELLER reached a milestone with the opening of the two first JACK & JONES stores in the United Arab Emirates.

The new locations in Abu Dhabi and Sharjah mark an important step in the brand's continued regional growth and reflect a year-long effort by the Region East team to enter the UAE market. The openings demonstrate strong collaboration across teams and a clear ambition to strengthen the brand's presence in the MENA region.

They also represent our commitment to regional growth and reflect the ambition to be closer to customers in the UAE.

ROMANIA

The opening of the first JACK & JONES store in Promenada Mall in Sibiu in April marked BESTSELLER's entry into the Romanian market.

Located in the Transylvania region, the new store marks an important first step in our Eastern European expansion and reflects our ambition to grow in selected markets through strong brand concepts and local relevance.

The store spans approximately 250 m2 and introduces JACK & JONES' denim-led universe to Romanian customers.

ARGENTINA

In February, BESTSELLER entered the Argentine market with JACK & JONES and ONLY. The plan is to open approximately 30 stores in the country, creating up to 400 direct jobs in the initial phase of expansion.

GROWING PRESENCE IN ANTWERP, BELGIUM

Throughout 2025/26, several of our brands, including JACK & JONES, JJXX, ONLY, SELECTED, and VERO MODA, grew their retail network in Antwerp, Belgium.
The city combines strong commercial potential with a well-established position.

Antwerp is widely recognised as one of Europe's leading fashion destinations, where heritage meets innovation. With a strong design culture and a diverse retail landscape, the city attracts customers who value quality, authenticity, and distinctive style. This makes it a natural fit for brands looking to strengthen their presence and engage with fashion-conscious consumers.

For BESTSELLER, Antwerp plays a key role in the Belgian market, offering both high-traffic retail locations and a strong connection to local customers. The recent openings support our ambition to grow in selected cities where brand visibility, customer experience, and long-term potential go hand in hand.

CONSUMER EXPERIENCE AND STORE INNOVATION



Shopping habits continue to change. Customers are used to moving between online and physical channels, and convenience now matters across every part of the shopping experience. In stores, this means good service, a clear concept, and an experience that makes the visit worthwhile.

Across our brands, we continue to adapt our concepts and invest in solutions that make shopping easier, more engaging, and more relevant in each market. This chapter highlights how we are evolving our physical retail presence through new flagship and multi-brand concepts – and how targeted innovations, such as self-checkout, support a more flexible and efficient in-store experience.

Bringing brands together

In December 2025, we opened a new BESTSELLER flagship store in a historic building where Gammeltorv meets Strøget in Copenhagen. The store represents a new way of presenting our brands - bringing them together in one shared space to create a more inspiring and seamless shopping experience.

By combining selected styles from both our women's and men's brands, the store introduces a more integrated brand universe, where collections complement each other and offer consumers greater choice in one destination. Selected lifestyle categories, including shoes, jewellery, and home accessories, further expand the offering across the two floors.

The flagship store reflects how we are evolving our retail approach to the BESTSELLER stores, moving towards stronger, more curated environments that support both consumer engagement and brand visibility.

The opening also marked the completion of a long-term transformation. Preparations began in 2019 with an extensive renovation of the historic building, where a modern interior has been created behind a carefully restored façade. Throughout the six-year process, original architectural elements were recreated based on historical materials, ensuring the building retains its distinctive character while meeting today's retail needs.

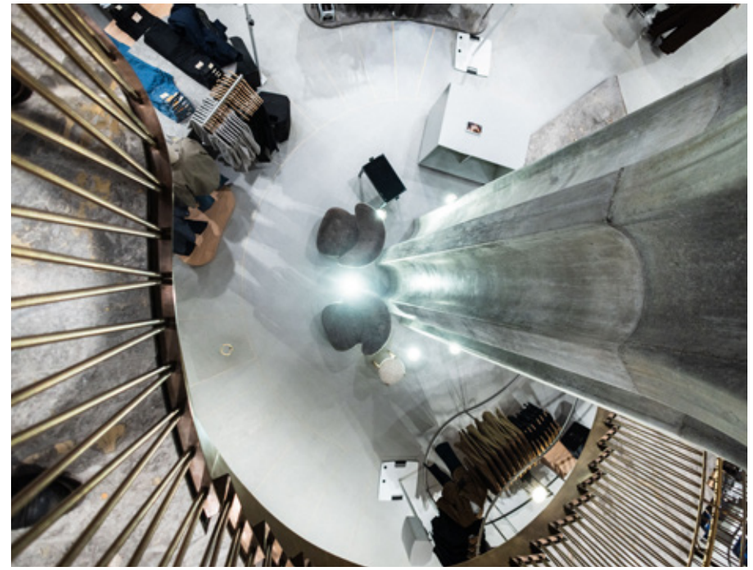
The Copenhagen flagship joins a small portfolio of BESTSELLER stores in Aarhus and Brande, and complements our more than 3,100 brand stores globally. The new store has also welcomed 30 new colleagues, reflecting our continued growth in the Danish market.

Louise Ejersbo Jensen

Retail Manager
BESTSELLER

"Since opening, we have seen a strong response from customers. The store has quickly established itself as a destination in Copenhagen, with many guests exploring more brands and categories than before. The concept is not only changing how we present our brands but also supporting solid results. It is encouraging to see how our guests embrace the new setup and how the team delivers an engaging store experience. Based on our early experiences, we have already refined parts of the store to better support how guests move through and spend time in the space."









BESTSELLER flagship store
The store is built around an impressive concrete column and a stainless steel and marble staircase connecting the two floors.



ONLY STORE NO. 300

ONLY BRAND HOUSE reached an important milestone in October 2025 with the opening of its 300th store in Germany – its largest store so far.

Located in the LOOM shopping centre in Bielefeld, the 2,500 m² multibrand destination brings together ONLY, JDY, KIDS ONLY, and ONLY & SONS under one roof, creating a connected brand experience across segments. The store marks ONLY's first move into a multi-brand retail concept and reflects how the brand is evolving and adapting to new retail formats while staying close to customers.

INTRODUCING SELF-CHECKOUT

In March 2026, VERO MODA introduced self-checkout for the first time in its store in Bruuns Galleri in Aarhus, Denmark.

Self-checkout supports a seamless in-store experience, giving customers greater control and shorter waiting times. At the same time, it allows store teams to dedicate more time to personal service and product guidance, strengthening the overall customer experience.

The rollout reflects BESTSELLER's focus on combining innovation with strong retail performance, continuously refining the in-store experience. It also highlights how small, practical improvements can make a meaningful difference in everyday shopping, both for customers and for store teams.







Our new Logistics Centre West is taking shape with mass timber at the heart of its design.

BUILDING FOR THE FUTURE







LCW – awarded for design, sustainability, and innovation.

The construction of our new Logistics Centre West (LCW) in Lelystad, 60 km east of Amsterdam, continues to move forward as planned. We have now reached over two-thirds of the total construction time for the project.

Designed by Henning Larsen Architects, this building will become a cornerstone in our supply chain, built to combine scale, efficiency, and with sustainability in mind. It is a project that will become the largest logistics facility in Europe built in mass timber.

The project reached an important milestone at the beginning of January 2026 with the handover of the first High Bay to KNAPP. The KNAPP system will manage materials handling at LCW, using robots to automate physically demanding and repetitive tasks. Preparation and installation of shuttles is already underway, and the first racks are in place.

In March and April 2026, the second High Bay and the first part of the terminal building were handed over to KNAPP, allowing the installation of additional activities to begin. Construction work will continue for another year, with mechanical installation scheduled over the following two years.

In March 2026, LCW received the MIPIM Award for Best Industrial & Logistics Project in Cannes, France. The award recognises outstanding industrial and logistics projects that support modern and innovative businesses, with sustainability, environmental performance, and broader ESG impact considered alongside innovation and architectural quality.

When complete, LCW will be the largest logistics centre in Europe made with FSC-sourced timber, covering 155,000 m² and housing more than 600 colleagues. It will have a storage capacity of up to 1,400,000 cartons, feature 1,400 robots, and dedicate more than 200,000 m² to natural spaces to promote biodiversity.

A CLOSER LOOK AT LCW'S FEATURES

LCW is constructed according to our Building Forward strategy and will, among other features, include:

- Construction using over 23,600 m³ of mass timber
- 31,000 m² of solar panels on the roof
- Green roofs and façades to help with cooling
- 40,900 m² of straw-based insulation panels
- More than 40% of the site is dedicated to natural spaces

The building is designed to be BREEAM-certified at the highest level 'Outstanding'. BREEAM is one of the leading international building certifications in sustainable construction.

FROM DIGITAL CHANGE TO REAL IMPACT

At BESTSELLER, we are strengthening our digital capabilities and investing in technologies that improve how we work.

In 2025/26, that meant going deeper into how data, digital platforms, and AI can support faster workflows, sharper decisions, and stronger collaboration across brands, corporate functions, and markets.

Direct-to-consumer, Digital, and E-commerce

Our online, e-commerce, and direct-to-consumer business is becoming increasingly important to our brands and their direct connection to consumers. Through own webshops, online partners, and marketplaces, our brands create more relevant and personalised shopping experiences across markets and touchpoints.

During the year, we improved our digital infrastructure and put consumer insights to more active use to shape customer journeys. This helped us reach new consumers and scale loyalty across brands, while building a stronger foundation for future growth.

We also strengthened our data ecosystem to support faster and more demand-driven decisions across brands, channels, and markets. Better data and clearer processes help our brands make stronger buying and supply chain decisions, develop more relevant assortments, and respond faster to consumer demand.

"Our Direct-to-Consumer, online, and own e-commerce business has developed positively across our brands and data ecosystem over the past few years – driven by stronger consumer relevance and product response in the market, and more advanced daily trading across channels."

Claus Nielsen, Director, Direct-to-Consumer & E-commerce.

STRENGTHENING CUSTOMER COLLABORATION THROUGH MORE

As part of our connected wholesale strategy, we continue to develop MORE as the central platform for collaboration with our wholesale customers. MORE is evolving from a sales platform into a unified digital home for the tools our wholesale customers use most. By bringing together our customer portal, digital showroom, and ordering platform, we aim to create a more seamless experience for our wholesale partners.

Through MORE, customers can access product information, collections, ordering, and delivery updates in one place, which makes planning and day-to-day collaboration with BESTSELLER easier. Its continued development reflects our commitment to a more connected, data-driven wholesale business.

AI IN TECH AND EVERYDAY WORK

In BESTSELLER TECH, AI Fashion Solutions brings together AI Fashion Planning and AI Fashion Recommendations. The aim is to improve demand forecasting, identify commercial opportunities, and support better decisions across products and markets.

Across the organisation, AI is becoming part of everyday work, especially in planning and forecasting. The AI Adoption Team and AI Ambassador Network help colleagues turn AI into practical use through webinars, workshops, peer learning, and hands-on testing.

FROM DATA TO COMMERCIAL VALUE

Across wholesale, teams are combining sell-in data, sell-through insights, and customer feedback to spot opportunities earlier and strengthen customer engagement – including more precise buying decisions, fewer overstocks and gaps, and better sell-through.

Together, these initiatives connect AI, data, and digital platforms into a more integrated way of working. The focus is not technology for its own sake, but how it can support better decisions, stronger execution, and more efficient ways of working across brands and markets.



SUSTAINABILITY IN ACTION

Incentivised sustainability targets reached

In 2024, BESTSELLER introduced sustainability incentives for all colleagues, tied to three selected Fashion FWD targets for 2025. The initiative was designed to strengthen focus on key priorities and support a collective effort across the business.

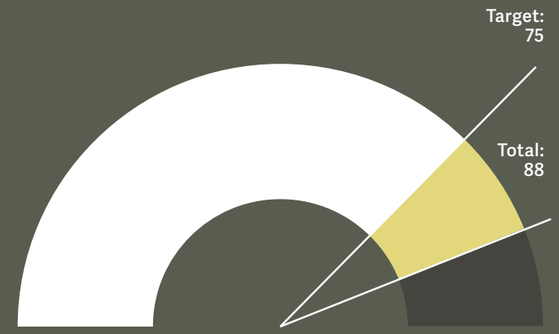
By end of 2025, all three targets were achieved. A total of 88 percent of orders were placed with highly rated suppliers, organic cotton reached 33 percent of total cotton use, and recycled polyester accounted for 51 percent of total polyester use.

The results reflect a dedicated effort across our organisation, brands, and markets, demonstrating how aligned priorities can drive progress. As a result, a collective bonus equivalent to one week's base salary was paid to colleagues with Fashion FWD-related performance metrics, with a total bonus payout of DKK 80 million.

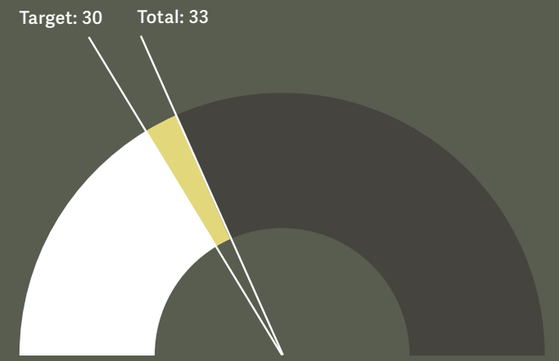
The initiative helped embed certain sustainability metrics more firmly into everyday decision-making, linking progress directly to business priorities and performance.

While these targets represent a focused part of our broader sustainability ambitions, reaching them marks a step forward. We remain committed to building on this progress and continuing to address the work ahead as we advance our Fashion FWD priorities.

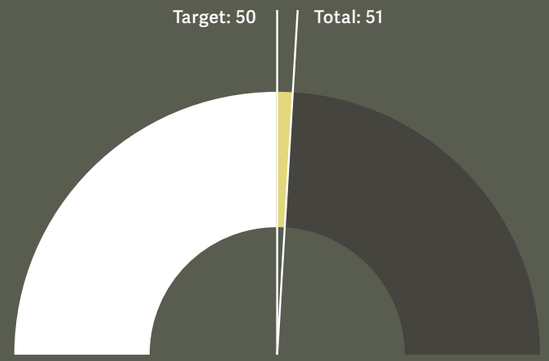
HIGHLY RATED SUPPLIERS: 88%



ORGANIC COTTON USAGE: 33%



RECYCLED POLYESTER USAGE: 51%



*Status per end of calendar year 2025.

NEW WAYS OF WORKING

As part of BESTSELLER's 50-year anniversary last year, we kicked off FUTURE50 – a programme created to spark new game-changing ideas that will strengthen how we work together across the business and shape the next 50 years of BESTSELLER.

We brought together 50 handpicked colleagues across brands, functions, and markets, spanning different cultures, ages, and levels of experience. They formed five teams and worked on ideas that were big enough to matter, but tangible enough to put into action and create long-term value.

With one shared question in mind – how BESTSELLER will stay relevant and competitive over the next 50 years – the teams worked across five themes: a new retail concept, a new wholesale concept, a new brand proposition, leadership and future colleagues, and partnerships. The point was to move beyond small tweaks and explore new ways to strengthen our brands, the customer experience, and how we run the business.

Along the way, the 50 participants followed a structured learning journey, including workshops led by professors from Harvard Business School.

In December 2025, the five teams pitched their proposals to a grand jury that included BESTSELLER's CEO and members of management. The winning team stood out by questioning a few 'we've-always-done-it-this-way' assumptions and presenting an ambitious plan that addressed how we can create stronger growth across channels without losing speed or direction. Their proposal explored how a stronger B2C mindset, combined with a structure better suited to future needs, can help shape the next phase of BESTSELLER's development.

Following their jury presentations, the teams also shared their work in open Teams sessions, giving colleagues across BESTSELLER the opportunity to engage with the ideas and learnings.









Louise Sylvest

Chief People Officer
BESTSELLER

"FUTURE50 has given us a real boost of energy over the past year, bringing colleagues across brands and markets together and challenging us to see BESTSELLER with fresh eyes. The teams turned big questions into concrete ideas on how we need to evolve with changes in our industry, technology, partners, and the culture we want to safeguard."

Investing in women's opportunities to create, work, and own in a rapidly changing world.

BESTSELLER FOUNDATION

BESTSELLER FOUNDATION

In its 10th year, the foundation has refined its strategic focus to centre on women and families. Going forward, BESTSELLER Foundation will invest in women's opportunities to create, work, and own in a rapidly changing world.

Funded by BESTSELLER, the foundation has, over the past decade, supported, co-created, and invested in solutions to drive social and environmental impact in Sub-Saharan Africa and communities close to BESTSELLER's value chain.

Building on this, the foundation is strengthening its commitment to back women and families with the tools, networks, and opportunities needed to shape their future and build communities where strength, stability, and possibility pass from one generation to the next. By creating access to capital, future-proof jobs, and strengthening financial resilience, the foundation focuses on women's economic power, with a particular emphasis on the creative industries, reflecting where BESTSELLER comes from.

Across BESTSELLER's value chain, women play a central role – as colleagues, makers, and customers. With around 80 percent female colleagues across the company, strengthening women's opportunities reflects both where the foundation can make a meaningful difference and where its connection to BESTSELLER is strongest.

GLOBAL GENDER FACTS

90%

of women's income is invested back into their families

175+

countries have laws preventing women from fully participating in the economy

<5%

of venture capital goes to female entrepreneurs

26%

global growth will – according to McKinsey – be unlocked if women gain full economic participation

INCREASING FOOTPRINT IN SOUTH ASIA, PARTICULARLY IN BANGLADESH

The foundation is increasing its geographical focus in South Asia, with an initial emphasis on Bangladesh. As one of BESTSELLER's key production countries, Bangladesh represents a natural place for the foundation to engage more actively.

The ambition is lasting economic independence for women – because studies show that when a woman's opportunities improve, the well-being of her family improves with her.

Line Boss

Impact Director
BESTSELLER Foundation

"Across sectors, women continue to face structural barriers to work, income, and ownership. As technology and new economic models reshape how value is created, women risk being left behind if these barriers are not addressed. This is not only the case in Bangladesh – but building on our close connection to the value chain, we see significant potential and relevance in strengthening our efforts here."

Alongside South Asia, the foundation will maintain focus on Sub-Saharan Africa and Europe.

CO-CREATING A WOMEN'S CAFÉ IN BANGLADESH

Since early 2025, the foundation has backed female workers and their children through a women's café, established in partnership with the non-profit organisation Phulki. The café creates a safe space where women receive counselling, develop life-skills, and gain the knowledge needed to navigate labour rights and stand up to gender-based violence and harassment.



SUSTAINABILITY STATEMENT

CONTENT

GENERAL

66 Strategy, business model & value chain

72 Governance

74 Double materiality assessment

79 Stakeholder engagement

82 Supply chain & due diligence

ENVIRONMENT

90 Climate

104 Pollution & chemicals

110 Water

114 Land & biodiversity

120 Resource use & circularity

SOCIAL

142 Own people

154 People in the value chain

GOVERNANCE

176 Business conduct

APPENDIX

188 Policies & guidelines

194 Accounting policies

66 Strategy, business model & value chain

72 Governance

74 Double materiality assessment

79 Stakeholder engagement

82 Supply chain & due diligence

GENERAL

This sustainability statement covers our statutory disclosures under Sections 99b and 99d of the Danish Financial Statements Act. As we prepare for the Corporate Sustainability Reporting Directive (CSRD), we are advancing our sustainability reporting practices. We do not claim any compliance with the CSRD or the European Sustainability Reporting Standards (ESRS). Guided by our preliminary double materiality assessment covering own operations as well as upstream and downstream value chain, the statement outlines BESTSELLER's sustainability performance, impacts, risks, and governance, detailing progress in integrating sustainability across our business and value chain.

STRATEGY, BUSINESS MODEL & VALUE CHAIN

We aim to integrate sustainability in our strategy, business model, and value chain, and we recognise this as an ongoing journey rather than a finished achievement. As we introduce our approach in this section, we acknowledge that embedding sustainability practices is both a necessity and a responsibility – one that requires continuous improvement, transparency, and collaboration.

We work to understand and reduce the environmental and social impacts linked to our business. This requires action across our value chain, collaboration with partners, and openness about where progress is being made and where challenges remain. We know there is more to do, and we will continue to adapt, learn and focus our efforts where they can create meaningful change.

Business model

Through a diverse and dynamic brand portfolio with more than 20 brands, we strive to stay close to our customers and their ever-changing needs – and to continuously offer affordable fashion for all. Read more about our business model on pages 22-23.



VALUE CHAIN

BESTSELLER's value chain covers: upstream sourcing of raw materials and material conversion by independent production partners (yarn spinning, fabric production, dyeing and finishing).

Own operations include product design and development, buying, corporate offices, distribution centres, engagement with consumers through marketing activities and sales through retail and e-commerce.

Downstream activities comprise transport and warehousing, delivery to stores, wholesale customers and end-consumers. After purchase, the use phase sits with the consumers (wear and care). At end of life, products may be reused or resold, recycled, sent to energy recovery/incineration, or landfilled.

BESTSELLER has direct control over own operations and through contracts and partnerships we work to address impacts across upstream and downstream activities. Our long-term success depends on the people and resources we rely on across the full value chain.

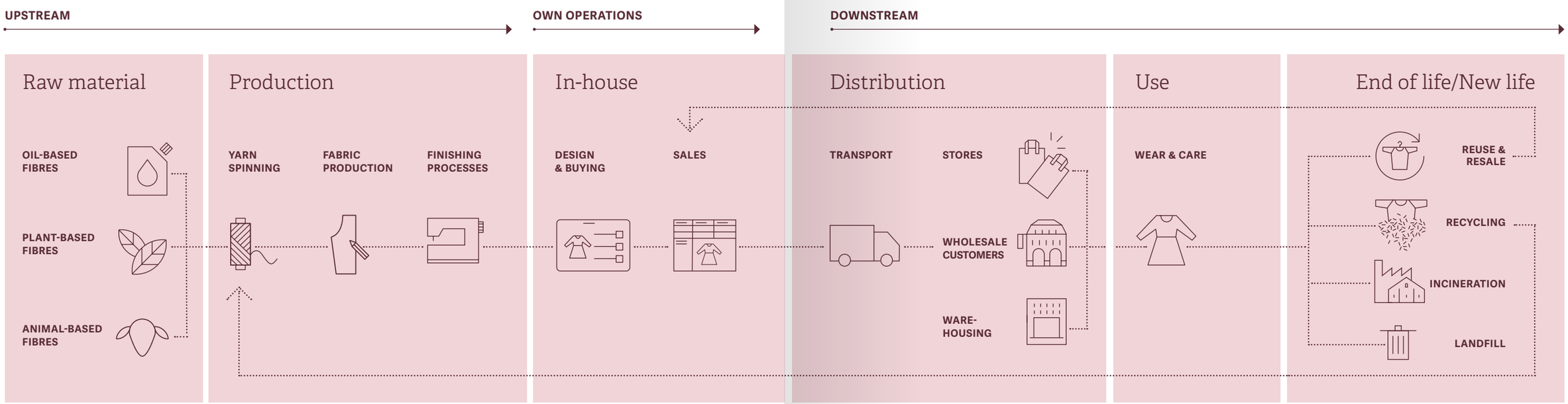
KEY SUSTAINABILITY IMPACTS ACROSS THE VALUE CHAIN

The most significant sustainability impacts occur in three areas of the value chain.

Raw materials drive Scope 3 greenhouse-gas emissions, water withdrawal, and consumption and pollution. The production of raw materials can also contribute to the conversion of natural landscapes for agriculture or forestry, as well as land degradation, with impact profiles that vary across fibre types, including cotton, man-made cellulosic fibres, and synthetics such as polyester. In addition, the production of natural fibres such as cotton and wool can be associated with impacts on labour rights, working conditions, and the livelihoods of farming communities.

Manufacturing at suppliers and sub-suppliers is associated with environmental impacts related to resource use, emissions, and pollution, as well as salient risks to workers' rights, health, safety, and equality.

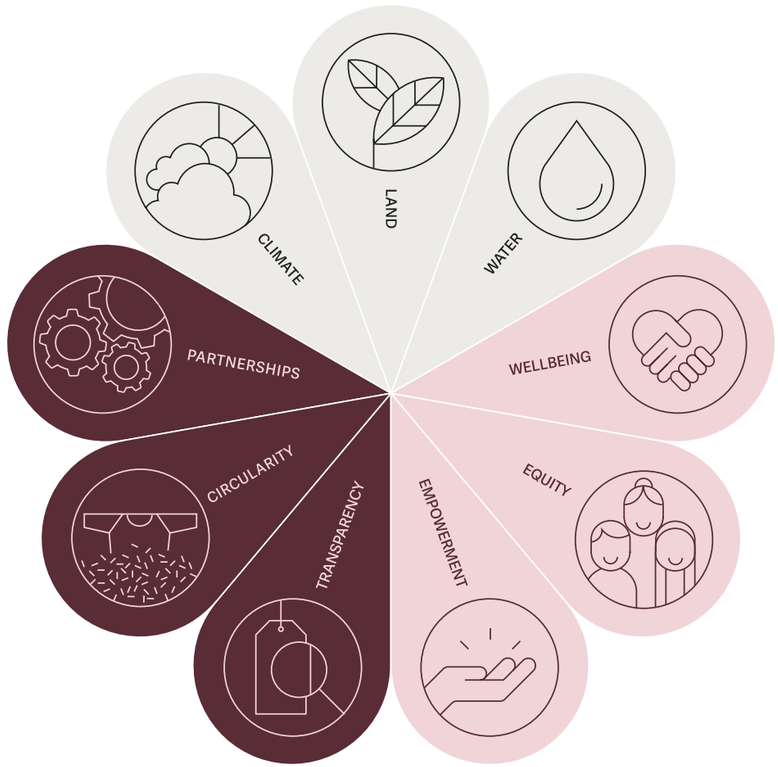
Circularity and end-of-life processes are characterised by short product lifecycles, low rates of reuse and recycling, and limited closed-loop recycling options. Material blends further reduce recyclability, resulting in post-consumer textile waste being sent to landfill or incineration.



As our 2025 targets concluded, we have now updated our Fashion FWD strategy with new ambitions for FY 2030/31.

Our sustainability strategy, Fashion FWD 2030, consists of three pillars: Nature, People, and Approach. Within *Nature* we address the impact areas of climate, land, and water. Within *People*, we focus on well-being, equity, and empowerment. *Approach* underpins these impact areas through transparency, circularity, and partnerships.

To create impact, we rely on commitment and action. We are therefore introducing eight ambitions – each linked across the specific impact areas and reinforcing our long-term direction.



FASHION FWD — 2030 AMBITIONS

CLIMATE	We aim to reduce absolute Scope 3 GHG emissions from purchased goods and services and upstream and downstream transportation by 30% and absolute Scope 1 and 2 GHG emissions by 50%, both from a 2018 baseline.
LAND	We aim to invest in landscape restoration and conservation projects to protect and restore our key raw material sourcing landscapes.
WATER	We aim to reduce freshwater impact across our value chain by improving efficiency and water quality, focusing on high water-stressed basins through water stewardship.
SUPPLIERS	We aim to maintain 75% of our product orders with suppliers performing highly in sustainability, strengthening supplier capacity and performance management and to secure that 75% of all fabric sourcing is from fabric suppliers performing highly in sustainability.
PEOPLE	We aim to respect human rights and strengthen people's well-being, equity, and empowerment across our value chain.
COMMUNITIES	We aim to invest in impact initiatives that strengthen communities across our value chain.
MATERIALS	We aim to source 100% of our key materials – cotton, polyester, man-made cellulosic fibres, and wool – from preferred sources*.
RECYCLING	We aim to source 40% of our key materials – cotton, polyester, man-made cellulosic fibres, and wool – from recycled content, and to advance the transition towards next-generation and innovative recycled materials, including textile-to-textile and bio-based solutions.

* For definition of preferred sources go to page 125 and 131.

The development and evolution of our sustainability strategy are directly informed by our preliminary Double Materiality Assessment (DMA) and the identification of Impacts, Risks, and Opportunities (IROs). The DMA process provides a structured approach to mapping our business model and value chain, ensuring that our strategy addresses the most significant material impacts – for the environment, society, and financially for our business – across our own operations and upstream and downstream activities.

The strategy sets the overall direction for our sustainability priorities and guides actions, targets, and reporting. It reflects our assessment of key impacts, risks, and opportunities and is implemented through policies, programmes, and collaborations across the value chain.

GOVERNANCE

The Fashion FWD Strategy is overseen by BESTSELLER's Board of Directors and Executive Management, who hold overall responsibility for overseeing goals, policies, risk management, and reporting.

On a strategic level, sustainability is governed by an executive decision board named 'FAST' – a Focused, Action-oriented Sustainability Taskforce. The decision board is chaired by the CEO and the group includes leaders from central functions, markets, and brands.

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

Operational responsibility for implementing Fashion FWD lies primarily with our brands, where product and commercial decisions are made. Central functions support implementation by establishing frameworks, requirements, due diligence processes 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.

BESTSELLER SUSTAINABILITY BESTSELLER Sustainability is responsible for defining and driving the Fashion FWD strategy, enabling business integration, overseeing sustainability performance, and supporting Executive Management and the Board on sustainability-related risks, opportunities, targets, and reporting.	**BOARD & EXECUTIVE MANAGEMENT**	Responsible for overseeing the company's purpose, strategy, goals and policies, risk management, structure and reporting.
	FAST	Responsible for the implementation of strategy, goals and policies. Prioritise focus areas and ensure cross functional collaboration and integration in business model, organisation and core processes.
	BRANDS, CENTRAL FUNCTIONS & MARKETS	Implementation and integration of sustainability strategy in respective areas including responsibility for setting functional strategies, driving relevant initiatives and processes aligned with Fashion FWD.



DOUBLE MATERIALITY ASSESSMENT

The DMA process

In 2025/26, we conducted a double materiality assessment (DMA) in connection with revision of our sustainability strategy Fashion FWD 2030.

Our identification and assessment of material impacts, risks and opportunities (IROs) followed a structured process, taking starting point in our business model and mapping of our full value chain. Input was gathered through topic-specific workshops with internal subject-matter experts, supplemented by desk research.

Identified impacts, risks, and opportunities were assessed against criteria for impact and financial materiality, using severity and likelihood considerations. Severity is evaluated based on scale, scope, and irremediable character, and potential impacts are additionally assessed for likelihood.

Throughout the process, we apply a materiality filter to determine which information is necessary for users of our sustainability statement.

The assessment considers areas with heightened risk across our value chain, including geographies and business relationships where the potential for negative impacts is more pronounced.

The DMA is informed by our ongoing due diligence activities, corporate and functional risk frameworks, and knowledge from teams engaging directly with suppliers, business partners, and other key stakeholders. External insight, including peer and regulatory developments, complements the analysis.

PHASE — 1

UNDERSTANDING

- Business model outline and value chain mapping
- Stakeholder involvement

PHASE — 2

INPUT & IDENTIFICATION

- Identification of IROs through workshops with internal subject matter experts
- Desk research and peer review
- ESG and industry trends

PHASE — 3

ASSESSMENT

- Threshold-setting
- Assessment of IROs and individual scoring
- Prioritisation of IROs
- Description of final IROs

PHASE — 4

VALIDATION

- Calibration by Sustainability Team, subject matter experts, Risk function
- Validation by Executive Management

PHASE — 5

REPORTING

- Address and report on material matters
- Application of materiality filter

SUSTAINABILITY MATTERS – DMA OUTCOME

TYPE:

÷ Negative impact
R Financial risk
O Financial opportunity

VALUE CHAIN LOCATION:

● Upstream
● Own operations
● Downstream

TOPICS	SUSTAINABILITY MATTERS	TYPE	VALUE CHAIN LOCATION
CLIMATE	Scope 1 & 2 GHG emissions in own operations	÷	●
	Scope 3 GHG emissions from materials, manufacturing and product use	÷ **R**	● ●
	Climate-driven scarcity of essential raw materials	**R**	●
	Extreme weather events disrupting supply chain and logistic stability	**R**	● ●
	Increasing regulatory demands on products and traceability requirements	**R**	● ●
	Exposure to carbon pricing mechanisms	**R**	●
	Energy consumption and fossil fuel dependence in the supply chain	÷ **R**	●
POLLUTION & CHEMICALS	Air, water and soil pollution from raw material processing and textile manufacturing	÷	●
	Uncontrolled and untreated discharge of wastewater from processing facilities	÷	●
	Chemical intensive production causing contamination	÷	●
WATER	Irrigated cotton cultivation in water-scarce growing regions	÷	●
	Water scarcity due to water-intensive production processes	÷	●
	Water use during consumer lifecycle	÷	●
LAND & BIODIVERSITY	Climate-driven ecosystem disruption affecting supply chain resilience	**R**	●
	Land-use change from sourcing nature-derived materials	÷	●
	Land and ecosystem degradation driven from farming and resource extraction	÷	●
CIRCULARITY & RESOURCE USE	Resource scarcity and price volatility from natural resource dependence	÷ **R**	●
	Environmental impacts from resource use in textiles	÷	●
	Recyclability challenges from mixed material blends	÷	● ●
	Opportunities from circular business models and services	**O**	● ●
	Packaging waste from consumer-facing products	÷	● ●
	Waste generation and environmental impacts from end-of-life disposal	÷	●
	Textile waste from own operations	÷	●
	Post-industrial waste in supply chain	÷	●
	Regulatory demand on product end-of-life treatment	**R**	●
OWN PEOPLE	Inadequate working conditions affecting employee health, safety and well-being	÷	●
	Insufficient diversity affecting equal access and well-being	÷	●
	Equal pay gaps affecting fair treatment and workforce equity	÷	●
PEOPLE IN THE VALUE CHAIN	Ineffective social dialogue mechanisms and restricted worker representation	÷	●
	Inadequate occupational health and safety in the supply chain	÷	●
	Inadequate wages and income instability for supply chain workers and farmers	÷	●
	Excessive working hours and overtime practices in the supply chain	÷	●
	Employment insecurity for supply chain workers and farmers	÷	●
	Discrimination and unequal treatment in the supply chain	÷	●
	Gender-based violence and harassment risks in the supply chain	÷	●
	Forced labour practices in the supply chain	÷	●
	Child labour and severe child rights violations in the supply chain	÷	●
BUSINESS CONDUCT	Sourcing practices and supplier dependencies	÷	● ●
	Complying with ethical business standards	÷	●
	Non-compliance with whistleblower protection	÷	● ● ●
	High risk countries exposure and corruption vulnerabilities	÷	● ●



STAKEHOLDER ENGAGEMENT

Recognising that many sustainability challenges and opportunities require collective action, BESTSELLER engages with a wide range of stakeholders. Through dialogue, collaboration, and industry initiatives, we seek to strengthen our understanding of stakeholder expectations and contribute to progress across the fashion industry.

We follow a structured four-step approach to stakeholder engagement: Position, Assess, Engage, and Evaluate. This helps us identify and prioritise relevant topics and stakeholders, determine the appropriate level of engagement, and integrate stakeholder perspectives into our strategy and actions.

By coordinating across functions, including sustainability, communications, sourcing, brands, and leadership, we continually refine our approach and align our business direction with stakeholder priorities.

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 Initiative, Organic Cotton Accelerator (OCA), Cotton made in Africa (CmiA), Conservation International, 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.

For more information on supply chain related stakeholder engagement, go to Supply Chain Due Diligence Report 25/26.

STAKEHOLDER ENGAGEMENT:

STAKEHOLDER	PURPOSE OF ENGAGEMENT	HOW WE ENGAGE	KEY TOPICS OF INTEREST
COLLEAGUES	Our colleagues are at the heart of our success and central to delivering on our Fashion FWD strategy. We support continuous development and foster a positive, inclusive work environment that emphasises diversity, equity, health, and safety.	– Daily interactions between manager and colleagues – Annual global employee engagement survey Our People's Voice. – Growth Management setup, regular individual check-ins, My Growth and My Goals talks. – Training and development opportunities – Daily communication through our internal communication channels.	– Diversity, Equity and Inclusion (DE&I) – Growth & development opportunities – Health & well-being
WHOLESALE CUSTOMERS & KEY ACCOUNTS	We engage with our wholesale customers and key accounts as strategic partners who focus on sustainability and wish to engage on sustainability related topics with us. Through collaboration on areas such as product impact, traceability, quality, and circularity, we work to build aligned expectations, support innovation, and ensure clear and accessible sustainability communication.	– Direct dialogue and frequent meetings with biggest key account customers – Sales meetings – Meetings, events, and collaborations – Customer service via a number of channels – Wholesale Customer Guideline.	– Product impact communication – Product traceability – Product quality – Branded & certified materials – Circular business models
CONSUMERS/ END-USERS	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 and enable positive change across the value chain.	– Marketing campaigns – Customer communities and clubs – Consumer service/customer service through different channels – Contact through various social media – Consumer media, social media, PR and marketing.	– Product impact communication – Product traceability – Product quality – Branded & certified materials – Circular business model – Environmental impacts in supply chain – Working conditions in supply chain
UPSTREAM BUSINESS PARTNERS	We engage with our suppliers and upstream business partners through ongoing due diligence, regular assessments, and close collaboration to uphold our human rights and environmental standards. By working together across our global supply chain, we can share knowledge, strengthen alignment with BESTSELLER's values and requirements, and contribute to raising industry standards.	– Open lines of communication with suppliers, through buying teams or in-country sourcing teams. – Local social and labour and chemical and environmental specialists in key sourcing countries; responsible for regular on-site facility visits, coordinating remediation, and supporting suppliers in meeting our production orders. – Hosting regular seminars on industry tools and best practices – Supplier Portal access, a library of our policies – Anonymous surveys of our suppliers and incorporate feedback into the development of our business practices – Multistakeholder initiatives – Survey by Brands and Suppliers	– Purchasing practices – Capacity building and skill transfer – Human rights – Workplace dialogue, industrial relations and collective bargaining; Wages and working time – Secure employment – Social dialogue – Health & Safety at the workplace – Gender equality and equal pay – Gender-based violence and harassment – Renewable energy sources – Reduction of emissions (Scope 3) – Water reduction and water quality – Waste management and recycling – Branded & certified materials – Chemical management
STRATEGIC SUPPLY CHAIN RELATED RIGHTSHOLDERS	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.	– Social dialogue training programmes – Regular direct dialogue with local and international trade unions and participation in bi-partite and tri-partite industry forums – Direct dialogue – Colleagues in Global Sourcing regularly engage with worker representatives	– Purchasing practices – Dispute resolution mechanisms – Capacity building and upskilling – Human rights – Women empowerment – Workplace dialogue and collective bargaining for fair wages – Workplace health and safety – Freedom of association – Gender-based violence and harassment – Gender equality and equal pay – Working time
POLICY MAKERS & REGULATORS	We actively engage in public policy to help shape a future-fit textile and fashion industry. We believe policy engagement is essential to creating positive impact, supporting fair and well-designed regulation, and ensuring a level playing field across global markets.	– Direct engagement with policymakers and regulatory bodies – Indirect engagement via alliances, trade associations, and consultants – Participation in consultations, hearings, and policy dialogues – Global, regional, and national policy advocacy	– Circular economy and textile waste – Eco-design and product standards – Chemical regulation and microplastics – Supply chain transparency and traceability – Due diligence and Forced Labour (environmental & human rights) – Climate transition and decarbonisation – Trade and market-access frameworks
INDUSTRY COLLABS & 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.	– Direct dialogue – Collaboration, multistakeholder initiatives and investments – Engagement on panel debates, events and conferences	– Purchasing practices – Factory safety industry standards – Development of dispute resolution mechanisms – Product safety and quality standards – Collective action and response to challenges in specific markets; – Transparency – Resource circularity – Scope 3 emission reductions – Future legislation – Product impact communication – Human rights
INNOVATION & INVESTMENT PARTNERS	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.	– Collaboration, multistakeholder initiatives and investments – Provides inspiration in terms of innovative solutions and/or partners in forging joint solutions and/or investment partners – Pilot projects with innovators directly or through Fashion for Good – Investing in innovation, through our investment platform Invest FWD – Project partnerships – Direct dialogue	– Material innovation and textile processes – Circular business model – Natural resource use – Scope 3 emission reductions
PEERS & 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.	– Direct dialogue – Collaboration, multistakeholder initiatives and investments – Provides inspiration in terms of innovative solutions and/or partners in forging joint solutions and/or investment partners	– Material innovation – Circular business models – Supply chain initiatives – Renewable energy investments – Scope 3 emission reductions
NGOS & 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.	– Direct dialogue – Engagement on panel debates, events and conferences – Multistakeholder initiatives	– Human rights – Forced labour – Child labour – Wages and working time – Secure employment – Health & Safety at the workplace – Gender equality and equal pay – Gender-based violence and harassment – Renewable energy sources – Reduction of emissions (Scope 3) – Waste management and recycling – Supply chain transparency – Animal welfare
ACADEMIA & 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.	– Project partnerships – Attending external meetings and conferences – Direct dialogue – Annual reports	– Circular business models – Consumer behaviour – Waste management and recycling – Circular design – Material innovation and durability
COMMUNITIES & 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 impacted communities.	– Collaboration, multi-stakeholder initiatives and investments – Project partnerships	– Collaboration, multi-stakeholder initiatives and investments – Project partnerships

SUPPLY CHAIN

Our upstream supply chain is where we face the greatest social and environmental impacts and 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 supply chain policies and 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, rightsholders, multi-stakeholder initiatives, civil society organisations, and trade unions.

Our direct and near-direct supply chain consists of 400 suppliers, and 750 factories (tier 1) across 17 countries. Our key sourcing countries are Türkiye, Bangladesh, Pakistan, India, Myanmar, Cambodia, and China.





OUR SUPPLY CHAIN

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

Tier 0 —
Suppliers

Businesses with whom we have direct agreements and 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 routine assessments through our Factory Standards Programme against our CoC and supply chain policies and requirements.

Tier 2 —
Materials Manufacturers

Producers of fabrics, trims, and leather. Tier 2 suppliers include our Approved Materials Suppliers. Efforts to increase transparency for all tier 2 suppliers are ongoing.

Tier 3 — 4
Fibre Processors & Raw Materials Suppliers

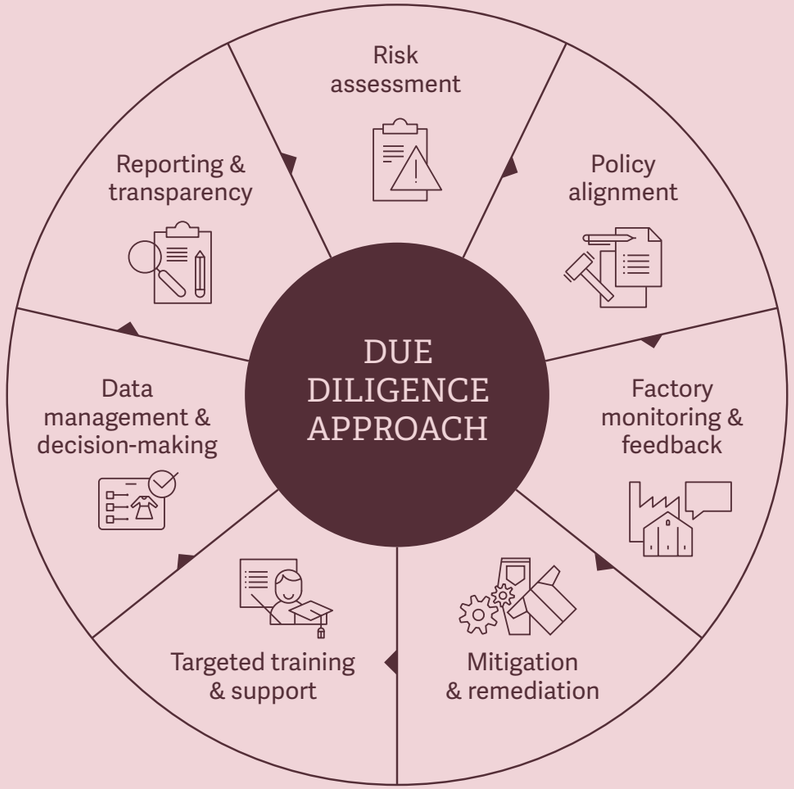
Facilities involved in fibre processing and raw material supply. Visibility into these tiers is complex, and we collaborate systematically with multi-stakeholder organisations to improve transparency, traceability as well as minimising social and environmental adverse impacts.

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 and the United Nations Guiding Principles on Business and Human Rights.

The following due diligence approach applies to our business relationships with tiers 0, 1, identified key tier 2 suppliers, and integrated suppliers.



APPROACH

1 — RISK ASSESSMENT	We conduct regular risk assessments to identify salient human rights and environmental risks linked to our operations and business relationships within the supply chain. We prioritise the most severe risks where BESTSELLER and our partners can have significant adverse impacts, in line with UN/OECD guidance.
2 — POLICY ALIGNMENT	Risks are addressed through our supply chain policies and standards. These are reviewed and updated regularly, and when necessary, to reflect relevant legal developments and international frameworks, and are communicated to suppliers and factories.
3 — FACTORY MONITORING & FEEDBACK	Factories are closely monitored by local teams who assess working and environmental conditions, provide direct feedback and engage with factory management in tailored discussions. Prevention efforts include monitoring through the Factory Standards Programme and incentivising suppliers to improve environmental management systems. Information collected through these assessments is recorded in our internal systems and feeds into our supplier rating framework, supporting transparency and informing purchasing decisions.
4 — MITIGATION & REMEDIATION	Through factory monitoring and ongoing engagement, potential and actual issues can be identified early and addressed through corrective actions and remediation processes where necessary.
5 — TARGETED TRAINING & SUPPORT	Where systemic risks are identified, we invest in targeted training, capacity-building programmes, and collaborative initiatives to support suppliers in improving their practices.
6 — DATA MANAGEMENT & DECISION-MAKING	Data generated through these due diligence activities is consolidated and reviewed. Insights from these processes inform internal decision-making and support the integration of due diligence considerations into relevant business functions.
7 — REPORTING & TRANSPARENCY	Information generated through our due diligence processes also contributes to our external reporting, supporting transparency and accountability regarding our approach to managing human rights and environmental risks in the supply chain. We also publish a Public Factory List covering tier 0 and tier 1 partners, Chemical Test-Free Approved Materials Suppliers (tier 2) and leather suppliers.

RISK ASSESSMENT IN NEAR SUPPLY CHAIN

BESTSELLER conducts annual social and labour and environmental risk assessments across key sourcing countries.

The Social & Labour risk identification process focuses on tier 1 suppliers and uses country-specific risks, supplier and factory assessments, stakeholder perspectives, and other relevant insights to identify salient human and labour rights risks. The outcomes inform the assessment of value chain worker impacts in the double materiality assessment.

ENGAGING THE DEEPER SUPPLY CHAIN

Our approach to due diligence in the deeper supply chain (tier 3 and 4) aligns with the same international frameworks that guide our broader due diligence work, including the OECD Due Diligence Guidance and the United Nations Guiding Principles on Business and Human Rights. Given the limited direct leverage brands can exercise at these tiers, BESTSELLER focuses on building targeted partnerships linked to our raw material sourcing, for example through direct-to-farm sourcing of organic cotton. In parallel, we proactively engage in relevant multi-stakeholder initiatives to support greater transparency, traceability, and strengthened practices across the wider value chain.

One example is our engagement with the Better Cotton Initiative (BCI). This includes participation in governance structures and collaboration to further develop the organisation's approach. BESTSELLER has been elected to represent the brands on the BCI Council, we co-chair BCI's Brand Due Diligence Advisory Group, and participate in the steering committee of the Global Impact Fund.

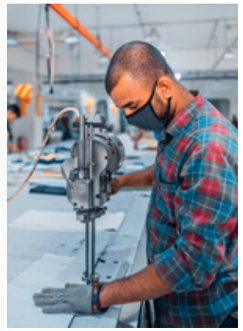
These efforts reflect our dual approach: improving transparency in our own supply chain, while contributing to broader industry progress towards more traceable raw material supply chains.

ADDRESSING THE CHALLENGES OF GLOBAL SUPPLY CHAINS

Achieving transparency and traceability in global supply chains requires collaboration beyond individual brands and industries. Host country regulations, regional challenges, and geopolitical factors influence the ability to meet recognised standards and due diligence requirements. Effective due diligence depends on collaboration between industries, governments, and international bodies, supported by adequate regulation and financing. By addressing risks through a comprehensive due diligence approach, BESTSELLER aims to minimise risks and support industry-wide progress.

BESTSELLER welcomes regulations that raise standards and advocates for harmonised legislation, risk-based due diligence, and alignment with international frameworks.

For information on our Factory Standards Programme and Supplier Sustainability Evaluation go to Business Conduct section page 177. For information on our work with human and labour rights in our supply chain go to People in our value chain page 154. Environmental work in the supply chain can be found throughout the Environment section of the report pages 88-139.





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 direct and near-direct 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.

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 Chain Act, we produce separate annual statements to ensure compliance with these requirements. The reports can be found on our website.

90	Climate
104	Pollution & chemicals
110	Water
114	Land & biodiversity
120	Resource use & circularity

Climate change, biodiversity loss, water scarcity, and global waste are interconnected challenges affecting ecosystems and communities. The fashion industry places considerable demand on natural resources, with traditional linear production relying on raw materials and end-of-life.

We address these impacts by examining how our business affects nature, focusing on climate and water across the supply chain, land-use in raw material production and chemical management in manufacturing.

Guided by our Fashion FWD strategy, we work across the product lifecycle and increase the use of innovative and recycled materials to reduce waste and extend product lifespans.

This chapter outlines our approach, targets, and progress on climate, land and biodiversity, water, chemical management, and resource use across our value chain.

ENVIRONMENT

CLIMATE

SUSTAINABILITY MATTERS

This section addresses the material topics of climate change mitigation, climate change adaptation, and energy. It outlines how emissions across our value chain contribute to climate change, how changing climate conditions may affect the resilience of our operations, supply chains, and raw material sourcing, and how we work to manage emissions, assess climate risks, and improve energy efficiency and low carbon energy sourcing.

Key policies & guidelines

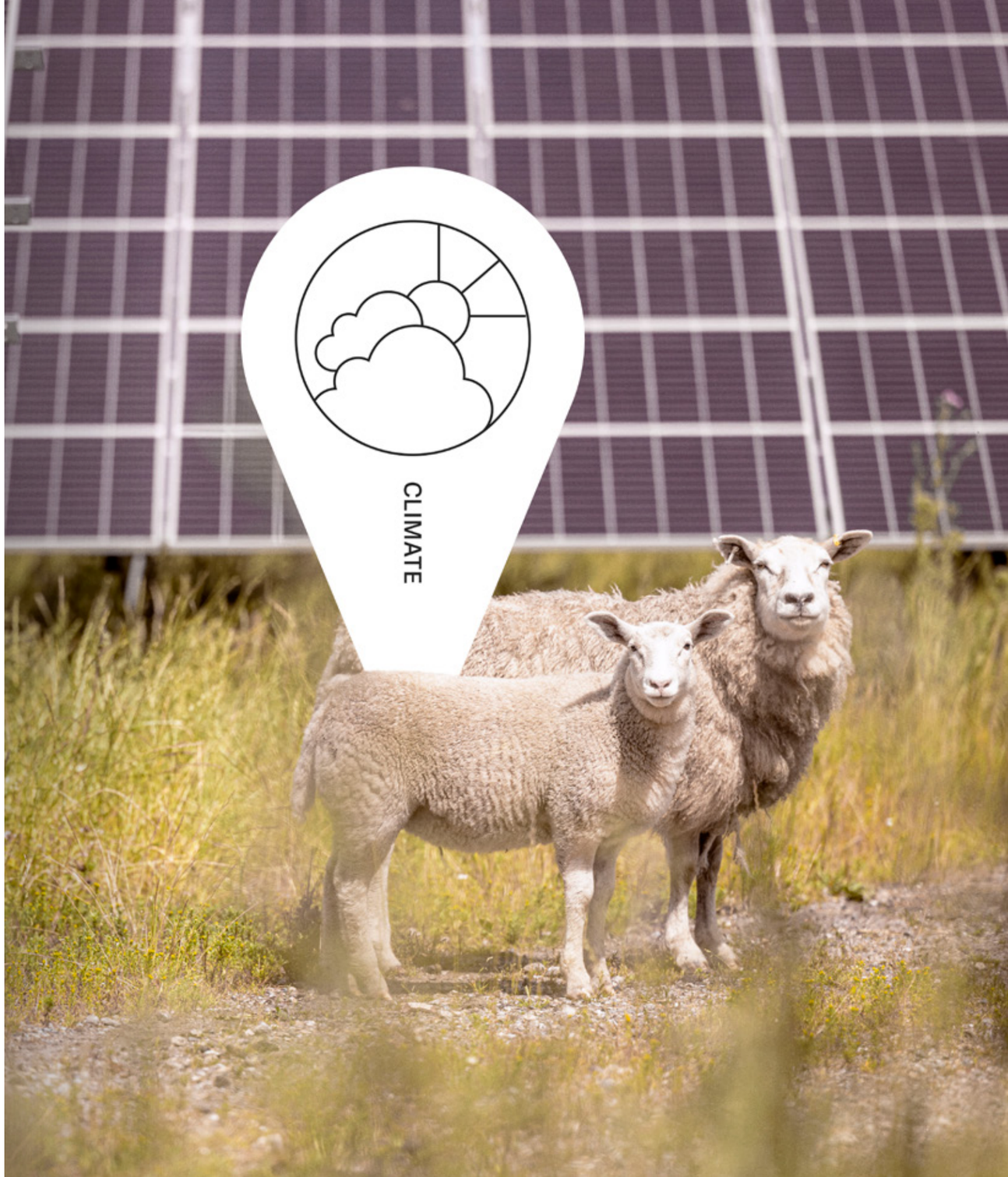
Environmental Policy

Supplier Code of Conduct

Environmental Management Requirements for Suppliers

Ambitions & targets

We aim to reduce absolute Scope 3 GHG emissions from purchased goods and services and upstream and downstream transportation by 30% and absolute Scope 1 and 2 GHG emissions by 50% by 2030, both from a 2018 baseline.



	DESCRIPTION OF IMPACT, RISK AND OPPORTUNITY	TYPE	VALUE CHAIN LOCATION	STAGE	TIME HORIZON
Climate change mitigation	**Scope 1 & 2 GHG emissions in own operations** With substantial commitments to renewable electricity in our own operations to date, our Scope 1 and 2 emissions represent only approx. 1% of our total corporate footprint. However, the challenge of addressing remaining fuel use within our owned and operated buildings remains.	÷	●	Actual	**Short term** Current fiscal year
	Scope 3 GHG emissions from materials, manufacturing, and product use Our company's supply chain emits substantial greenhouse gases, with the vast majority of our climate impact stemming from raw material extraction, yarn and fabric processing, garment manufacturing, and the indirect use phase of our products by consumers. Proactive responses to climate change mitigation, such as investing in manufacturers' resource efficiency, renewable energy, and shifting to less impactful materials, will also have financial implications. Additionally, the reliance on fossil fuels across many national energy grids in our sourcing countries exposes the company to higher and potentially volatile energy prices.	÷ R	● ○	Actual	**Short term** Current fiscal year
Climate change adaption	**Climate-driven scarcity of essential raw materials** Increasing temperatures and extreme weather events have the potential to reduce the availability of raw materials by affecting the feasibility of growing essential feedstocks such as cotton that our business depends on for production of our products.	R	●	Potential	**Long term** More than 5 years
	Extreme weather events disrupting supply chain and logistic stability With increased global warming comes the risk of more extreme weather events, which has the potential to disrupt production, supply chains, and logistics. These challenges can lead to higher costs and increased operational risks.	R	● ○	Potential	**Long term** More than 5 years
	Increasing regulatory demands on products and traceability requirements The regulatory landscape is evolving with regards to sustainability in our sector and it is imperative that we are prepared for more stringent requirements on products and traceability particularly to avoid fines and reputational risks.	R	● ○	Potential	**Medium term** 1 - 5 years
	Exposure to carbon pricing mechanisms The introduction or expansion of carbon pricing mechanisms, such as carbon taxes or emissions trading schemes, may increase operating and sourcing costs, particularly in energy- and emissions-intensive activities. These costs may be passed on through higher input prices or require additional investments to reduce emissions, potentially affecting margins, cost competitiveness, and long-term financial performance.	R	●	Potential	**Medium term** 1 - 5 years **Long term** More than 5 years
Energy	**Energy consumption and fossil fuel dependence in the supply chain** The supply chain's high energy demand has a significant environmental and financial impact. This includes reliance on electricity grids where fossil fuels dominate, and the use of liquefied natural gas (LNG) and coal-powered energy. These factors contribute to increased emissions and higher operational costs, as well as fluctuating energy prices, potential carbon taxes, and stricter regulations pose financial risks. Failure to stay ahead of the energy transition curve risks facing supply chain disruptions and reduced long-term competitiveness. It will take major investments in energy efficiency upgrades, renewable energy sourcing within the supply chain, and innovative technologies to reduce energy and climate emissions.	÷ R	●	Actual	**Short term** Current fiscal year

TYPE:

÷ Negative impact
R Financial risk
O Financial opportunity

VALUE CHAIN LOCATION:

● Upstream
● Own operations
○ Downstream

APPROACH AND POLICIES

We recognise that achieving our climate ambitions also requires a just and inclusive transition for the suppliers, workers, and communities connected to our value chain. We therefore combine emission reduction efforts with initiatives that strengthen supplier capabilities, improve access to renewable energy, and support resilience in our sourcing regions.

We focus on reducing greenhouse gas emissions across our value chain – from design and raw material production to manufacturing, use, and end of life – while strengthening our understanding of climate-related risks that may affect our business. We track emissions and measure progress against science-based targets (SBTs) approved by the Science Based Targets initiative (SBTi).

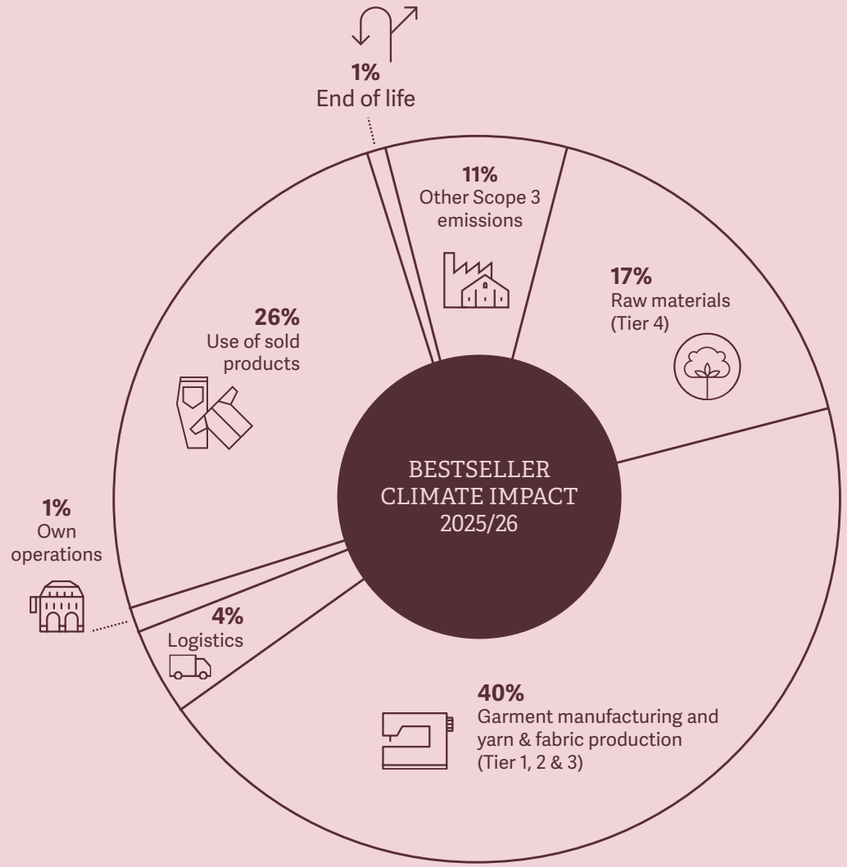
The majority of our greenhouse gas emissions occur in our value chain, with Scope 3 emissions primarily linked to raw material production, yarn, and fabric manufacturing, garment production, and logistics. Reducing these emissions is therefore a central part of our climate work, although our direct control is more limited to our own operations.

We prioritise primary data collection to improve accuracy of our emission accounting and support targeted reduction efforts. Activity-based data is preferred over financial data and is subject to quality review and verification. As data availability improves, we continue to expand primary data coverage across our supply chain and refine our emissions calculations in line with recognised methodologies and industry practice. Our emissions calculations are verified by a third-party consultancy.

Our current SBTs are approved against a 2018 baseline, when our emissions inventory relied on limited primary data and earlier calculation methodologies. Since then, the quality, granularity, and coverage of our emissions data have improved significantly through increased use of supplier-specific information. As a result, year-on-year developments are not always directly comparable and should be viewed in the context of a continuously evolving data foundation. As part of the SBTIs five-year review cycle, we will reassess our climate targets during the coming financial year.

CLIMATE TRANSITION PLAN

BESTSELLER is formalising and consolidating a Climate Transition Plan focused on the areas with the most material impact on the company's emissions footprint, including raw materials, supply chain manufacturing, logistics, and own operations. The plan outlines key actions, governance, milestones, and dependencies across the value chain and will continue to be refined as part of the review of BESTSELLER's climate targets and baseline.



KEY ACTIONS

Scope 1 & 2 - Own operations
BESTSELLER is working to reduce the climate impact of our buildings. Scope 1 and 2 emissions account for around one percent of our total greenhouse gas footprint.

We continue our commitment to use 100 percent renewable electricity and reduce overall energy consumption across our buildings globally. Renewable electricity is sourced through RECs and PPAs, including a PPA with our parent company Heartland's 207-megawatt solar power plant in Denmark, aligned with RE100 market boundary criteria. Where direct renewable procurement is not feasible, RECs are purchased in relevant markets. Alongside renewable electricity, we continue to focus on energy efficiency measures, including LED lighting, energy management systems, as well as optimised heating, cooling, and ventilation solutions across stores and other facilities.

Scope 3 - Value chain
We work with raw material producers, certification systems, suppliers and factories to reduce emissions through renewable energy adoption, improved operational efficiency, technical capacity-building and lower-impact material production. We also run training programmes and collaborative initiatives such as FWD>>ENV, which provides assessments, guidance, and tools to strengthen environmental performance and reduce emissions. The programme was previously implemented in three of our key sourcing countries; Bangladesh, Pakistan, and India. Following positive outcomes in the first cycle, the programme will continue with a second, more in-depth cycle in Bangladesh and Pakistan. At the time of reporting, 43 factories are planned for the new cycle of the programme in Bangladesh and 14 in Pakistan.

In Myanmar, we continue to support factories through the SMART Energy, Waste & Water Efficiency Management Programme in collaboration with MADE. The programme supports energy, waste and water management in garment and textile factories through onsite assessments, consultancy and targeted training. After a pilot with one factory showed positive results, we onboarded six more factories to help them increase the efficiency of their processes and implement improvements.

Through financing mechanisms developed in collaboration between our parent company Heartland and SOLShare, we support selected factories in Bangladesh in installing solar power systems through the Greener Garments Initiative (GGI). By the time of reporting, seven factories have installed rooftop solar systems, generating over 4,000,000 kWh of energy and reducing more than 3000 MT of CO2 emissions. These figures are based on factory-reported data and reflect the total impact at the participating factory level; they should not be interpreted as reductions attributable solely to BESTSELLER. Four additional rooftop solar systems are under construction. These initiatives contribute to reducing emissions from energy use in garment manufacturing, while acknowledging that broader uptake depends on local infrastructure, financing, and regulatory conditions.

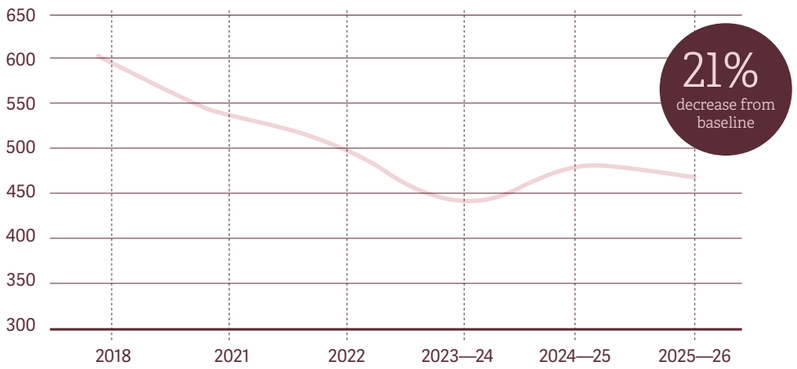
Reducing emissions from raw material production is a key component of our climate strategy. Through our sourcing programmes, we increase the use of recycled materials and materials with verified lower environmental impacts. This includes certified and branded materials across key fibre categories such as cotton, polyester, man-made cellulosic fibres, and wool. By combining material innovation and improved traceability, we work to reduce emissions associated with raw material production. Read more about our preferred materials on pages 122-131.

Logistics represent a smaller but material share of our Scope 3 emissions. We work to reduce emissions from transportation by prioritising lower-emission transport solutions where feasible, including reducing the use of air freight and increasing the share of sea freight with alternative fuel solutions. We continue to explore lower-emission logistics solutions while recognising infrastructure and availability constraints.

Looking ahead, we recognise that achieving our Scope 3 reduction target will continue to require collective collaboration across our value chain, improved data availability, and investment in emission-reduction measures. During the coming financial year, we will review our science-based targets as part of the SBTi review cycle. This work will include establishing an updated emissions baseline that reflects significant improvements in data quality, primary data coverage and calculation methodologies since our original targets were approved. This aligns with the latest SBTi Corporate Net-Zero Standard, which requires companies to use the most recent year with comprehensive data as the base year for each new target cycle.

Emissions intensity per turnover decreased slightly in 2025/26, following an increase last year. While our absolute Scope 3 emissions remain above the 2018 baseline, the development indicates that emissions did not increase at the same rate as business activity. Continued reductions across materials, manufacturing, and logistics will be needed to strengthen this development over time.

TOTAL EMISSIONS IN TONNES CO2e PER MILLION EUR REVENUE



GHG EMISSION

Progress towards targets

We continue to perform strongly against our SBT Scope 1 and 2 reduction targets. Compared to our 2018 baseline, SBT Scope 1 and 2 emissions have been reduced by 85 percent, primarily driven by the purchase of renewable electricity and continued improvements in energy efficiency across our own operations. While SBT Scope 1 and 2 emissions increased by 7.3 percent compared to 2024/25, we remain well ahead of our science-based target.

In 2025/26, SBT Scope 3 emissions decreased approx. 1 percent compared to last year. However, SBT Scope 3 emissions remain 23 percent above our 2018 baseline, highlighting the challenge of reducing emissions across a complex global supply chain while continuing to grow our business. We are not yet on the reduction pathway required to meet our 2030 target.

As our emissions calculations increasingly incorporate supplier-specific data and updated methodologies, year-on-year results may not always be directly comparable. While these improvements strengthen our understanding of emissions across the value chain, they can also affect reported results and should therefore be considered in the context of an evolving data foundation.

We continue to focus our efforts on increasing the use of primary data, supporting emissions reductions in our supply chain, and progressing initiatives related to materials and product circularity.

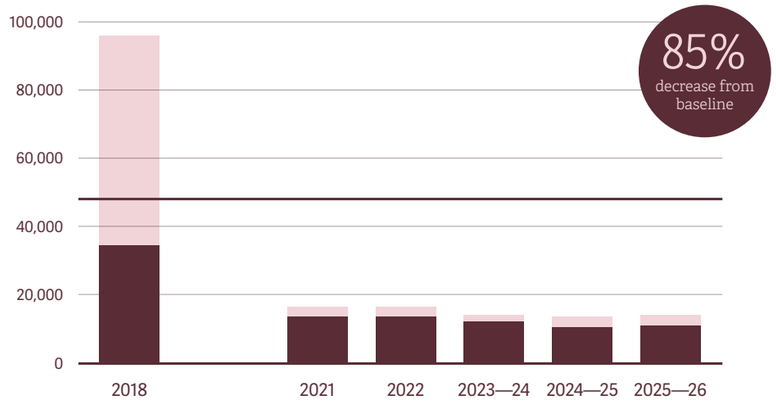
GREENHOUSE GAS EMISSIONS

The following pages provide an overview of BESTSELLER's greenhouse gas (GHG) emissions across Scopes 1, 2 and 3, as well as emissions from logistics activities. Together, the graphs illustrate how emissions are distributed across our value chain and how they have developed over time. The data forms an important basis for understanding our climate impact and helps inform our efforts to reduce emissions across own operations and the wider value chain.

METRICS

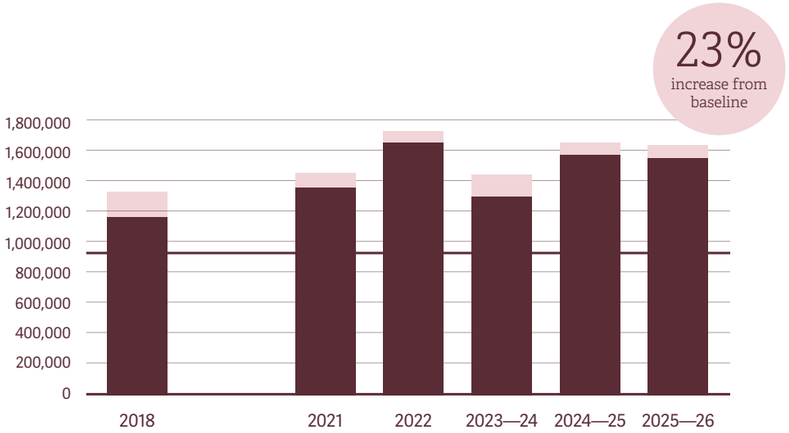
Science-based target
Scope 1 & 2 (tCO2e)[1]:

- *Scope 1*
- *Scope 2*
- *50 percent reduction target*



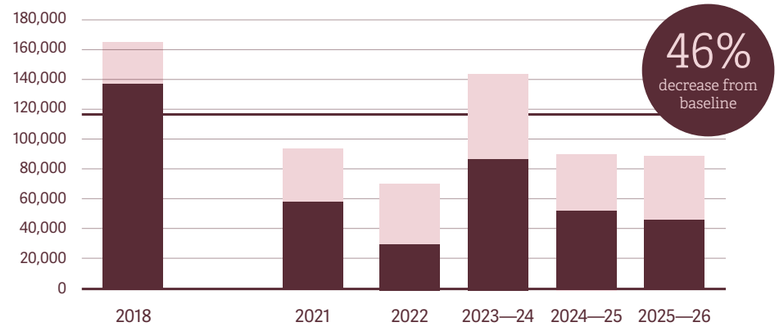
Science-based target
Scope 3 (tCO2e)[2]:

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



Emissions from logistics (tCO2e):

- *Inbound*
- *Outbound*
- *30 percent reduction target*



ADDITIONAL NOTES

1. The Scope 1 and 2 science-based target is assessed using market-based Scope 2 emissions.

2. Our Scope 3 science-based target covers purchased goods and services (Category 1) and upstream and downstream transportation and distribution (Categories 4 and 9). These categories represent approximately 62 percent of our total Scope 3 emissions in 2025/26; approximately 38 percent of Scope 3 emissions fall outside the current target boundary.

For accounting policies and related measurement principles, please refer to page 194.

GROSS SCOPE 1, 2, 3, GHG EMISSIONS (TONNES CO2e)	2025/26	2024/25	BASELINE	% CHANGE COMPARED TO LAST FY YEAR	% CHANGE FROM BASELINE YEAR
SCOPE 1 EMISSIONS					
Gross Scope 1 emissions	11,197	11,075	34,691	1%	-68%
SCOPE 2 EMISSIONS					
Gross market-based Scope 2 emissions	3,428	2,560	60,925	34%	-94%
Gross location-based Scope 2 emissions	32,802	34,515	—	-5%	—
SIGNIFICANT SCOPE 3 EMISSIONS	**2,455,853**	**2,420,539**	**1,912,328**	**1%**	**28%**
1. Purchased goods and services	1,551,051	1,570,762	1,165,106	-1%	33%
2. Capital goods	110,627	68,431	4,603	62%	2303%
3. Fuel- and energy-related activities	11,075	10,293	16,472	8%	-33%
4. Upstream transportation and distribution	46,000	52,037	137,142	-12%	-66%
5. Waste generated in operations	4,500	4,873	744	-8%	505%
6. Business travel	6,922	8,894	20,587	-22%	-66%
7. Employee commuting	10,067	9,642	1,393	4%	623%
9. Downstream transportation and distribution	42,673	37,790	27,564	13%	55%
11. Use of sold products	633,869	619,260	506,842	2%	25%
12. End of life	39,047	38,512	31,875	1%	23%
13. Downstream leased assets	23	46	—	-50%	—
SCOPE 3 SCIENCE BASED TARGETS (SBT) TOTAL	**1,639,724**	**1,660,588**	**1,329,812**	**-1%**	**23%**
1. Purchased goods and services	1,551,051	1,570,762	1,165,106	-1%	33%
4. Upstream transportation and distribution	46,000	52,037	137,142	-12%	-66%
9. Downstream transportation and distribution	42,673	37,790	27,564	13%	55%

ENERGY

Energy consumption increased in 2025/26 compared to the previous year, primarily reflecting an increase in reported floor area across owned and operated facilities. Renewable energy remained the largest source of energy consumed. Renewable energy production decreased compared to 2024/25, primarily due to reduced generation from solar installations in India, where a proportion of solar panels were not functioning during part of the year and a temporary dashboard upgrade affected the tracking of renewable energy generation data. Both issues have since been resolved.

Energy Consumption (MWh):

	2025/26	2024/25
Total energy comsumption from fossil sources	**56,819**	**51,902**
Total energy comsumption from nuclear sources	**—**	**—**
Total energy comsumption from renewable sources	**130,344**	**118,903**

Fuel Consumption (MWh):

	2025/26	2024/25
Fuel consumption from coal and coal products	**—**	**—**
Fuel consumption from crude oil and petroleum products	**20,015**	**17,836**
Fuel consumption from natural gas	**19,613**	**15,537**
Fuel consumption from other fossil sources	**6**	**4**
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	**17,185**	**18,525**

Energy Production (MWh):

	2025/26	2024/25
Total non-renewable energy production	**—**	**—**
Total renewable energy production	**573**	**1,750**



Solar panels installed at a factory in Bangladesh.

POLLUTION & CHEMICALS

SUSTAINABILITY MATTERS

This section addresses the material topics of pollution of air, water and soil, substances of concern (chemicals), and microplastics. It outlines how pollution and chemical use across our supply chain may affect ecosystems and communities, and how we work to understand and manage these impacts.

Key policies & guidelines

Environmental policy

Environmental Management Requirements for Suppliers

Chemical management – RSL, PRSL and MRSL

Ambitions & targets

We aim to reduce freshwater impact across our value chain by improving efficiency and water quality, focusing on high water-stressed basins through water stewardship by 2030.

TYPE:

÷ Negative impact
R Financial risk
O Financial opportunity

VALUE CHAIN LOCATION:

● Upstream
● Own operations
● Downstream

	DESCRIPTION OF IMPACT, RISK, AND OPPORTUNITY	TYPE	VALUE CHAIN LOCATION	STAGE	TIME HORIZON
Pollution of air, water, and soil	**Air, water, and soil pollution from raw material processing and textile manufacturing** Our upstream supply chain activities, particularly in raw material processing and textile manufacturing, may contribute to significant environmental pollution. These processes often involve the use of hazardous chemicals, dyes, and solvents, which – if not properly managed – can lead to the release of pollutants into surrounding air and water bodies. Such pollution poses risks to local ecosystems and the health of nearby communities, especially in regions with limited environmental regulation or enforcement.	÷	●	Actual	**Short term** Current fiscal year
	Uncontrolled and untreated discharge of wastewater from processing facilities Uncontrolled and untreated discharge of wastewater from processing facilities (tier 1-3) has the potential to contaminate ground and drinking water resources in surrounding communities. Dyeing processes generate large amounts of polluted water containing toxins and dyes. Discharging this water without treatment contaminates water sources and poses environmental and health risks.	÷	●	Potential	**Short term** Current fiscal year
Substances of concern and very high concern	**Chemical intensive production causing contamination** Throughout our supply chain, uncontrolled use of toxins and chemicals, particularly substances of concern and very high concern (SVHCs), can pose a major environmental and health threat, contaminating ecosystems and potentially harming workers. Improper handling and disposal of these substances can lead to air, water, and soil contamination, impacting biodiversity and human health.	÷	●	Potential	**Short term** Current fiscal year

APPROACH AND POLICIES

BESTSELLER aims to prevent and reduce pollution across its value chain, including the management of manufacturing chemicals, wastewater, air emissions, and chemicals in products and packaging. Pollution prevention is embedded in our Environmental Policy, Environmental Management Requirements for suppliers, and broader environmental due diligence processes.

Our approach aims to minimise adverse impacts on human health and the environment arising from manufacturing and products, while supporting compliance with applicable legislation and recognised industry standards.

Manufacturing chemical management
We require suppliers to implement documented chemical management systems. These systems define responsibilities, compliance commitments, and continuous improvement objectives. They cover chemical procurement, inventory management, safe handling, storage and transport, as well as traceability, worker protection, and emergency preparedness.

Suppliers are required to prioritise chemicals that comply with the ZDHC Manufacturing Restricted Substances List (MRSL). Where feasible, chemicals approved under recognised certification schemes such as Bluesign, GOTS, or OEKO-TEX Eco Passport can be used.

All manufacturing facilities are required to maintain an up-to-date Chemical Inventory List (CIL). The list must cover all chemicals used during the previous 12 months.

Suppliers must maintain traceability of chemicals throughout their production network. They must also ensure that relevant business partners understand and comply with BESTSELLER's chemical management requirements.

Wastewater management
Wastewater generated from manufacturing operations presents significant environmental risks if inadequately treated. We therefore require all manufacturing facilities, irrespective of impact classification, to measure wastewater generation and discharge accurately. Facilities must ensure that all industrial wastewater is treated prior to discharge and that they comply with applicable legal requirements and follow the ZDHC Wastewater Guidelines.

All industrial wastewater must be treated onsite or sent to an approved external treatment facility before discharge.

Facilities with wet-processing operations are required to operate adequately designed Effluent Treatment Plants (ETPs) or use verified external treatment facilities that comply with legal and environmental requirements. Facilities located in water-stressed regions are expected to increase the reuse and recycling of treated wastewater where technically and economically feasible, and in line with local regulations.

We encourage suppliers to implement advanced wastewater management practices. This includes solutions such as Zero Liquid Discharge (ZLD) systems and the use of lower-impact dyes and chemicals.

Air emissions
We require suppliers to identify significant sources of air emissions generated during manufacturing processes. Suppliers must comply with all applicable legislation, permits, and regulatory requirements. They are expected to monitor relevant emission sources, maintain appropriate pollution control equipment, and implement measures to reduce emissions.

Product and packaging chemical management
Chemical safety in products and packaging is managed through BESTSELLER's Restricted Substances List (RSL) and Packaging Restricted Substances List (pRSL). These requirements are intended to ensure compliance with legal requirements in all markets where BESTSELLER products are sold, while protecting consumers, workers throughout the value chain, and the environment. We continuously strengthen our chemical restrictions and phase out substances of concern, including a ban on PFAS across all brands since 2020.

The RSL applies to all products and components, while the pRSL applies to all packaging supplied with BESTSELLER products. Suppliers are responsible for ensuring compliance with the latest RSL and pRSL requirements, as well as applicable legislation in production and sales markets.

The RSL and pRSL are regularly updated to reflect legislative developments, scientific knowledge, and recognised industry practices, with changes communicated through our Supplier Portal and supplier engagement activities.

KEY ACTIONS

BESTSELLER's pollution and chemicals management activities focus on preventing pollution at source, strengthening supplier environmental performance, and supporting the progressive elimination of hazardous substances from the value chain. Supplier commitment to our Environmental Management Requirements is monitored through regular factory assessments covering chemical management, wastewater, and air emissions.

Environmental and chemical ratings incentivise improved performance and inform sourcing decisions and order allocation.

Chemical inventories (CIL) are tracked through digital platforms such as BHive, providing visibility into supplier-level compliance and alignment with standards such as ZDHC MRSL. We also support the transition to water-based or solvent-free polyurethane (PU).

Compliance with the ZDHC Wastewater Guidelines and legal requirements is monitored through accredited third-party wastewater testing and ongoing oversight. Where non-conformities are identified, corrective and preventive action plans (CAPARs) are implemented. Additional requirements and processes apply to wet-processing facilities in high-risk regions to support compliance and performance.

Compliance with the RSL is verified through a mandatory, risk-based Product Chemical Testing Programme managed through regional sourcing offices. Products that do not meet requirements are subject to corrective actions, including replacement or rework

where appropriate. Packaging materials are also subject to random testing against pRSL requirements.

Material suppliers participating in the Approved Chemical-Test Free programme undergo onboarding assessments, periodic audits, and ongoing verification testing and are exempt from duplicate downstream testing while compliance is maintained.

We provide suppliers with training and guidance on chemical management, wastewater management, product compliance, and environmental requirements.

Through industry initiatives such as AFIRM, we contribute to the development and implementation of harmonised chemical management standards, restricted substances requirements, and safer chemical practices across the textile and footwear value chain.

In the financial year 2026/27, we will update targets to strengthen wastewater management. The work will focus on improving data quality, addressing performance gaps, and supporting facilities through training and performance monitoring, as well as developing site-specific roadmaps and assessing the feasibility of implementation.



Denim washing at Genesis Fashions Limited, a long-standing BESTSELLER partner in Bangladesh.

METRICS

Chemical testing programme:

	2025/26	2024/25
Styles tested	**11,447**	**12,303**
Styles failed (%)	**2%**	**3%**
Categories with highest failure rate	**Footwear and sunglasses**	**Footwear and belts**

BHive performance data:

	2025/26	2024/25
Number of factories that have actively shared CIL data on BHive	**148**	**70**
Average ZDHC MRSL compliance across the suppliers sharing and uploading data	**90%**	**90%**

Environmental cases*:

	2025/26	2024/25
Escalated cases raised and investigated	**11**	**6**
Escalated cases concluded with no penalty	**0**	**3**
Escalated cases concluded with a notification of concern	**5**	**0**
Escalated cases concluded with an official warning letter	**2**	**0**
Escalated cases concluded with the offboarding of the supplier or factory[1]	**1**	**0**
Escalated cases with other conclusions (e.g. no penalty with supplier if proactive and collaborative, or with training, etc.)	**2**	**0**
Escalated cases under investigation or resolution at the time of reporting	**1**	**3**

ADDITIONAL NOTES

The table above shows identified environmental escalated cases during the reporting period, which were mainly related to wastewater violations and Effluent Treatment Plant (ETP) management.

1. During the reporting period, one escalated case was concluded by offboarding the factory in question due to untreated wastewater violations and lack of immediate action and remediation.

WATER

SUSTAINABILITY MATTERS

This section addresses the material topics of water withdrawal and water consumption in the supply chain. It outlines the role of water as a critical resource for raw material production and garment manufacturing, how our activities can affect local water availability, particularly in water-stressed regions, and how we work to understand and manage both our impacts and dependencies on water resources.

Key policies & guidelines

- Environmental Policy
- Supplier Code of Conduct
- Environmental Management Requirements for Suppliers

Ambitions & targets

We aim to reduce freshwater impact across our value chain by improving efficiency and water quality, focusing on high water-stressed basins through water stewardship by 2030.

TYPE:

÷ Negative impact
R Financial risk
O Financial opportunity

VALUE CHAIN LOCATION:

● Upstream
● Own operations
○ Downstream

	DESCRIPTION OF IMPACT, RISK, AND OPPORTUNITY	TYPE	VALUE CHAIN LOCATION	STAGE	TIME HORIZON
Water withdrawal and water consumption	**Irrigated cotton cultivation in water-scarce growing regions** Irrigated cotton cultivation leads to significant water withdrawal from natural sources such as rivers and groundwater. In already water-scarce areas, this can create resource competition with local ecosystems and communities that rely on these water sources for drinking and agriculture. Dependence on water-intensive cotton farming in high-risk regions may also increase exposure to operational disruptions.	÷	● (Tier 4)	Actual	**Short term** Current fiscal year
	Water scarcity due to water-intensive production processes Wet-processing activities such as fabric dyeing and finishing require significant volumes of water. High levels of water withdrawal and water consumption, particularly where water is not returned to the same watershed or is lost through evaporation and processing, can reduce water availability for ecosystems and local communities. In medium-to-high-water-risk areas, inefficient water use at such facilities can place additional pressure on already scarce water resources and exacerbate local water scarcity.	÷	● (Tier 1 - 3)	Actual	**Short term** Current fiscal year
	Water use during consumer lifecycle We acknowledge that our final products inherently use water throughout their downstream consumer lifecycle, for example through washing. Garments with frequent washing tendencies may contribute to competition and scarcity of water resources in its local community.	÷	○	Actual	**Short term** Current fiscal year

APPROACH AND POLICIES

Water, climate, and biodiversity are closely interconnected, and freshwater ecosystems are among the most degraded globally. Water is essential to the production of many raw materials and garment manufacturing processes, making it both a critical resource and an area where our activities can contribute to environmental pressure.

Our approach focuses on understanding these interconnections and reducing freshwater impacts through requirements for water withdrawal and consumption monitoring, water efficiency, reuse and recycling, and wastewater treatment, while collaborating with suppliers to improve water stewardship.

Water is addressed through our Environmental Policy, which sets requirements for water use, prioritises high-impact facilities and water-stressed regions, and integrates water performance into supplier evaluation systems. See also Pollution & Chemicals on page 104 for our approach to wastewater.

Collaboration with supply chain partners is central to strengthening water resilience in sourcing regions. To address data limitations and local variability at basin level, we invest in improved data collection, including updated lifecycle assessments for water-intensive materials, prioritise materials that have a proven impact on water compared to the conventional alternative and expand the use of recycled materials to reduce reliance on virgin resources.

At factory level (tier 1-2), we apply a risk-based approach supported by regular assessments to identify and address risks and adverse impacts. We prioritise high-impact facilities, particularly wet-processing units, and require factories to monitor water withdrawal and discharge, establish baselines, and identify key drivers of water consumption through our Factory Standards Programme. Performance is integrated into our Supplier Sustainability Evaluation, and non-compliance is addressed through corrective action plans.

KEY ACTIONS

As water challenges are inherently local, we prioritise actions in areas where both our impacts on freshwater resources and our dependence on water availability are greatest.

In raw material production (tier 4), our largest water impact relates to cotton, which is often grown in water-stressed areas. We therefore prioritise materials with reduced water consumption and lower pesticide use, including BCI Cotton and organic cotton sourced through the Organic Cotton Accelerator (OCA).

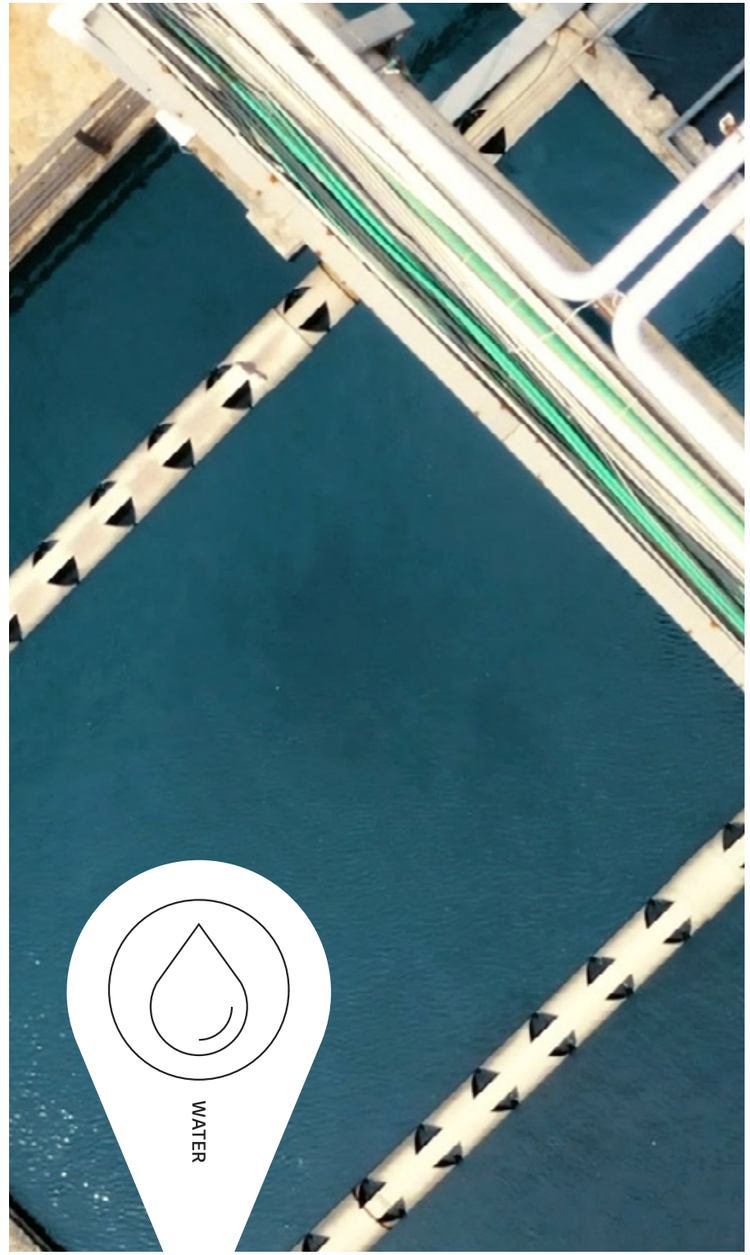
In high-risk garment manufacturing regions, we conduct unannounced wastewater testing at selected high-impact facilities to verify effluent quality and treatment performance, with plans to expand both supplier coverage and testing frequency. Findings are used to engage suppliers on improving wastewater treatment, water management, operational controls, and process efficiency.

We support these efforts through training and capacity-building programmes, including FWD>>ENV, to help suppliers improve water efficiency and recycling. Further case studies are available in our Supply Chain Due Diligence Report 2025/26.

In 2026/27, we will update targets to improve water use across key wet-processing facilities.



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



LAND & BIODIVERSITY

SUSTAINABILITY MATTERS

This section addresses the material topics of climate change, land-use change, and land degradation from farming practices. It outlines how these environmental pressures affect ecosystems linked to our raw material sourcing, how healthy ecosystems support the resilience of our value chain, and how we work to understand and manage related impacts and dependencies.

Key policies & guidelines

Environmental Policy

Forest Protection Policy

Animal Welfare & Material Ethics Policy

Ambitions & targets

We aim to invest in landscape restoration and conservation projects to protect and restore our key raw material sourcing landscapes by 2030.

TYPE:

÷ Negative impact
R Financial risk
O Financial opportunity

VALUE CHAIN LOCATION:

● Upstream
● Own operations
● Downstream

	DESCRIPTION OF IMPACT, RISK, AND OPPORTUNITY	TYPE	VALUE CHAIN LOCATION	STAGE	TIME HORIZON
Climate change, land-use change, and land degradation	**Climate-driven ecosystem disruption affecting supply chain resilience** Warming temperatures and extreme weather events due to climate change disrupt ecosystems and place stress on biodiversity. This affects farming conditions and supply chain resilience.	**R**	● (Tier 4)	Actual	**Short term** Current fiscal year
	Land-use change from sourcing nature-derived materials The use of nature-derived materials can lead to land conversion for agriculture, and deforestation, which in turn disrupt ecosystems and cause habitat loss for local species.	÷	● (Tier 4)	Potential	**Short term** Current fiscal year
	Land and ecosystem degradation driven by farming and resource extraction The use of nature-derived materials, produced through conventional farming practices, can lead to land and ecosystem degradation (desertification) due to intensive farming, use of synthetic fertilisers/pesticides, overgrazing and overextraction of water in already stressed water systems. Land and ecosystem degradation in turn can impact farming practices and supply chains.	÷	● (Tier 4)	Actual	**Short term** Current fiscal year

APPROACH AND POLICIES

Biodiversity and healthy ecosystems are essential to the long-term resilience of BESTSELLER's value chain, particularly in raw material production where land-use impacts are most significant. Healthy ecosystems services such as soil fertility, water regulation and climate resilience support agricultural production and raw material availability.

At the same time, land-use change, climate change, and unsustainable farming practices can contribute to biodiversity loss, soil degradation, and pressure on natural ecosystems.

We recognise that climate change and biodiversity loss are closely interconnected and address them in parallel. Guided by our Environmental Policy and emerging frameworks such as the Science Based Target Network (SBTN), we are strengthening our understanding of biodiversity- and land-related impacts and dependencies, with a focus on farmland and forests.

We support regenerative agriculture as an approach to improving soil health, biodiversity, water management, and the resilience of agricultural landscapes. Through our direct-to-farm programme, landscape initiatives, and recognised standards, we support farmers in adopting regenerative practices while continuing to build knowledge and experience as industry approaches to measuring outcomes evolve.

Our Forest Protection Policy supports a future free from the use of ancient and endangered forests in packaging, paper and man-made cellulosic fibres. It applies across the value chain and includes actions to assess and eliminate sourcing linked to ancient and endangered forests, illegal logging, and suppliers acting against Indigenous and community rights.

We work with Canopy to help protect ancient and endangered forests and increase the uptake and availability of lower-impact next generation materials. Through this collaboration, we aim to reduce pressure on forest ecosystems while supporting more resilient sourcing pathways for forest-derived materials.

KEY ACTIONS

Protecting and restoring biodiversity is fundamental to achieving our material and climate goals and supporting the long-term resilience of the landscapes and ecosystems our supply chain depend on. Therefore, our actions include sourcing raw materials that do not contribute to deforestation or land degradation, increasing transparency in forest-based materials, engaging directly with cotton farming through our direct-to-farm programme, increasing the use of recycled materials, and supporting landscape initiatives the strengthen ecosystem health, biodiversity, and community resilience.

Regenerative land management
We are currently investing in regenerative transitions through multi-year and multi-stakeholder partnerships. Through these initiatives, we are strengthening our understanding of how landscape-level approaches can contribute to ecosystem restoration, resilient raw material production, and long-term supply chain resilience in key sourcing regions.

We engage in regenerative cotton projects in India as part of the Regenerative Production Landscape Collaborative (RPLC) in Madhya Pradesh. The landscape-level initiative supports farmers' transition from intensive to regenerative agriculture while contributing to ecosystem restoration, conservation, and community resilience. The approach strengthens engagement in a key sourcing region and supports resilience and transparency in raw material sourcing.

In 2026, we joined the Regenerative Fund for Nature (RFFN) as a funding partner through Conservation International, contributing DKK 19 million (USD 3 million) to support a landscape-scale wool initiative in South Africa. Building on existing regenerative grazing efforts, the initiative aims to strengthen ecosystem resilience through improved rangeland management, community engagement, and market access, supporting soil health, biodiversity, water conservation, and sustainable livelihoods. It also reflects our recognition that resilient ecosystems, community livelihoods, and raw material production are interconnected and require collaborative, landscape-level action.

SUPPORT MEANINGFUL PRACTICE CHANGES AT FARM LEVEL

Across cotton and wool systems, we support practices that contribute to long-term regenerative outcomes, that are consistent with international regenerative principles such as:

— Reduced or minimum tillage
— Cover cropping and crop diversification
— Integrated pest management
— Improved organic matter management
— Improved grazing management (for wool)
— Reduced Highly Hazardous Pesticide (HHP) use and synthetic input dependency
— Water stewardship and soil moisture conservation
— Defined business practices



Photo credit:
Whitney Hassett

RESOURCE USE & CIRCULARITY

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 require the development of enabling infrastructure, greater recycling capacity, improved traceability, supportive market conditions, and long-term collaboration across the value chain.

SUSTAINABILITY MATTERS

This section addresses the material topics of resource inflows and material use, resource outflows, and waste throughout the value chain. It outlines how we work to reduce resource dependence and improve the circularity of materials in our products.

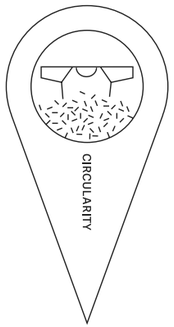
Key policies & guidelines

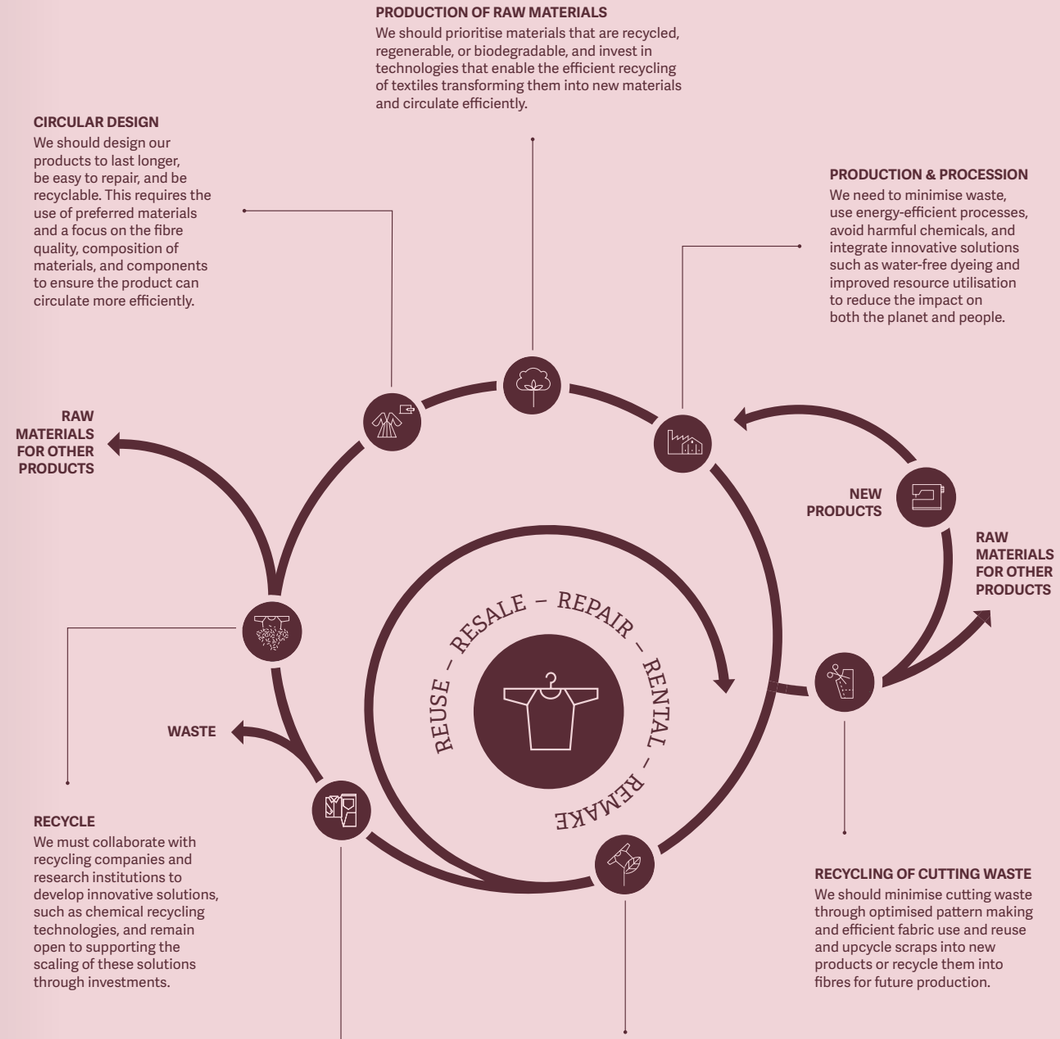
- Animal Welfare & Material Ethics Policy
- Fashion FWD Materials Portfolio & Approval Process
- Forest Protection Policy
- Waste Management Policy
- Paper-Based Packaging and Plastic Packaging policies
- Environmental Policy

Ambitions & targets

We aim to source 100 percent of our key materials – cotton, polyester, man-made cellulosic fibres, and wool – from preferred sources by 2030.

We aim to source 40 percent of our key materials – cotton, polyester, man-made cellulosic fibres, and wool – from recycled content, and to advance the transition towards next-generation and innovative recycled materials, including textile-to-textile and bio-based solutions by 2030.





RESOURCE INFLOWS

TYPE:

÷ Negative impact
R Financial risk
O Financial opportunity

VALUE CHAIN LOCATION:

● Upstream
● Own operations
● Downstream

	DESCRIPTION OF IMPACT, RISK, AND OPPORTUNITY	TYPE	VALUE CHAIN LOCATION	STAGE	TIME HORIZON
Resources inflows, including resource use	**Resource scarcity and price volatility from natural resource dependence** As a fashion company, we contribute to the depletion of scarce natural resources – intensifying environmental pressure and regulatory scrutiny. At the same time, we face growing risk from resource scarcity and price volatility can lead to higher costs, impacting production and profitability. Regulations e.g., Ecodesign for Sustainable Products Regulation (ESPR) may increase costs for materials.	÷ R	●	Potential	**Medium term** 1 - 5 years
	Environmental impacts from resource use in textiles The production of textile materials depends on significant use of water, land, energy, and chemical inputs. This resource-intensive production contributes to environmental degradation through depletion of natural resources, pressure on ecosystems, and increased emissions. Conventional fibre production from cotton cultivation to synthetic fibre processing intensifies these impacts, particularly in regions already facing environmental stress.	÷	●	Actual	**Short term** Current fiscal year

APPROACH AND POLICIES

Our approach to resource use combines target setting, material portfolio management, sourcing requirements, and innovation. It also includes a focus on waste handling across the value chain, with the aim of reducing waste generation, enabling reuse where possible, and prioritising closed-loop recycling before other forms of recycling.

Together, our Animal Welfare & Material Ethics Policy and Fashion FWD Materials Portfolio & Approval Process establish the framework for material sourcing aligned with our 2030 targets. The policies set requirements for raw material sourcing and humane treatment of animal and support the increasing use of recycled materials and preferred alternatives that meet verified environmental criteria and documented chain-of-custody requirements. Resource use and circularity is also part of our overall Environmental Policy.

As methodologies and data continue to evolve, we regularly review and update our approach to reflect emerging science, innovation, and industry best practice.

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. We are focused on incorporating both established and innovative materials such as third-party licensed materials that cover branded fibres like Tencel™, CIRCULOSE®, Birla Cellulose™, and others.

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.

Key materials
Cotton, polyester, man-made cellulosic fibres (MMCF), and wool are defined as our key materials because they make up the majority of our total material volume and represent the most significant impact areas across the value chain. Focusing on these therefore allows us to prioritise efforts where both scale and sustainability impacts are greatest.

Cotton
Cotton is a key fibre for BESTSELLER and accounts for more than 56 percent of our total key material usage. We source cotton from a range of categories, including organic, recycled, in-conversion cotton, Cotton made in Africa (CmiA), and Better Cotton Initiative (BCI).

To increase transparency and support the shift away from conventional cotton, we use direct-to-farm sourcing for organic and in-conversion cotton, as well as regenerative cotton. This approach provides market access and premium payments during the transition period to organic farming, which can take up to three years, and improves traceability from farm to finished product. Each year, we commit to off-take volumes from future harvests to help support access to organic cotton and strengthen supply chain traceability.

We continue to assess how different preferred cotton standards can complement each other to support traceability, impact, and long-term availability.

BCI Cotton forms part of our preferred cotton sourcing portfolio. Supporting the transition from Mass Balance to Traceable BCI Cotton, BESTSELLER has contributed to the development of the traceable model as one of ten funding brands and through participation in the Transition Task Force. Traceable BCI Cotton enables physical traceability of cotton to its country of origin, with the ambition to reach farm level.

Our partnerships with organisations such as the Organic Cotton Accelerator, BCI, and CmiA support progress towards our material sourcing goals. Evolving standards and market conditions are influencing the availability of different cotton categories across

the market. We therefore continue to support a broader mix of preferred cotton sources, including organic, in-conversion, and regenerative programmes.

Polyester
Utilising recycled materials is imperative for decoupling growth from our greenhouse gas (GHG) emissions and the consumption of virgin resources. The recycled polyester we use predominantly derives from recycling PET plastic bottles, frequently used in single-use beverage containers. Building effective textile-to-textile recycling systems requires time, development, and transition investments.

We are actively engaged in innovation centred on textile-to-textile recycling of both pre-consumer and post-consumer polyester, including manufacturing waste such as scraps, rejects, and trimmings, as well as discarded consumer items such as plastic bottles and packaging.

Man-made cellulosic fibres
Man-made cellulosic fibres (MMCF), such as viscose, lyocell, and modal, are derived from dissolved wood pulp and are associated with risks related to forest sourcing and resource-intensive processing.

Our Forest Protection Policy supports approaches that avoid sourcing wood from ancient and endangered forests for the production of man-made cellulosic fibres.

We collaborate with Canopy and, as a CanopyStyle partner, are committed to sourcing MMCF from low-risk pulp suppliers, known as Green Shirt Fibre Producers. Suppliers are classified as Green Shirt or Red Shirt based on their environmental practices, and we actively work with the supply chain to eliminate volumes traced back to Red Shirt suppliers. Currently, we have full traceability on more than 60 percent of our MMCF volumes and continue to increase the number of MMCF orders traced through blockchain-enabled product traceability. Approximately half of the MMCF we source are part of our list of certified and branded materials.

Wool
A small share of our material use consists of animal-based fibres, primarily wool, as well as cashmere, alpaca, mohair, and silk. Materials sourced from animals constitute around one percent of our total material consumption. We aim for all wool to be from preferred sources i.e. organic, recycled or Responsible Wool Standard (RWS). Recycled wool, when replacing virgin wool, helps conserve natural resources such as water and energy and contributes to reducing textile waste by repurposing wool into new garments. Requirements related to animal-based materials, including the right treatment of animals, are addressed through our Animal Welfare Policy.

Preferred materials
We aim to increase the use of preferred materials each year. At BESTSELLER, we define

Through our direct-to-farm programme, we support 31,000 cotton farmers.



preferred materials as the total of certified and branded materials, along with BCI Cotton.

Certified and branded materials are either organic, in-conversion, recycled, and/ or subject to a third-party licensing agreement or certification. We apply our own certified and branded approval process to determine which materials qualify within our portfolio of preferred materials.

Material innovation
Collaboration across the value chain is central to addressing material challenges and supporting the scale-up of innovative solutions. We work with material innovators and suppliers to increase the use of certified and branded materials and to bridge the gap between early-stage innovation and production at commercial volumes.

Through initiatives such as The Fashion Pact, Fashion for Good, Cascale, Textile Exchange, Global Fashion Agenda, Better Cotton Initiative, the Organic Cotton Accelerator, and a

range of Danish institutions, we engage in research on market developments, technologies, and fibres that can support the industry's transition.

Our long-term innovation strategy is built on two platforms: the BESTSELLER Innovation Lab for piloting new solutions, and Invest FWD, which provides capital investment to scale promising innovations.



Material transparency
We invest in systems and partnerships to improve traceability and transparency in our supply chain. Every two months, we publish our Public Factory List, covering tier 0, tier 1, Chemical Test-Free Approved Materials Suppliers (tier 2) and leather suppliers. In 2025/26, we had 150 Approved Materials Suppliers. We do not yet have full visibility of all tier 2 suppliers and mapping these remains ongoing.

Our data management systems track products from order placement to assembly, support accurate product labelling and data-driven consolidation. We run a materials mapping process where strategic suppliers disclose their materials suppliers and volumes twice a year. This information helps us prioritise supplier visits and assess environmental, chemical, and quality performance before suppliers are designated as Approved Materials Suppliers.

We partner with a third-party traceability solution provider to support fibre-level traceability, currently tracking all product orders and fibres from key manufacturers.

KEY ACTIONS

Cotton
In 2025/26, we sourced 100 percent of our cotton from preferred sources, of which 40 percent was organic cotton and four percent was Traceable BCI Cotton, following its introduction last year.

In 2025/26, BESTSELLER supported more than 31,000 cotton farmers, compared with 33,500 in 2024/25. During the year, we sourced 15,000 metric tonnes of organic cotton.

Polyester
To increase the use of textile-to-textile (T2T) recycled inputs, ONLY Brand House and JACK & JONES have introduced T2T recycled polyester into selected Never Out Of Stock (NOOS) products. Through collaborations with partners including Jiaren, RE&UP, OnceMore® and CIRCULOSE®, the brands are testing and scaling T2T recycled polyester and man-made cellulosic fibres.

Through our participation in the READY project, we have strengthened our understanding of recycled fibres by combining technical testing with hands-on learning across functions. The project has enabled us to work directly with recycled materials in a lab setting, building insight into fibre performance, and how these can vary depending on feedstock and processing. At the same time, we have focused on translating this knowledge into practical tools and formats that can support designers, buyers and product teams in their daily work. This includes approaches such as Material Driven Design and hands-on learning formats, helping ensure that material considerations are integrated earlier in product development and that decisions are based on a more informed understanding of recycled materials.

The Biosynthetic Feedstock Evaluation project, carried out in collaboration with Fashion for Good and nova-Institute, was completed during the reporting period, and a final report has been published. The project explored alternatives to fossil-fuel-based polymers, with a focus on biosynthetic feedstocks. These materials have the potential to reduce reliance on fossil resources, lower greenhouse gas emissions, and support circular material flows.

The evaluation assessed commonly used biomass feedstocks based on environmental impact, scalability, and alignment with relevant standards. The project provides an overview of key considerations and outlines recommendations to inform the use of alternative polymers in the apparel and footwear industries.
Man-made cellulosic fibres
BESTSELLER continues to explore alternative man-made cellulosic fibres and next-generation materials through collaborations with partners including SPINNOVA®, Eastman, Circ® and CIRCULOSE®.

During the year, JJXX expanded its use of SPINNOVA® fibres to evaluate alternative MMCF solutions, while SELECTED introduced Naia™ Renew by Eastman, a closed-loop system,

which combines certified recycled content with wood pulp from controlled or certified wood sources. Through the Fibre Club initiative, SELECTED collaborates with Circ® to explore fibres derived from recovered textile waste, with the first products launching in Autumn 2026.

Wool
In 2026, we joined the Regenerative Fund for Nature programme through Conservation International as a funding partner, contributing a wool-focused initiative in South Africa. The programme supports improved land management in wool production by addressing grazing practices, land degradation and related environmental and social conditions.
Read more on page 117 under Land & biodiversity.

Material transparency
We continue to expand digital traceability across our supply chain, increasing access to primary data on material flows, suppliers, and production locations. This strengthens the data foundation for supply-chain due diligence and evolving regulatory requirements, while enabling us to progressively improve impact calculations using primary supply chain data.

In 2025/26, BESTSELLER achieved brand certification under several internationally recognised schemes, including GOTS, Textile Exchange standards, and BCI Cotton for traceable cotton fibres. These certifications support traceability and strengthen confidence in certified material claims through third-party verification and chain-of-custody requirements. Alongside certification, we continued to strengthen traceability, documentation, and data quality processes across the supply chain.

RESOURCE USE

Progress towards targets

As part of our Fashion FWD 2030 strategy, we introduced two new material targets.

In 2025/26, 83 percent of our key materials – cotton, polyester, man-made cellulosic fibres, and wool – came from preferred sources, against our target of 100 percent by 2030. In the same year, 25 percent of our key materials came from recycled content, against our target of 40 percent by 2030.

We are continuing our focused efforts to make progress on both targets.





Naia™ Renew by Eastman
Produced in a closed-loop system and made from 40% certified recycled content and 60% wood pulp derived from controlled or certified wood sources.

METRICS

Resource inflow - weight and share of key materials for finished products (Tonnes and %):

	2025/26		2024/25	
	Tonnes	**%**	**Tonnes**	**%**
Total weight of key materials finished products[1]	**107,000**	**100**	**—**	**—**
Cotton	**60,000**	**56**	**61,000**	**51**
Polyester	**37,000**	**35**	**34,000**	**30**
Man-made cellulosic fibres	**9,000**	**8**	**10,000**	**9**
Wool	**1,000**	**1**	**900**	**1**
Other[2]	**10,000**	**—**	**11,000**	**10**

ADDITIONAL NOTES

1. The material weight of key material includes shell fabric only and does not cover filling, lining, patting and trims.

2. Other materials include among others leather, acrylic, natural fibres, and silk. Other materials are excluded from our total resource inflow as this only includes our key materials.

For accounting policies and related measurement principles, please refer to page 196.

Resource inflows - share of preferred materials (%):

	2030	2025/26	2024/25
	Target	**%**	**%**
Preferred key materials[1]	**100%**	**83**	**—**
Recycled materials[2]	**40%**	**25**	**—**
Recycled polyester	**—**	**60**	**32**
Other recycled materials[3]	**—**	**3**	**—**
Cotton from preferred sources[4]	**Maintain 100%**	**100**	**100**
Organic cotton incl. in-conversion cotton	**—**	**40**	**27**
Recycled cotton	**—**	**7**	**—**
Wool from preferred sources[5]	**100%**	**67**	**54**
Recycled wool	**—**	**28**	**—**
Preferred man-made cellulosic fibres (MMCF)[5]	**100%**	**60**	**—**

ADDITIONAL NOTES

1. Key materials are cotton, polyester, MMCF, and wool, and we define preferred materials as the certified and branded materials along with BCI Cotton. Numbers are excluding footwear and accessories.

2. Percentage of recycled content of key materials i.e. cotton, polyester, MMCF and wool out of total key materials. Numbers are excluding footwear and accessories.

3. Other recycled materials consist of among others; nylon, polyamid, polycarbonate, down.

4. Cotton from preferred sources include the total of BCI Cotton, Traceable BCI Cotton, Organic cotton and in-conversion cotton, Direct-to-farm, Cotton made in Africa (CmiA), recycled cotton and regenerative cotton.

5. Wool that is certified (RWS), organic, regenerative, recycled.

6. Preferred MMCF is either branded MMCF or from Canopy dark green shirt fibre producers.

Certain comparison figures are not available as new material targets have been set and new methodology applied. For accounting policies and related measurement principles, please refer to page 196.







JJXX partnered with SPINNOVA® to introduce styles made with innovative wood-based fibre, offering a soft and breathable feel.



RESOURCE OUTFLOWS

TYPE:

÷ Negative impact
R Financial risk
O Financial opportunity

VALUE CHAIN LOCATION:

● Upstream
● Own operations
● Downstream

	DESCRIPTION OF IMPACT, RISK, AND OPPORTUNITY	TYPE	VALUE CHAIN LOCATION	STAGE	TIME HORIZON
Resource outflows related to products	**Recyclability challenges from mixed material blends** Using mixed materials in garments can negatively impact their recyclability. Different materials require different recycling processes, and mixed materials often cannot be separated effectively. This leads to many garments ending up in landfills instead of being recycled.	÷	● ●	Actual	**Short term** Current fiscal year
	Opportunities from circular business models and services Circular business and services creates financial opportunities through new business models like resell, rental, repair and remake services. These models generate recurring revenue by allowing products to be returned for reuse or resale, reducing the need for constant new production and fostering customer loyalty.	**O**	● ●	Potential	**Medium term** 1 - 5 years
Resource inflow and outflows related to packaging	**Packaging waste from consumer-facing products** Packaging used for consumer-facing products contributes to resource use and waste generation across the value chain. Primary and secondary packaging, particularly where single-use or non-recyclable materials are applied, leads to increased material consumption and waste at end of life.	÷	● ●	Potential	**Short term** Current fiscal year

APPROACH AND POLICIES

Our approach to resource outflows focuses on reducing waste throughout the value chain by improving product durability, repairability and recyclability, and by integrating circular design principles into product development. We work to extend product lifecycles through durability testing, quality and performance assessments, and by supporting repair options. This includes repair services offered by selected brands and guidance to consumers through our Wear & Care guide, helping to prolong garment use.

As there are currently no standardised industry definition of durability and recyclability, we use our own internal circular design guide to support design choices that can improve material recovery potential and reduce the use of material combinations that may limit

recyclability. We continue to explore technologies that enable material reuse and apply learnings from pilots on circular business models.

We engage with partners across the value chain – including suppliers, retailers, and industry organisations – to minimise waste and prepare for evolving regulatory requirements on circularity. Through our involvement in initiatives such as the European Branded Clothing Alliance (EBCA) and the Policy Hub, we contribute to discussions on future rules related to recycled content and circular product requirements. This helps us align our practices with the EU Strategy for Sustainable and Circular Textiles and adapt to the systemic changes expected across the industry.

Plastic and packaging

Our approach to plastics and packaging focuses on reducing overall use of packaging material, increasing recycled content, and supporting high-quality recycling. We use plastics primarily for polybags, wrapping, and product presentation, representing our largest packaging footprint. To reduce reliance on virgin materials, we have transitioned to polybags made from certified recycled polyethylene (PE), saving an estimated 1,750 tonnes of virgin plastic each year.

Our Paper-Based Packaging and Plastic Packaging policies set design criteria that prioritise recycled mono-materials, minimise unnecessary packaging, and support reuse, recycling or composting. For paper-based packaging, the criteria also reflect the principles of our Forest Protection Policy, including supporting the protection of Ancient and Endangered Forests. We update these policies in line with evolving EU requirements, including Regulation (EU) 2025/40 on packaging and packaging waste.

We participate in initiatives such as Canopy Pack4Good and Fashion for Good to advance knowledge, test alternative materials, and collaborate on system-level solutions. We recognise that reducing packaging impacts requires wider industry and cross-sector collaboration, and we contribute to this through shared initiatives and policy engagement.

KEY ACTIONS

In 2025/26, we continued piloting circular business models aimed at extending product lifecycles.

Our RE:SELECTED resale platform, launched in Denmark in 2024, completed its first full year of operation and expanded to Germany and the Netherlands, providing a scalable model for keeping products in use and reducing textile waste. The expansion has provided insights into product demand and the development of second-hand markets. Beyond extending product use, the take-back programme also contributes to a better understanding of customer needs.

We also advanced circular design capabilities through the READY project, including circular design training and Lab Days with brands to strengthen early-stage design decisions.

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.



Since January 2026, all new orders of paper packaging have contained 100 percent FSC Recycled certified material.

All new orders of consumer- and non-consumer-facing PE-based plastic packaging are made from 100 percent recycled content and certified under Global Recycling Standard (GRS) or Recycled Content Standard (RCS). By 2028, we will mainly use plastic-based packaging with a high content of recycled post-consumer waste, and our polybags will be made of 100 percent post-consumer recycled content.

WASTE

TYPE:

÷ Negative impact
R Financial risk
O Financial opportunity

VALUE CHAIN LOCATION:

● Upstream
● Own operations
● Downstream

	DESCRIPTION OF IMPACT, RISK, AND OPPORTUNITY	TYPE	VALUE CHAIN LOCATION	STAGE	TIME HORIZON
Waste	**Waste generation and environment impacts from end-of-life disposal** End-of-life disposal of textile products, including landfilling and incineration, poses environmental risks by contributing to pollution of land and water and placing pressure on local ecosystems. In regions where adequate waste management infrastructure is limited, products may end up in landfills or be improperly handled, increasing the potential negative environmental impact associated with textile waste.	÷	●	Actual	**Short term** Current fiscal year
	Textile waste from own operations Textile waste from own stores, warehouses, showrooms primarily arises from samples and damaged products that cannot be sold or redistributed. Although measures are in place to limit the volume of unsold goods becoming waste, the disposal or low-value treatment of damaged textiles still results in loss of materials and embedded resources, contributing to waste generation.	÷	●	Potential	**Short term** Current fiscal year
	Post-industrial textile waste in supply chain Post-industrial textile waste from manufacturing processes increases waste volumes and resource inefficiency in the upstream supply chain. Disposal or low-value treatment of production off-cuts and rejected materials contributes to unnecessary use of raw materials, energy and chemicals and may lead to environmental pressure where waste management systems are insufficient.	÷	●	Potential	**Short term** Current fiscal year
	Regulatory demand on product end-of-life treatment The EU Textile Strategy's requirements for Extended Producer Responsibility (EPR) systems, Ban of Destruction of Unsold Goods, and end-of-life treatment present potential operational risks and increased costs for fashion companies. These regulations may require significant investments in infrastructure, compliance, and management of product lifecycles, potentially straining financial resources and impacting profitability. Additionally, the complexity of managing these responsibilities could lead to operational inefficiencies and unforeseen risks.	**R**	●	Potential	**Medium term** 1 - 5 years

APPROACH AND POLICIES

The fashion industry is slowly moving towards the future of textiles as envisioned in the EU Textile Strategy. This will require replacing the traditional linear model of take-make-waste with business models that focus more on the use of resources and the creation of waste. This means, that we must view waste as a resource that can be reused in future products.

BESTSELLER manages textile waste in line with the EU waste hierarchy, prioritising waste prevention and reuse before recycling, recovery and disposal.

In 2025/26 we updated our Waste Management Policy to manage material impacts related to textile waste. The policy primarily covers BESTSELLER's own operations and applies to products handled within downstream activities, including product handling, distribution, retail, e-commerce, returns management, and the handling of unsold products.

The policy is designed to take care of the textile waste we contribute to creating, by transforming waste into a resource. Its primary objectives include the prevention of waste generation, the proper handling and registration of unsold products in compliance with destruction bans, and the preservation of material value to enable effective circulation within a circular economy. We also report on the destruction of unsold products in line with applicable legislation, allowing us to monitor developments in how these products are handled and support efforts to utilise resources as effectively as possible.

Own operations
We prioritise waste prevention as a key priority, focusing on upstream actions such as improved order planning to minimise the generation of unnecessary waste.

Excess products, returned products, and consumer claims are managed by operational teams and responsible managers. To preserve product and material value, we prioritise reuse through channels such as resale through outlets, internal redistribution between markets, or donations to reliable charity organisations. Products no longer suitable for reuse are directed to mechanical or chemical recycling partners to ensure that material value is retained within the loop.

At our e-commerce logistics centre in Poland, returned products are carefully handled at our repair station to make them suitable for resale. Around 97 percent of items are refolded and sealed in new bags, 2.5 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.

Treatment options such as recovery and disposal represent the lowest levels of the waste hierarchy and are applied only as a last resort in exceptional circumstances where permitted by legislation. This includes a very limited share of products – representing approximately 0.1% of shipped products that pose a documented health or safety risk or are heavily damaged (e.g. due to water or mould) and cannot be safely sold, reused, or recycled. These items are directed toward recovery only when all higher steps in the waste hierarchy have been exhausted.

Post-industrial waste
Our approach to post-industrial waste focuses on improving waste prevention, segregation, and traceability in the upstream supply chain. Production offcuts and rejected materials represent a loss of resources and embedded impacts, particularly in regions with limited waste management infrastructure. We work with suppliers to strengthen factory-level procedures, improve data on waste streams, and explore opportunities for recycling or higher-value recovery. Insights from multi-stakeholder pilots inform our efforts to reduce post-industrial waste volumes and support recycling options where viable.

Post-consumer waste
Our approach to post-consumer waste focuses on reducing the volume of products reaching end-of-life disposal by extending product lifespans. This includes promoting durability, repairability, and reuse through initiatives such as resale, repair options, and guidance to consumers on garment care. End-of-life disposal in many markets remains constrained by limited collection and recycling systems, and our work on circular design and circular business models aims to reduce waste generation at the consumer stage and support higher-value resource recovery over time. For more information read page 133.

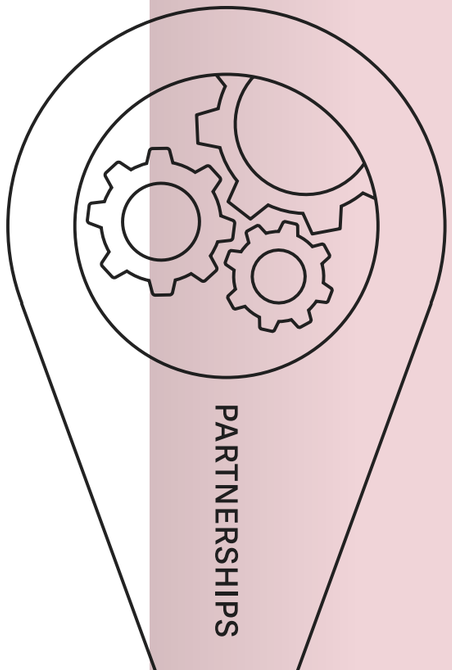
KEY ACTIONS

To complement our operational approach, we engage in cross-industry collaborations to support the development of systems needed to manage textile waste beyond our own value chain. This includes participation in discussions related to Extended Producer Responsibility (EPR) and waste regulation, where alignment on collection, sorting, and recycling infrastructure remains a key enabler.

We contribute to industry initiatives such as Fashion for Good and Global Fashion Agenda, and participate in collaborative projects including Sorting for Circularity Europe, Project ReWear, and Feedstock Activation Europe project. These initiatives aim to improve the understanding, collection, sorting and handling of post-consumer textiles, increase the availability of suitable feedstock for recycling, and support the development of textile-to-textile recycling systems. Through these collaborations, we help advance solutions that can improve material circularity and retain value in materials for longer.

Over the past three years, BESTSELLER participated in the SWITCH to Upstream Circularity pilot (SWITCH2CE) in Bangladesh to assess how post-industrial textile waste can be segregated, traced, and recycled at scale. The pilot involved 20 supplier facilities and focused on improving factory-level segregation, data availability and waste traceability. The pilot has now concluded in this financial year, and demonstrated both the availability of recyclable material volumes and persistent barriers, including cost, inconsistent waste quality outside pilot settings and limited recycling capacity. The learnings are being used to inform our ongoing approach to post-industrial waste management and engagement in key sourcing countries.

We have not established specific targets or metrics related to this topic.



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, CIRCULOSE®, 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 participated in the Switch to Upstream Circularity Pilot, supported by Global Fashion Agenda (GFA), BGMEA, and Reverse Resources. The pilot focused on what it takes to scale textile recycling in Bangladesh by tracing and managing post-industrial waste.

READY — a cross-industry collaboration focused on strengthening knowledge about innovative fibres, recycled textiles and material quality. The project concluded in 2026.

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 circular economy efforts.

142 Own people

154 People in the value chain

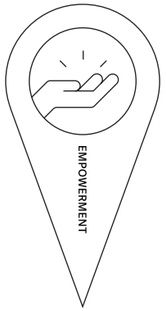
BESTSELLER is dedicated to impacting our own colleagues and the people working in our supply chain. Through our Fashion FWD strategy pillar, *People*, we focus on Well-being (supporting healthy and safe working environments), Equity (supporting equal rights and opportunities), and Empowerment (unlocking potential and opportunities).

This chapter outlines our approach, targets, and progress for own people and for people in our value chain, and highlights how we work with partners to strengthen positive outcomes and address risks where they are most material.



SOCIAL

OWN PEOPLE



SUSTAINABILITY MATTERS

This section addresses the material topics of employee health, safety and well-being, diversity, equity and inclusion (DEI), and equal pay. It outlines how we support the well-being of our colleagues and manage key workforce-related impacts across our organisation.

Key policies & guidelines

- Health & Safety Policy (DK)
- Diversity, Equity & Inclusion Policy
- Stand Together Against Harassment Policy
- Senior Policy (DK)

Ambitions & targets

We aim to respect human rights and strengthen people's well-being, equity, and empowerment across our value chain by 2030.

40% of our top managers globally are female by 2030.

OUR PEOPLE, CULTURE, AND WORKPLACE ENVIRONMENT

Our founding principles guide everything we do, from how we treat each other to how we conduct business.

Throughout our ongoing growth, our company maintains a steadfast commitment to its culture founded on family ownership, trust, and respect. Principles of fairness, opportunity, and responsibility are integral to our vision. We foster an environment that values diversity and inclusion, supporting both professional and personal development. While performance and results remain important, we believe they are built on a foundation of personal growth, health, well-being, and meaningful relationships.

Colleagues are our most valuable resource. We are dedicated to nurturing an environment where everyone can excel, ensuring that we remain a desirable workplace while creating value for our stakeholders.

Supporting growth and development remains a central part of the employee experience at BESTSELLER. Through Growth Management, regular development conversations, and targeted learning opportunities on our digital platform FUSE, we aim to help colleagues build capabilities, realise their potential, and prepare for future opportunities across the business.

We continually strive to enhance our work environment by addressing every stage of the employee lifecycle, including Our People's Voice, onboarding, and exit surveys. We are collecting data on onboarding experiences and reasons for departure to refine our retention strategies, improve onboarding processes, and anticipate workforce changes. Investment in onboarding and retention initiatives contributes to a supportive environment and may lead to improved retention and productivity.

Engagement with colleagues
Our global employee engagement survey, Our People's Voice (OPV), enables colleagues to share their perspectives annually, with an additional opportunity for teams to revisit key topics and track progress.

In addition to Our People's Voice, we engage with colleagues through everyday dialogue and structured people processes across the organisation. Daily interactions between managers and colleagues, regular individual check-ins, My Goals and My Growth conversations through our Growth Management process, training and development opportunities, and daily communication through internal channels all contribute to understanding colleague perspectives, supporting development, and maintaining ongoing engagement.

To raise concerns, colleagues are encouraged to speak to their management, the local PEOPLE/HR organisation or during the annual employee survey. As a last resort, concerns can be raised through our whistleblower function, which is provided through our parent company, Heartland, and offers employees and direct partners an alternative channel for reporting serious issues, particular where formality and anonymity are desired.

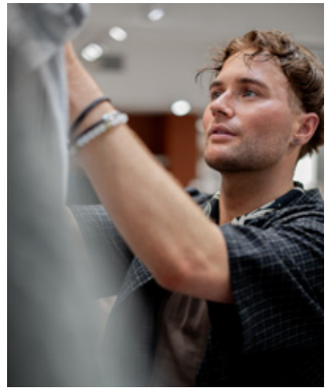
The result of the year's OPV was 79. While engagement decreased slightly compared to last year, it remained at a high level during a year characterised by organisational changes and continued business transformation.

METRICS

Our People's Voice (OPV):

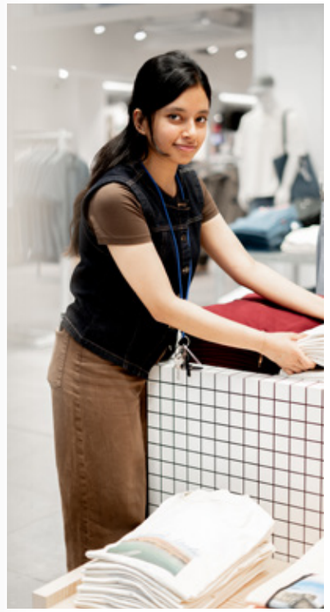
	2025/26	2024/25
Engagement score - points	**79**	**80**
Global reponse rate - %	**78**	**78**
Number of respondents	**13,280**	**11,850**
Number of comments received	**32,110**	**32,300**



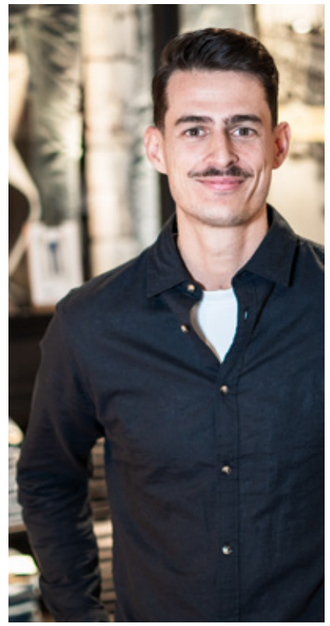
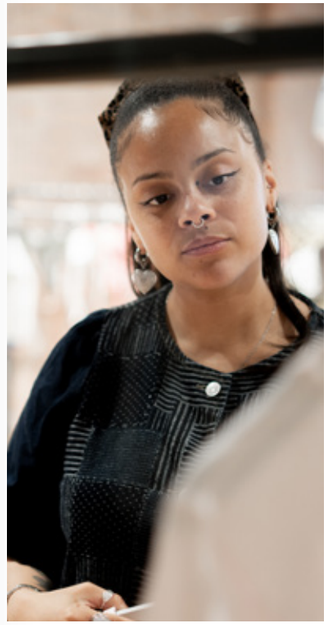









HEALTH, SAFETY & WELL-BEING

TYPE:

÷ Negative impact
R Financial risk
O Financial opportunity

VALUE CHAIN LOCATION:

● Upstream
● Own operations
○ Downstream

	DESCRIPTION OF IMPACT, RISK, AND OPPORTUNITY	TYPE	VALUE CHAIN LOCATION	STAGE	TIME HORIZON
Working conditions	**Inadequate working conditions affecting employee health, safety, and well-being** Inadequate working conditions – such as unclear expectations, limited support, or insufficient prevention of psychosocial risks – can negatively affect mental health and well-being across BESTSELLER. Without a proactive approach to identifying and addressing these risks, we risk creating environments that increase stress, reduce engagement, and raise sickness and absence rates. This ultimately impacts overall organisational performance and retention.	÷	●	Actual	**Medium term** 1 - 5 years

APPROACH AND POLICIES

At BESTSELLER, employee health, safety, and well-being are essential to our success and everyone shares the duty of creating a positive and productive work environment.

We address health, safety, and well-being through a global approach supported by local policies, practices, and initiatives tailored to the needs of our different markets, functions, and working environments. In Denmark, the Health & Safety policy helps create a foundation for developing and maintaining a good physical and psychosocial working environment.

We seek to promote a positive working environment with well-being for everyone by ensuring that work is carried out in a safe and healthy manner, taking into account the factors that can affect physical as well as psychosocial health in both the short and long term.

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 global Stand Together Against Harassment Policy and Code of Ethics outline our approach to these matters.

KEY ACTIONS

Our People's Voice (OPV) and in Denmark workplace evaluation, enables colleagues to share feedback and influence physical and psychological workplace improvements.
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.

In Autumn 2025, we held the first BESTSELLER Global Health Week, a week-long initiative open to all colleagues regardless of role or location. The week combined centrally organised talks and activities on body, mind, and nutrition with locally driven initiatives across markets, accessible both in person and via livestream.

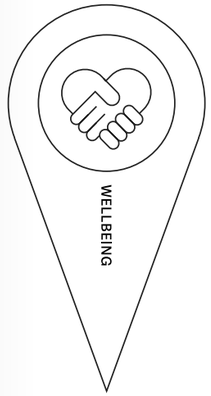
In 2025/26, we launched the Best Care Community, in Denmark as a start, an online resource that provides managers with tools and guidance to support their teams' health and well-being, including prevention of sickness, mental first aid, early intervention, and supportive sick leave and return-to-work processes.

METRICS

Our People's Voice response:

	2025/26	2024/25
Global well-being score in OPV – 'Our colleagues agree that their organisation takes a genuine interest in their well-being'.	**76**	**75**

We are currently in the process of defining additional health and well-being KPIs and establishing data collection methods to support transparent reporting and monitor our progress over time.





DIVERSITY, EQUITY & INCLUSION

TYPE:

÷ Negative impact
R Financial risk
O Financial opportunity

VALUE CHAIN LOCATION:

● Upstream
● Own operations
○ Downstream

	DESCRIPTION OF IMPACT, RISK, AND OPPORTUNITY	TYPE	VALUE CHAIN LOCATION	STAGE	TIME HORIZON
Equal treatment and opportunities for all	**Insufficient diversity affecting equal access and well-being** If diversity, equity, and inclusion are not sufficiently embedded across BESTSELLER, we risk creating unequal access to opportunities, inconsistent employee experience, and barriers for underrepresented groups. This can potentially reduce psychological safety and well-being and limit our ability to meet growing stakeholder and regulatory demands.	÷	●	Potential	**Medium term** 1 - 5 years

APPROACH AND POLICIES

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.

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.

With our global DEI policy we are dedicated to engaging all colleagues in conversation on DEI, to foster knowledge and understanding on the topic. We are particularly dedicated 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 six 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.

We are a signatory to the Diversity Pledge of Confederation of Danish Industry, the leading association business 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.

KEY ACTIONS

Throughout the year, BESTSELLER focused on implementing two training programmes to foster a supportive and inclusive workplace culture. The Inclusive Leadership Training was designed for leaders, equipping them with insights into their role in building psychological safety within their teams, as well as increasing awareness of how biases and personal values can influence leadership behaviours.

In parallel, the Psychological Safety Team Training is targeted entire teams, supporting them in working together to create a safe and inclusive working environment where everyone feels comfortable speaking up and contributing.

Our DEI Ambassador Network includes more than 30 ambassadors. The network brings together colleagues from across brands, markets, and functions to share ideas and support initiatives that strengthen an inclusive workplace.

During 2025/26, the DEI Ambassador Network translated ambition into practical actions. Key initiatives included recruitment training in French retail rolled out across 70+ stores. The training became part of a broader effort to strengthen hiring quality and employee retention, during a period where staff turnover decreased from 71 percent to 65 percent.

In Germany, colleagues participated in the Hamburg Pride parade and hosted internal activities to highlight inclusion and equal opportunities, reinforcing our efforts to foster an open and respectful workplace. In Denmark, logistics teams launched a positive communication campaign across warehouses and offices to strengthen everyday collaboration. Together, these efforts demonstrate how local engagement and cross-market collaboration help build a culture grounded in respect, openness, and strong performance.

This year, we launched a Senior policy in Denmark. The purpose of the Senior Policy is to provide the best possible work environment for colleagues approaching retirement age, supporting them in their work life through their senior age. All of this to ensure that our colleagues choose to stay a part of the BESTSELLER family as long as possible. But also, to attract more experienced colleagues to our company in the future.

DIVERSITY, EQUITY, AND INCLUSION

Progress towards targets

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 40 percent of our top leaders globally are female by 2030. There are currently 39 top leaders in the BESTSELLER Group of whom 12 top leader are women and 27 are men. This means 31 percent are women. This development is an increase of 2 percent compared to last year.

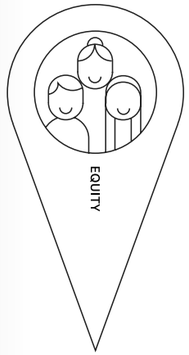
The Board of Directors of BESTSELLER A/S consists of five members – three men and two women, one of whom is chair of the Board. Therefore, there is an equal gender composition with women representing 40 percent and men 60 percent.

METRICS

Gender distribution in top management

Gender composition BESTSELLER Group:

Top leaders — BESTSELLER group	2025/26	2024/25
Total number	**39**	**34**
Number of women	**12**	**10**
Number of men	**27**	**24**
Gender distribution in % (women/men)	**31/69**	**29/71**
Target figure in % (women)	**40**	**40**
Year of fulfilment of target figure	**2029/30**	**—**



Board of directors — BESTSELLER A/S	2025/26	2024/25
Total number	**5**	**5**
Number of women	**2**	**2**
Number of men	**3**	**3**
Gender distribution in % (women/men)	**40/60**	**40/60**

EQUAL PAY

TYPE:

÷ Negative impact
R Financial risk
O Financial opportunity

VALUE CHAIN LOCATION:

● Upstream
● Own operations
● Downstream

	DESCRIPTION OF IMPACT, RISK, AND OPPORTUNITY	TYPE	VALUE CHAIN LOCATION	STAGE	TIME HORIZON
Equal treatment and opportunities for all	**Equal pay gaps affecting fair treatment and workforce equity** Pay differences between employees performing equal or comparable work may result in unequal treatment and represent a risk related to compliance, reputation and talent attraction and retention. Identifying and addressing potential pay gaps supports fair compensation practices, contributes to equal opportunities in the workplace and strengthens BESTSELLER's ability to maintain a diverse workforce.	÷	●	Actual	**Medium term** 1 - 5 years

KEY ACTIONS

Equal pay is a key part of our approach to equity and fair treatment. During the reporting year, we continued our internal readiness for increased pay transparency requirements. This work also forms the basis for determining which actions are needed to address any identified pay gaps, including strengthening processes for pay setting, review and remediation. We have not yet set group-wide targets or defined metrics for equal pay. To date, our efforts have primarily focused on establishing the governance, methodology, and data foundation required to support future reporting and action plans in line with upcoming Pay Transparency requirements.



PEOPLE IN TH VALUE CHAIN

SUSTAINABILITY MATTERS

This section addresses the material topics of working conditions, equal treatment and opportunities for all, and other labour-related rights. It outlines how these topics relate to people throughout our value chain from factory workers to small-farm holders and how we manage associated impacts.

Key policies & guidelines

- Code of Conduct
- Human Rights Policy
- Sourcing Regions of Particular Human Rights Focus
- Child Labour Policy
- Forced Labour Policy
- Homeworking Policy
- Gender Identity-Based Violence Policy
- Extreme Heat Guidelines for Suppliers

Ambitions & targets

We aim to respect human rights and strengthen people's well-being, equity, and empowerment across our value chain by 2030.

HUMAN RIGHTS

APPROACH AND POLICIES

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 recognise that our supply chain is complex and while we strive to uphold high standards, we understand challenges in the industry persist and that our efforts must continuously evolve. We pay special attention to those human rights where we assess that our activities have the highest risk of being linked to, causing or contributing to adverse impact.

We adopt a consistent and holistic approach to supply chain management. At factory-level we assess human and labour rights risks, focusing on issues like forced labour, health and safety, gender-based violence, discrimination, 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. 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 in our direct and near-direct supply chain, we leverage dispute resolution mechanisms and industry initiatives to mitigate adverse 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.

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.

In addition to efforts within our direct and near-direct supply chain, we engage with partners and industry initiatives to address social and environmental conditions in cotton production, where we do not have direct business relationships. Our sourcing is primarily linked to large-scale frameworks such as Better Cotton Initiative certifications as well as

direct-to-farm and organic cotton programmes, including our work with the Organic Cotton Accelerator. These initiatives aim to support improved farming practices, strengthen traceability, and contribute to better conditions for cotton-producing communities. Read more on pages 123 and 127.

We have a Supplier Code of Conduct and policies to address human rights risks and establish mitigation actions. We also have policies on forced labour and child labour. Find more information on all our policies on page 188.

METRICS

Human and labour rights cases*:

	2025/26	2024/25
Escalated cases raised and investigated	**236**	**170**
Escalated cases concluded with no penalty	**117**	**89**
Escalated cases concluded with a notification of concern	**18**	**11**
Escalated cases concluded with an official warning letter	**9**	**14**
Escalated cases concluded with the offboarding of the supplier or factory	**0**	**2**
Escalated cases with other conclusions (e.g. no penalty, but training activities initiated, case handed over to RSC, etc.	**19**	**1**
Escalated cases under investigation or resolution at the time of reporting	**73**	**53**

ADDITIONAL NOTES

The increase in escalated cases reflects enhanced due diligence activities and a revised protocol whereby all critical concerns identified during factory assessments automatically trigger a notification of concern, which can result in more issues being identified and escalated; it may also reflect changes in the focus of campaigning and labour rights organisations.

SOCIAL DIALOGUE & WORKER REPRESENTATION

TYPE:
÷ Negative impact
R Financial risk
O Financial opportunity

VALUE CHAIN LOCATION:
● Upstream
● Own operations
● Downstream

	DESCRIPTION OF IMPACT, RISK, AND OPPORTUNITY	TYPE	VALUE CHAIN LOCATION	STAGE	TIME HORIZON
Working conditions	**Ineffective social dialogue mechanisms and restricted worker representation** Restrictions on freedom of association (FoA), limited worker representation, and ineffective social dialogue mechanisms may hinder workers' ability to organise, join unions, elect representatives, and engage in collective bargaining (CB). Management interference, lack of trust in worker committees, and insufficient inclusion of vulnerable groups may further weaken representation structures. In addition, ineffective or inaccessible grievance mechanisms, lack of awareness, and fear of retaliation may prevent workers from raising concerns. These conditions limit both the prevention and resolution of workplace issues, undermine workers' ability to exercise their rights, and increase vulnerability to adverse labour conditions.	÷	●	Actual	**Short term** Current fiscal year

APPROACH AND POLICIES

Engagement with factory workers
In direct and near-direct supply chain, our Supplier Code of Conduct upholds freedom of association and collective bargaining rights in line with ILO conventions and UN and OECD standards. Suppliers must not obstruct trade unions or discriminate against worker representatives. Where national legislation restricts freedom of association or collective bargaining, suppliers are required to establish independent and democratically elected worker representation mechanisms. Violations relating to freedom of association and collective bargaining are treated as zero-tolerance breaches.

Engagement with factory workers, through social dialogue and effective grievance mechanisms, is essential for respecting workers' rights. These processes help create the conditions for early issue resolution, trust, and shared accountability between workers, factory management, and brands.

Effective social dialogue is a core element of our approach to include factory workers in decision-making. We engage with factory management to foster constructive worker–management dialogue on issues including discrimination, occupational health and safety, sexual harassment and gender-based violence, wages, and working hours. Our social impact programmes raise awareness among workers and suppliers about the role and

benefits of social dialogue and dispute-resolution mechanisms. We work across three complementary levels: (i) factory-level mechanisms, (ii) country- or industry-level mechanisms (e.g., the International Accord grievance systems), and (iii) BESTSELLER-level grievance handling, applied in exceptional or unresolved cases through regular procedures.

As part of ongoing due diligence, we engage directly with workers and their legitimate representatives (including workplace committees, union partners, and factory representatives) to understand concerns and priorities. Insights from dialogue and cases raised via grievance channels inform actions to manage actual and potential impacts – such as strengthening factory systems, updating guidance and training, and adapting dispute-resolution support where risks are elevated. This work includes focused initiatives to improve inclusion of vulnerable groups.

In contexts where freedom of association is restricted, factories are required to enable alternative forms of independent worker representation in line with international standards. BESTSELLER also engages directly with trade unions, NGOs, and other legitimate worker representatives in connection with identified risks, including in cases related to freedom of association, wages and harassment, where dialogue with workers and their representatives has informed remediation and follow-up actions.

Available channels and grievance mechanisms

We require all factories to establish and maintain factory-level grievance mechanisms that are accessible, transparent, and fair. Labour disputes are addressed as close to their origin as possible through factory management systems and workplace structures (e.g., Workplace Coordination Committees and other accepted social-dialogue mechanisms). Where factory level routes are insufficient, we support escalation via credible third party mechanisms and BESTSELLER-level grievance handling mechanism.

We continue to support the Ulula Digital Grievance Reporting tool in factories in Myanmar. In 2025/26, ten factories have the tool implemented, covering more than 16,000 workers. The tool provides an additional secure channel for factory workers to raise their concerns and ensure their grievances are addressed in a timely and effective manner, with real time insights and early warnings. Additionally, insights gathered from the grievance channel are used to support our supply chain risk identification and mitigation processes.

In Türkiye, BESTSELLER has collaborated with MUDEM; a Turkish NGO that provides social, legal, and workplace support to asylum seekers and immigrants, piloting a UNGP-aligned online complaint mechanism in ten factories. Following encouraging results from the pilot, in the beginning of 2026, we extended the project with MUDEM for an additional 12 months to further strengthen access to remedy for workers in Türkiye.

Approach to remedy

Where restrictions on freedom of association, ineffective worker representation, or barriers to social dialogue are identified, we work with suppliers to restore workers' ability to exercise their rights and raise concerns without fear of retaliation. Mitigation and prevention measures may include strengthening worker-management dialogue, supporting democratically elected worker representation, improving the accessibility and effectiveness of grievance mechanisms, and reinforcing protections against retaliation.

Concerns raised through grievance mechanisms, worker representatives, trade unions, or other stakeholders are investigated and addressed through corrective action plans agreed with suppliers.

We monitor the implementation of corrective actions through follow-up assessments and worker engagement activities, using findings to strengthen worker representation, social dialogue, and grievance management practices across our supply chain.

Across all channels, we track and monitor issues raised and outcomes achieved; we report the number of escalated cases handled, categorised by type, each year. See also page 156.

In regard to FOA and CBA where committees are management-appointed, factories are required to hold democratic elections; in critical cases (e.g., anti-union dismissals), we require reinstatement with back-pay and controls to avoid recurrence. We also collaborate with IndustriALL in Cambodia to support collectively bargained wages.

Read our updated Supply Chain Due Diligence Report 25/26 on our website for more information and resolution data on CoC non-compliance cases.

METRICS

Most common types of escalated cases*:

	2025/26
Unauthorised subcontracting	63%
Wages and benefits	25%
Employment practices	28%
Employee treatment	28%
Working hours	6%

ADDITIONAL NOTES

Please note the most common types presented here exclude those concluded with no penalty after investigation and those concluded with only a notification of concern, to give a better representation of the most escalated categories.

Social and labour cases raised through the following channels:

	2025/26	2024/25
BESTSELLER Factory Standards Programme & colleagues	16%	28%
Media	13%	25%
Social media	4%	0%
Accord/RSC	45%	24%
3rd party audit companies	1%	0%
International NGOs	1%	5%
Local NGOs	0%	1%
Local federation / trade union	2%	3%
International trade union	0%	0%
Other internal union	1%	0%
Supplier	3%	0%
Factory representative	7%	4%
Bangladesh Employment Injury Scheme (EIS pilot)	1%	0%
Anonymous complainant	0%	1%
Other	8%	10%



OCCUPATIONAL HEALTH & SAFETY

TYPE:

÷ Negative impact
R Financial risk
O Financial opportunity

VALUE CHAIN LOCATION:

● Upstream
● Own operations
● Downstream

	DESCRIPTION OF IMPACT, RISK, AND OPPORTUNITY	TYPE	VALUE CHAIN LOCATION	STAGE	TIME HORIZON
Working conditions	**Inadequate occupational health and safety in the supply chain** Workers may be exposed to unsafe working conditions due to inadequate management of occupational health and safety risks, including structural, electrical, fire, machine, and chemical hazards. Insufficient maintenance, lack of protective equipment, inadequate training, and weak safety management systems may increase the likelihood of workplace accidents, injuries, and occupational illnesses. Additional risks may arise from unsafe commuting conditions or extreme temperatures. Limited access to healthcare and work-related injury schemes may further exacerbate the severity and long-term consequences of these impacts.	÷	●	Actual	**Short term** Current fiscal year

APPROACH AND POLICIES

Occupational health and safety (OHS) is addressed through our supply chain policies, including the Code of Conduct, which requires suppliers to provide a safe, healthy and legally compliant working environment in line with international labour standards, including ILO Convention No. 155.

Our approach focuses on the identification and mitigation of OHS risks, including structural, electrical, fire, machine and chemical hazards, as well as risks related to extreme temperatures.

At factory level, OHS management systems, workplace conditions and emergency preparedness are assessed through our Factory Standards Programme. Where gaps are identified, suppliers are required to implement corrective actions, including appropriate training, provision of personal protective equipment and access to first aid and medical facilities.

This approach aims to reduce the likelihood and severity of work-related accidents, injuries and occupational illnesses and to support continuous improvement in OHS practices. OHS risks are addressed through ongoing factory monitoring and follow-up actions. Where imminent hazards are identified, such as blocked or locked emergency exits, immediate correction is required.

KEY ACTIONS

In Bangladesh and Pakistan, two countries identified with heightened structural and fire safety risks, BESTSELLER uses the International Accord mechanisms for independent factory inspections, structured grievance handling and corrective action plans, including agreed financing remediation protocols where needed. In 2025/26, we renewed our agreement with the Pakistan Accord to continue the support for factories in Pakistan.

We support the ILO-backed Employment Injury Scheme (EIS) pilot in Bangladesh, which provides monthly compensation pension benefits to workers and their dependents in cases of permanent disability or death resulting from work-related injuries, including workplace accidents and, since July 2024, eligible commuting accidents. In addition to making annual financial contributions to the scheme, we participate in industry working groups supporting its implementation and long-term sustainability, while encouraging broader participation across the garment sector.

In Türkiye, where earthquake risk presents a material OHS concern, we have established an internal standard operating procedure (SOP) to guide our approach to factory structural safety. We also collaborate with other brands to promote earthquake preparedness and encourage manufacturers to obtain independent earthquake performance assessments from approved engineering institutions.

In 2025/26, the Social & Labour team developed an OHS training programme for factory and supplier middle managers to strengthen the implementation of OHS management systems. The programme addresses identified gaps in awareness and practical risk management, supporting participants in identifying, preventing and managing OHS risks in daily operations. A pilot was conducted in Myanmar, reaching 32 participants from 13 key supplier factories through a two-day, in-person workshop delivered in the local language.

Going forward, we will continue to refine the training material based on the feedback received and expand its implementation to other countries.

METRICS

Accord:

	Bangladesh (RSC)		Pakistan (Accord Pakistan)*	
	2025/26	**2024/25**	**2025/26**	**2024/25**
Average remediation rate	**91%**	**87%**	**14%**	—
Factories completed safety committee training	**94%**	**88%**	**61%**	—

ADDITIONAL NOTES

The lower remediation rate in Pakistan reflects, in part, the earlier stage of implementation of the Accord programme during the reporting period, with factories continuing to work through identified corrective actions.



32 participants from 13 supplier factories joined a two-day OHS training workshop in Myanmar.



SOCIAL PROTECTION, WAGES & WORKING TIME

TYPE:

÷ Negative impact
R Financial risk
O Financial opportunity

VALUE CHAIN LOCATION:

● Upstream
● Own operations
● Downstream

	DESCRIPTION OF IMPACT, RISK, AND OPPORTUNITY	TYPE	VALUE CHAIN LOCATION	STAGE	TIME HORIZON
Working conditions	**Inadequate wages and income instability for supply chain workers and farmers** Workers in the supply chain may receive wages and compensation that are insufficient to support their livelihoods, including due to low base wages, insufficient piece-rate systems, delayed or irregular payments, or lack of access to legally required benefits. Weak wage management practices and limited transparency in payroll systems may further contribute to income instability. These conditions can undermine workers' ability to meet their basic needs and maintain a decent standard of living. Cotton farmers struggle with low and unstable income, lacking a living wage, and facing uncertainty due to fluctuating cotton prices and seasonal work. The absence of crop insurance leaves them vulnerable to crop failures caused by external factors like weather events, further perpetuating their financial insecurity.	÷	●	Actual	**Short term** Current fiscal year
	Excessive working hours and overtime practices in the supply chain Workers may be required to work excessive hours or overtime beyond legal limits due to production pressures, unrealistic lead times, or inadequate production planning. In some cases, overtime may not be fully voluntary, with workers facing pressure, penalties, or loss of income if they refuse. This can lead to physical and mental fatigue, increased risk of accidents, and adverse impacts on workers' health, safety, and work-life balance.	÷	●	Actual	**Short term** Current fiscal year
	Employment insecurity for supply chain workers and farmers Workers may experience employment insecurity due to short-term, seasonal, informal, or subcontracted employment arrangements, as well as unclear or non-transparent terms of employment. This may result in unstable income, limited access to legally required wages and benefits, and exclusion from social protection systems. Employment insecurity may increase workers' vulnerability to adverse impacts across labour and human rights. For cotton farmers lack of insurance if yield fails due to climate change or other factors.	÷	●	Actual	**Short term** Current fiscal year

APPROACH AND POLICIES

BESTSELLER's approach to wages, benefits, and working time in the supply chain is set out in the Supplier Code of Conduct and supporting human and labour rights policies, which apply to all tier 0 and tier 1 suppliers and their suppliers. We require suppliers to comply with applicable labour laws on wages, overtime premiums, and statutory benefits, with particular attention to vulnerable worker groups such as agency and migrant workers.

To support compliance with working hours requirements, suppliers must implement effective controls and a single, accurate timekeeping system covering all hours worked. Overtime must be voluntary, limited and not compromise worker welfare, while all workers must receive legally mandated breaks and rest periods. These expectations are aligned with international labour standards and embedded in our due diligence framework.

Suppliers are also required to maintain fair and legally compliant employment practices, including providing written employment contracts in a language workers understand, and complying with laws governing employment status, probation periods, apprenticeships, and work permits.

In the deep supply chain, BESTSELLER participates in multi-stakeholder cotton initiatives, including Better Cotton, Organic Cotton Accelerator (OCA) and Cotton made in Africa, which support farmer livelihoods through training, improved practices, premiums and market access, helping strengthen income stability. In 2025/26, BESTSELLER supported more than 31,000 cotton farmers through these initiatives and direct-to-farm programmes, compared with 33,500 in 2024/25. In India, where most of our cotton is sourced and where women own a limited share of farmland, more than 10,800 women farmers participated in direct-to-farm programmes through OCA and the Regenerative Production Landscape Collaborative (RPLC), supporting their ability to work towards greater financial independence and equity.

KEY ACTIONS

Our Factory Standards Programme assessments of wage practices in tier 1 factories focus on compliance with legal minimum wage requirements, overtime compensation, and statutory benefits, including paid leave, social security, and insurance coverage. We have also engaged in advocacy efforts related to minimum wage setting, including support for revising Myanmar's minimum wage to better reflect living costs and clarifying minimum wage calculations in Pakistan's Sindh region.

We continue to expand digital wage payments across our supply chain where required under the Factory Standards Programme. In 2025/26, Bangladesh and India maintained full implementation, with 100 percent tier 1 and vertically integrated factories paying wages and overtime digitally. Pakistan also achieved full factory-level implementation, with all covered factories using digital payment methods for at least one payment category. Overall, 91 percent of wage payments are now made digitally, with more than 91 percent of salary and overtime payments processed through digital systems across both fixed-salary and piece-rate workers.

To address root causes related to financial literacy, we partnered with BSR to implement the RISE Financial Health programme in selected tier 1 factories, completed in September 2025. The programme combined worker financial training with workplace systems improvements to strengthen access to financial services and support the transition to digital wage payments where appropriate.

Through factory assessments, we evaluate employment practices, including contracts, employment status, probation, and apprenticeship arrangements. We also review fixed-term contracts, labour agencies, and recruitment practices to identify potential risks related to insecure employment, unlawful contracting arrangements, or worker-paid recruitment fees.

In 2025/26, BESTSELLER joined the Apparel & Footwear Industry Commitment to Responsible Recruitment, an initiative launched by the American Apparel & Footwear Association and the Fair Labor Association. Through this initiative, we work with industry partners to promote recruitment practices that prohibit worker-paid recruitment fees, protect workers' control over their personal documents and freedom of movement, and support transparent communication of employment terms prior to recruitment.

Working time risks are addressed through preventive and corrective measures. Where production peaks result in excessive working hours, suppliers must improve production planning and apply clear overtime limits. Missed breaks or rest periods require immediate correction, while any form of mandatory or excessive overtime is treated as a serious breach and must be remedied without delay, with follow-up to ensure overtime remains voluntary and legally compliant.

Performance related to wages, benefits and working time is monitored through the Factory Standards Programme. Read more about the programme on pages 177-180.

For selected issues, BESTSELLER applies threshold-based controls rather than improvement targets, including zero-tolerance standards for minimum wage violations and involuntary overtime. Performance is monitored through case data and remediation status, which is reported annually in the Supply Chain Due Diligence Report.

GENDER EQUITY

TYPE:

÷ Negative impact
R Financial risk
O Financial opportunity

VALUE CHAIN LOCATION:

● Upstream
● Own operations
● Downstream

	DESCRIPTION OF IMPACT, RISK, AND OPPORTUNITY	TYPE	VALUE CHAIN LOCATION	STAGE	TIME HORIZON
Equal treatment and opportunities for all	**Discrimination and unequal treatment in the supply chain** Workers may be exposed to discrimination and unequal treatment based on characteristics such as gender, identity, employment status, nationality, or other personal attributes. This may include unequal pay for work of equal value, limited access to training and career advancement, exclusion from decision-making processes, and unequal access to benefits and protections. Weak policies, lack of transparency, and insufficient oversight may allow discriminatory practices to persist. These conditions can undermine workers' dignity, limit equal opportunities, and restrict fair participation in the workforce, particularly for vulnerable groups.	÷	●	Actual	**Short term** Current fiscal year
	Gender-based violence and harassment risks in the supply chain Workers may be exposed to gender-identity-based violence and harassment (GBVH), including physical, verbal, or psychological abuse, both in the workplace and in work-related environments. Inadequate policies, insufficient training for management and worker representatives, and ineffective or inaccessible gender-responsive grievance mechanisms may limit prevention, reporting, and remediation of such cases. Fear of retaliation, social stigma, and weak access to state-level mechanisms may further contribute to underreporting. These conditions can severely impact workers' safety, dignity, and well-being, with women and other vulnerable groups disproportionately affected.	÷	●	Actual	**Short term** Current fiscal year

APPROACH AND POLICIES

Our Supplier Code of Conduct and related supply chain policies and standards, establish requirements for non-discrimination and equal treatment throughout the employment relationship, including recruitment, hiring, remuneration, training, promotion, and termination. Suppliers are required to apply fair and transparent employment practices and lawful and non-discriminatory worker classification.

Specific protections are in place for vulnerable groups, including pregnant women, who must not be exposed to hazardous or physically demanding work and are entitled to applicable maternity protections under local law and international standards.

Risks related to gender-based violence and harassment (GBVH) are addressed through our dedicated GBVH policy, aligned with international standards, including ILO Convention No. 190. The policy applies across the supply chain and covers workplace-related environments, including transport, accommodation, and other work-related settings. It defines prohibited conduct and requires suppliers to establish preventive systems, awareness measures, and access to effective grievance mechanisms.

KEY ACTIONS

We assess supplier compliance with non-discrimination requirements and protections for vulnerable groups through our Factory Standards Programme, including checks on employment practices and safeguards for pregnant women workers.

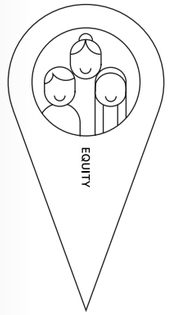
Discrimination risks, including those related to gender and trade union activity, are identified through factory assessments and worker interviews. Where discriminatory practices are detected, such as unlawful screening of job applicants or unfair treatment of workers based on union membership, we require immediate cessation of the practice and implementation of corrective actions.

Cases involving retaliation against trade union members are treated as zero-tolerance violations. In such cases that involve unfair dismissal of workers due to union activities, we require reinstatement of affected workers in comparable roles and compensation for lost wages.

We assess the risk and prevalence of GBVH through regular social and labour assessments at tier 1 factories, focusing on workplace conditions, management systems, and worker feedback. Preventive actions focus on addressing underlying risk drivers through workplace programmes such as RISE Respect and RISE Foundations.

In substantiated GBVH cases, we may involve external experts or legal advisors to support appropriate remediation and prevent further harm or retaliation. Where necessary, escalation procedures are activated, and engagement with suppliers is intensified to ensure effective resolution and prevention of recurrence.

For more information about GBVH related concerns, please see our Supply Chain Due Diligence Report 25/26.



METRICS

	2025/26	Total reached to date
Number of women workers in our supply chain covered by gender equity related programmes RISE Foundations and Respect.	**13,500**	**+238,000**

CHILD LABOUR AND FORCED LABOUR

TYPE:

÷ Negative impact
R Financial risk
O Financial opportunity

VALUE CHAIN LOCATION:

● Upstream
● Own operations
● Downstream

	DESCRIPTION OF IMPACT, RISK, AND OPPORTUNITY	TYPE	VALUE CHAIN LOCATION	STAGE	TIME HORIZON
Other work-related rights	**Forced labour practices in the supply chain** Workers may be exposed to forced labour practices in the supply chain, including coercion, involuntary or excessive overtime, restriction of movement, withholding of wages, and non-transparent recruitment practices such as the use of agencies that charge fees or misrepresent employment terms. Migrant and temporary workers may be particularly vulnerable due to dependency on employers for legal status or housing. These practices can severely restrict workers' freedom and constitute serious violations of fundamental rights, while also exposing the company to legal liabilities, operational disruptions, and reputational risks.	÷	●	Actual	**Short term** Current fiscal year
	Child labour and severe child rights violations in the supply chain Young workers below the legal minimum age may be engaged in work that is harmful to their physical, mental, or social development, or that interferes with their education, particularly in informal or subcontracted settings where oversight is limited. Weak age verification systems, falsified documentation, and inadequate recruitment practices may increase this risk. Child labour constitutes a severe violation of fundamental rights and may have long-term negative consequences on well-being and future opportunities, while exposing the company to legal and reputational risks.	÷	●	Actual	**Short term** Current fiscal year

APPROACH AND POLICIES

BESTSELLER applies a zero-tolerance approach to forced labour across its supply chain. We require all suppliers to ensure that work is voluntary, performed under legally compliant contracts, free from coercion, penalties, or restrictions on freedom of movement. Workers must be informed of their rights, including the right to refuse work and to terminate employment without penalty. Prison labour is prohibited, and workers must have access to essential services.

We require suppliers to implement effective management systems to identify, prevent, and address forced labour risks, including training for relevant personnel and accessible grievance mechanisms free from retaliation. These requirements are embedded in our supplier requirements and Forced Labour Policy.

We also apply a zero-tolerance approach to child labour. No child under the age of 15, or the applicable legal minimum age if higher, may be employed in our supply chain. Young workers under 18 may only be engaged in light work where legally permitted, and their rights must be fully protected. Suppliers are required to implement effective age-verification systems and ensure appropriate safeguards for young workers in line with our policies and applicable legislation.

KEY ACTIONS

We assess suppliers' compliance with forced labour requirements through our Factory Standards Programme. Where risks or violations are identified, suppliers are required to implement corrective actions, which may include removing coercive practices, revising employment policies, and training management on labour standards.

Where there is risk of systemic use of forced labour at a factory or remediation is insufficient, cases are escalated in line with our escalation protocol.

For child labour, we assess supplier age-verification systems and employment practices to prevent underage work. If child labour is identified, the child is immediately removed from the workplace and remediation is carried out in line with our Child Labour Policy, prioritising the child's best interests.

For young workers, we assess compliance with specific protections relating to working hours, task allocation, and working conditions.

Where minor gaps in awareness or procedures are identified, remediation focuses on policy clarification, training, and system strengthening.

BESTSELLER monitors forced labour and child labour risks through its Factory Standards Programme and reports on identified cases and remediation outcomes. For more information read our Supply Chain Due Diligence report 2025/26.


QA CHECK AREA
QA CHECK AREA
QA CHECK AREA

We draw on the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct in shaping our approach to business conduct. Our aim is to promote high standards across our supply chain and business relationships.

We wish to foster a corporate culture that promotes ethical behaviour and seeks to protect individuals who raise concerns. We manage supplier relationships through structured due diligence processes designed to identify and address risks in our complex global supply chain, where unethical practices can occur in certain regions, and we take into account social, environmental and governance (ESG) performance factors in the selection of suppliers.



GOVERNANCE

BUSINESS CONDUCT

SUSTAINABILITY MATTERS

This section outlines how we manage key business conduct topics that are material to our operations and value chain. It covers how we manage relationships with suppliers, foster a corporate culture that supports ethical behaviour – including the protection of whistleblowers and prevention of corruption and bribery.

Key policies & guidelines

- Code of Conduct and related supply chain policies
- Responsible Off-boarding Policy
- Code of Ethics for BESTSELLER Employees
- Anti-corruption Policy
- Whistleblower Policy

Ambitions & targets

We aim to maintain 75 percent of our product orders with suppliers performing highly in sustainability, strengthening supplier capacity and performance management and to secure that 75 percent of all fabric sourcing is from fabric suppliers performing highly in sustainability by 2030.

MANAGEMENT OF RELATIONSHIP WITH SUPPLIERS

TYPE:

÷ Negative impact
R Financial risk
O Financial opportunity

VALUE CHAIN LOCATION:

● Upstream
● Own operations
○ Downstream

	DESCRIPTION OF IMPACT, RISK, AND OPPORTUNITY	TYPE	VALUE CHAIN LOCATION	STAGE	TIME HORIZON
Management of relationship with suppliers	**Sourcing practices and supplier dependencies** Purchasing decisions, including pricing pressures, lead times, and order volumes, may contribute to adverse labour conditions in the supply chain. Limited integration of labour and human rights considerations into sourcing decisions, and insufficient alignment between production capacity and order demands, may drive impacts such as excessive overtime, wage pressures, and insecure employment. These dynamics may increase the risk of adverse impacts on workers and expose the company to operational disruptions and reputational risks.	÷	● ●	Actual	**Short term** Current fiscal year

APPROACH AND POLICIES

Integrating supplier sustainability performance into sourcing practices and promoting alignment between purchasing practices and supplier selection, can mitigate risks and support improved labour conditions.

Factory assessments form part of our due diligence process and underpin our Supplier Sustainability Evaluation, which is shared with brand colleagues to inform purchasing decisions and encourage engagement with higher-performing suppliers on social and environmental matters.

Supplier Sustainability Evaluation
The Supplier Sustainability Evaluation is a key tool for improving social and environmental performance across our supply chain. It combines factory-level data on human rights, labour, social and environmental performance with supplier-level data on management

systems, ethics, transparency, and commitment. The evaluation is designed to both measure and drive progress.

Suppliers can achieve a high rating by demonstrating strong performance, effective management systems, leadership commitment, and measurable improvements in environmental and social areas.

To encourage progress, suppliers that achieve high ratings in both the Supplier Sustainability Evaluation and the general Supplier Evaluation, covering delivery and quality performance, are eligible for more favourable financing options. The assessment supports our partnership approach by helping identify leading suppliers, target improvement efforts, and inform sourcing decisions across our brands.

For information on the criteria behind the supplier sustainability rating read our Supply Chain Due Diligence report 25/26.

Factory standards programme
The Factory Standards Programme is BESTSELLER's primary tool for ensuring that tier 0 and 1 suppliers meet our social, environmental, and chemical requirements. All approved tier 1 factories participate in the programme and undergo regular assessments by our local teams or third-party auditors. Assessments verify compliance with our Supplier Code of Conduct, human rights policies, and environmental management standards through documentation reviews, worker interviews, and on-site inspections.

Our Social & Labour and Chemical & Environment teams, comprising around 44 specialists across key sourcing countries, support suppliers in managing risks and meeting our requirements.

Factories are assessed at least every 18 months, with higher-risk sites visited more frequently through announced, partially announced, or unannounced audits. Where non-compliance is identified, Corrective and Preventive Action Reports are developed collaboratively with factory management. Critical issues, such as forced labour, severe health and safety risks, or major environmental breaches, trigger our four-stage Escalation Protocol, which may ultimately lead to offboarding if remediation efforts fail. Escalated cases are monitored closely and remediation is followed up as needed. We do not automatically end relationships after escalations; instead, we focus on corrective actions and protecting workers' livelihoods. Further information is available in our Supply Chain Due Diligence Report.

Onboarding of new suppliers
Before production can begin, suppliers must sign our Supplier Agreement, committing to comply with our Supplier Code of Conduct, supply chain policies, and regular compliance inspections. Suppliers are also expected to monitor their processes and address identified adverse impacts.

Suppliers and production sites undergo a structured onboarding process covering social and labour, environmental, chemical, and supply chain management requirements.

Production is only permitted at approved sites that have passed onsite assessments with no major or critical findings and unauthorised subcontracting is prohibited. Suppliers receive access to our supplier portal and are introduced to our requirements and systems through engagement with local teams.

KEY ACTIONS

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

Our brands 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.

MANAGEMENT OF RELATIONSHIP WITH SUPPLIERS

Progress towards targets

During the reporting period, we placed 82 percent of our orders with highly rated suppliers, compared to 86 percent in the previous reporting period. While we are still maintaining orders above 75 percent, we see a decrease from the previous reporting period, which is mainly driven by international uncertainties that are affecting the global supply chain.

As part of our updated 2030 Fashion FWD strategy, we have set a new target to source 75 percent of all materials (fabric & yarn) with strategic suppliers performing highly in sustainability. With this new target, we aim to further incentivise suppliers and to improve social and environmental conditions within tier 2.

METRICS

Supplier Sustainability Evaluation:

	Target	2025/26	2024/25
Percentage of product orders placed at highly rated suppliers in our Supplier Sustainability Evaluation (social and environmental).	75%	82%	86%

Factory assessments*:

	Total	Conducted by BESTSELLER	Conducted by third parties
Social & Labour factory assessments	906	709	197
Environmental factory assessments	633	618	15

ADDITIONAL NOTES

Social & Labour and environmental assessments may be conducted during the same factory visit. The figures should therefore not be added to determine the number of unique visits. All critical issues are logged and reported annually, ensuring transparency and accountability.

CORPORATE CULTURE

TYPE:

÷ Negative impact
R Financial risk
O Financial opportunity

VALUE CHAIN LOCATION:

● Upstream
● Own operations
● Downstream

	DESCRIPTION OF IMPACT, RISK, AND OPPORTUNITY	TYPE	VALUE CHAIN LOCATION	STAGE	TIME HORIZON
Corporate culture	**Complying with ethical business standards** Corporate culture is a foundational element in ensuring ethical business conduct, sound decision-making, and long-term value creation. It underpins the ability to act with integrity and foster accountability. Where culture is weak or misaligned, the risks are significant: increased likelihood of misconduct, reputational damage, disengaged employees, and failure to meet stakeholder expectations.	÷	●	Potential	**Short term** Current fiscal year
Protection of whistleblowers	**Non-compliance with whistleblower protection** The lack of transparency and adequate safeguards against retaliation for whistleblowers can negatively impact employees' and external stakeholders' trust and increase the risk of non-compliance with laws and regulations.	÷	● ●	Potential	**Short term** Current fiscal year
Corruption and bribery	**High risk countries exposure and corruption vulnerabilities** Sourcing from less developed countries with frequent transactions in direct supplier relationships, includes a potential for corruption incidents. This increases the likelihood of encountering unethical practices and requires heightened vigilance and robust safeguards to mitigate risks.	÷	●	Potential	**Short term** Current fiscal year

APPROACH AND POLICIES

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 business conduct risks, all colleagues complete training on the Code of Ethics every two years, supplemented by onboarding training for new colleagues to ensure consistent global awareness and implementation.

Our Anti-Corruption Policy provides guidance on preventing, identifying, and addressing bribery and corruption risks, particularly in sourcing countries where exposure to such risks is higher. In addition, our Sanctions Screening Tool helps sourcing colleagues identify potential supplier and factory risks related to sanctioned entities.

All suppliers of finished products must comply with our Supplier Code of Conduct, and Supplier Code of Ethics, and other ethical business conduct requirements. Through ongoing engagement and our Factory Standards Programme, we assess supplier factories, identify potential violations, and support corrective actions where needed. All reported violations are investigated thoroughly to ensure compliance with our requirements. Further information on the Factory Standards Programme can be found on page 178.

Protection of whistleblowers
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 have a whistleblower system for employees and direct partners to report unethical practices. The whistleblower programme provides a confidential channel to report work-related suspicions or knowledge of serious legal or ethical violations, including financial crimes, competition-law breaches, data-protection failures, environmental and safety threats, harassment, discrimination and human-rights violations. The programme supplements normal internal dialogue and allows anonymous reporting. Our whistleblower policy also states the protection of whistleblowers against retaliation programme confidentially in compliance with applicable law and Heartland's anti-retaliation policy.

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 CoC. Confidentiality is prioritised, but identification may be necessary with permission from relevant rightsholders. Read more about grievance mechanisms in our supply chain on page 158.

KEY ACTIONS

In 2025/26, our updated Code of Ethics was rolled out to all new colleagues continuously and to all other office and warehouse colleagues biennially. This time, we had updated the Code of Ethics training with an instructional video covering the key messages of all topics combined. Alongside this video, colleagues could deep-dive into specific topics relevant to their specific areas of work or simply to get deeper insight into certain subjects. The Code of Ethics training is divided into two versions: one for office and warehouse colleagues, and one for retail colleagues. Retail colleagues will receive their Code of Ethics training in the coming financial year.



Going forward, we will continue to strengthen the integration of anti-corruption and bribery topics in onboarding and recurring training activities to support colleagues in recognising relevant risks and applying our policies in practice.

In 2025/26, our Sanctions Screening Tool automatically flagged a range of suppliers, however, only a few were subject to further review and 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.

METRICS

Corruption & bribery:

	2025/26
Total number of convictions and sanctions for violation of anti-corruption and anti-bribery laws	**0**
Total amount of fines for convictions and sanctions for violation of anti-corruption and anti-bribery laws	**0**

Code of Ethics training of employees:

	2025/26
Number of employees who completed the CoE training	**7,088**
Completion rate of CoE roll-out %	**68%**

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.



188 Policies & guidelines

194 Accounting policies



APPENDIX

POLICIES & GUIDELINES

The welfare of the people making our products and those who wear them, as well as the environment we operate in, is important to us. Our range of policies and guidelines describe the ethics, behaviour, and requirements we expect from ourselves and our business partners.

All policies are available in full version on our website.

HUMAN RIGHTS POLICY	BESTSELLER is committed to respect and promote all human rights across its value chain. BESTSELLER commits to respect all human rights as defined in the International Bill of Human Rights and ILO's core conventions. We commit to the United Nation's Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, as defining frameworks for our efforts to both respect and promote human rights.
SUPPLY CHAIN POLICIES	Our Code of Conduct and supply chain-related policies are informed by the International Bill of Human Rights (as enacted in national laws around the world), the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the OECD's Guidelines for Multinational Enterprises. We recognise that while states have a duty to protect human rights, companies have a responsibility to respect them. This means acting with due diligence to avoid infringing on the rights of others and addressing the adverse impacts of our global operations. These documents seek to uphold the principles of good governance and convey such corporate culture to all our stakeholders, promoting respect for fundamental Human and Labour Rights across our supply chain partners.
CODE OF CONDUCT	Our Code of Conduct describes the ethics and behaviour that BESTSELLER promotes throughout the supply chain, and is directed at any supplier and their subcontractors and/or factories, who manufacture products for BESTSELLER A/S.
MIGRANT LABOUR POLICY	Migrant workers face heightened risk of discrimination in the global apparel supply chain. Our policy, developed in consultation with the UN's International Organization for Migration (IOM), articulates BESTSELLER's requirements and expectations of our suppliers in relation to this group.
CHILD LABOUR POLICY	This policy articulates that the use of child labour is not acceptable, and we will not work with suppliers that use child labour in their facilities, or who do not have efficient systems in place to ensure that child labour cannot occur on the production premises.
HOMEWORKING POLICY	This policy articulates BESTSELLER's belief that homeworkers are workers, who work from their home or other premises outside of the workplace. Many households benefit from homeworking and this policy states that suppliers must declare the use of any small workshop subcontractors, temporary workers or homeworkers to BESTSELLER and these groups must be employed according to legal requirements.
UNAUTHORISED SUBCONTRACTING POLICY	Our suppliers must disclose all factories and subcontractors they will use for the manufacturing of BESTSELLER products. If a factory or subcontractor has not been approved and authorised, BESTSELLER has no certainty that conditions at the workplace comply with BESTSELLER's Code of Conduct, therefore, production at unauthorised factories and subcontractors is a critical violation of BESTSELLER policy and prohibited.
SOURCING REGIONS OF PARTICULAR HUMAN RIGHTS FOCUS	This document describes BESTSELLER's approach in sourcing regions with particular risk of human rights infringements or environmental risks. While some regions are banned from BESTSELLER production, others are subjected to a particular Human Rights Due Diligence focus.
RESTRICTED SUBSTANCES LIST (RSL)	BESTSELLER's Restricted Substances List (RSL) describes the limitation and prohibition of substances in products manufactured for BESTSELLER. The RSL has been developed based on the law, a concern for the health of our customers, the working conditions inside the factories producing our goods, and the preservation of the environment – both in production countries, and where our products are sold.
RESTRICTED SUBSTANCES LIST FOR PACKAGING AND TEST PROGRAMME	This manual describes the limitation and prohibition of substances in all packaging parts delivered to BESTSELLER and the corresponding testing protocols to ensure compliance.

ENVIRONMENTAL MANAGEMENT REQUIREMENTS	This manual outlines standards and expectations on chemical and environmental management in the supply chain and is directed at all factories that supply BESTSELLER orders. These expectations are the basis for the environmental rating applied to each supplier.
RESPONSIBLE OFFBOARDING POLICY	This policy recognises that workers are subject to increased human rights risk when factories are offboarded from our supply chain. To mitigate these risks, BESTSELLER's Responsible Offboarding Policy articulates clear expectations and assign responsibilities to safeguard workers from negative impacts when the business relationship concludes.
GENDER IDENTITY-BASED VIOLENCE POLICY	Gender identity-based violence is any form of violence directed against an individual or group of individuals based on their sex, gender identity, or expression. Recognising the heightened risk of acts of violence such as harassment and abuse in various forms in the global apparel supply chain, BESTSELLER's policy aims to address these risks.
FORCED LABOUR POLICY	Forced labour is a serious violation of human rights and is unacceptable in any form. This policy, developed in consultation with worker representatives, articulates BESTSELLER's commitment to address the risks of forced labour in our supply chain.
EXTREME HEAT GUIDELINE FOR SUPPLIERS	At BESTSELLER, we recognise the fundamental Human Right to a safe and healthy working environment, which includes comfortable temperature in the workplace. Due to climate change, consistently high temperatures are becoming a greater concern in some regions, and the ability to keep the workplace at comfortable temperature has become more difficult.

ENVIRONMENTAL POLICY	The BESTSELLER Environmental Policy aims to embed sustainability into material sourcing and partner collaborations to manage environmental impacts across the value chain. Its scope encompasses own operations (offices, stores, and logistics), the up-stream supply chain, and downstream activities. Key objectives focus on addressing climate change, resource circularity, water stewardship, chemical safety, and biodiversity protection through strict requirements and continuous monitoring.
FOREST PROTECTION POLICY	Our Forest Protection Policy aims to support approaches that does not use ancient and endangered forests in packaging, paper and man-made cellulosic fabrics, and to influencing supply chains to protect ancient and endangered forests and endangered species habitat. It applies across the value chain and includes actions to assess and eliminate sourcing from ancient and endangered forests, illegal logging, and suppliers acting against Indigenous and community rights.

DIVERSITY, EQUITY & INCLUSION (DE&I)	Our DEI policy aims to foster a workplace where everyone feels welcome and respected by embracing diversity across characteristics such as age, ethnicity, gender, abilities, culture, religion and sexual orientation. It focuses on ensuring fair access to opportunities by acknowledging different starting points and on building an inclusive environment where all colleagues can contribute and feel safe. The policy applies globally across all colleagues, supported by a DEI Council that aligns global priorities with local needs. It is implemented through DEI communication and learning initiatives, inclusive leadership training, fair people processes and continuous tracking of progress through a diversity dashboard and inclusion index.
STAND TOGETHER AGAINST HARASSMENT	Our policy aims to ensure a safe and respectful working environment by prohibiting all forms of harassment, bullying, intimidation and discrimination, and by promoting fairness, dignity and responsible behaviour across the organisation. It defines unacceptable conduct – including verbal, non-verbal, physical, written/visual, psychological and sexual harassment – and applies to all colleagues and interactions involving applicants, customers, suppliers, partners, visitors and other external parties across all geographies in which BESTSELLER operates. The policy also outlines reporting channels (informal, formal HR processes and the Whistleblower programme) and ensures confidential handling and protection against retaliation
HEALTH AND SAFETY POLICY (DK)	Our Health & Safety Policy sets the foundation for developing and maintaining a good physical and psychosocial working environment, so work is carried out safely and healthily, considering factors that may affect health in the short and long term. The policy outlines goals to support well-being and development, prevent work-related harm, enable safe and healthy work for everyone, and systematically reduce absenteeism and occupational accidents.
SENIOR POLICY (DK)	The Senior Policy aims to support colleagues approaching retirement age by ensuring a work environment that enables them to continue contributing throughout their later working life. The policy provides flexibility, recognition, and relevant support, with the objective of retaining experienced colleagues and attracting new talent who value a workplace that accommodates different life stages.
CODE OF ETHICS FOR BESTSELLER EMPLOYEES	Our Code of Ethics aims for all BESTSELLER colleagues globally to maintain high ethical standards and legal compliance. The objective is to define acceptable behaviour and combat corruption to protect the company's reputation, including strict prohibitions on bribery and facilitation payments, limits on gifts and hospitality, conflict of interest management, confidentiality, and respect for human rights and competition laws.

PACKAGING POLICIES

PLASTIC PACKAGING POLICY	BESTSELLER uses plastic packaging in polybags, wrapping and product presentation across its value chain, and has therefore established design criteria to support high-quality recycling of plastics. The policy applies to all activities from sourcing packaging materials from suppliers to the delivery of products to wholesale, retail and e-commerce customers. Its objective is to ensure that plastic packaging is designed in a way that enables effective recycling. The scope covers own operations (packaging design, use and handling), upstream suppliers providing packaging materials, and downstream customer-facing channels where packaging is used.
PAPER-BASED PACKAGING POLICY	Our Paper-Based Packaging Policy defines sourcing criteria for all paper-based packaging used across the company, including shipping boxes, pallets, trims and all consumer- and non-consumer-facing packaging. We have included design criteria in our sourcing requirements for paper-based packaging materials. By doing so, we also help to optimise the quality and quantity of paper-based packaging that can be reused, recycled or composted.
ANIMAL WELFARE & MATERIAL ETHICS POLICY	Our policy sets requirements for raw-material sourcing and humane treatment of animals, making sure that all certified and branded materials used by BESTSELLER have verified lower environmental impact and documented chain of custody. It applies to all raw materials in BESTSELLER products, primarily targeting Tier 4 suppliers, with expectations extending across all supply-chain tiers. It covers own operations through material standards and product claims, upstream value chain actors such as farms and raw material producers and influences the downstream value chain by ensuring accurate and traceable product information. The policy applies globally and affects suppliers, industry partners and customers relying on transparent sourcing.
WASTE MANAGEMENT POLICY	Our Textile & Apparel Waste Management Policy sets our approach to waste management and our efforts to handling waste from our own operations. The policy focuses on product handling, distribution, sales channels, and the management of unsold goods. The policy highlights the importance of waste prevention as a key priority. Where waste cannot be avoided, the policy prioritises reuse, followed by recycling, then recovery, and, as a last resort, disposal.

WHISTLEBLOWER POLICY	The whistleblower programme provides a confidential channel for employees, former employees, and cooperation partners to report work-related suspicions or knowledge of serious legal or ethical violations, including financial crimes, competition-law breaches, data-protection failures, environmental and safety threats, harassment, discrimination and human-rights violations. The programme supplements normal internal dialogue and allows anonymous reporting. The policy applies across own operations and extends to cooperation partners in the value chain, affecting internal and external stakeholders who may need to raise concerns.
ANTI-CORRUPTION POLICY	This policy counteracts risks related to corruption and unethical behaviour. It outlines the responsibilities of BESTSELLER in upholding our position on bribery and corruption and provides guidance on how to recognise and deal with such issues. The policy applies to all individuals working for or associated with BESTSELLER worldwide and must be communicated to suppliers, contractors and business partners at the start of cooperation and appropriate hereafter.





ACCOUNTING POLICIES

The following accounting policies describe the methodologies and principles applied in the calculation and reporting of BESTSELLER's GHG emissions and material consumption KPIs. They outline the reporting scope, data sources, calculation methods, use of estimates and assumptions, and key data quality controls applied to support consistent reporting.

GHG emissions

Methodology overview
BESTSELLER reports greenhouse gas (GHG) emissions in tonnes of CO_2 equivalents (tCO_2e) in accordance with the Greenhouse Gas Protocol (GHG Protocol). Scope 1 and 2 emissions are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and Scope 2 Guidance, while Scope 3 emissions follow the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and related calculation guidance.

The methodology provides a consistent approach for measuring BESTSELLER's GHG emissions across its operations and value chain and for monitoring progress against its science-based climate targets.

Scope of reporting
BESTSELLER applies an operational control approach to define its organisational boundary. This includes companies owned 51 percent or more by BESTSELLER, owned and operated warehouses, and third-party logistics warehouses where BESTSELLER has significant influence. Scope 3 extends beyond this organisational boundary to include relevant indirect emissions occurring across BESTSELLER's upstream and downstream value chain as a consequence of the company's activities, in accordance with the GHG Protocol Scope 3 Standard

The GHG inventory covers Scope 1, Scope 2 and relevant Scope 3 categories. Relevant Scope 3 categories are purchased goods and services (Category 1), capital goods (2), fuel- and energy-related activities (3), upstream transportation and distribution (4), waste generated in operations (5), business travel (6), employee commuting (7), downstream transportation and distribution (9), use of sold products (11), end-of-life treatment of sold products (12) and downstream leased assets (13).

Calculation methods vary by category and data availability and include supplier-specific, activity-based and spend-based approaches. Further detail is provided below for Categories 1, 4 and 9, which are covered by BESTSELLER's current Scope 3 science-based target. Remaining categories are calculated in accordance with the GHG Protocol using recognised data sources, assumptions and emission factors.

Scope 1 emissions
Scope 1 includes direct emissions from stationary and mobile fuel combustion and refrigerants. Emissions are primarily calculated from reported fuel consumption and refrigerant use using UK Government GHG Conversion Factors for Company Reporting. Where data is incomplete, estimates are based on available operational information.

Scope 2 emissions
Scope 2 includes purchased electricity and district heating and is reported using both location- and market-based approaches. Location-based electricity emissions use country-specific IEA grid factors. Market-based emissions reflect contractual renewable electricity instruments, including Power Purchase Agreements and Renewable Energy Certificates. District heating uses country-specific factors where available and appropriate proxies otherwise.

Scope 3 emissions
Purchased goods and services – Category 1
Purchased goods and services include raw materials, textile and garment manufacturing, packaging and purchased services. Material emissions are primarily calculated from material volumes using Worldly MSI factors. Supplier-specific Higg FEM data is increasingly used for Tier 1 and Tier 2 manufacturing, with industry-average factors applied where supplier-specific data is unavailable.

Upstream and downstream transportation and distribution – Categories 4 and 9
Transportation and distribution emissions are primarily based on emissions data reported by logistics partners. Where primary data is unavailable, emissions are estimated using transported volumes, distances, transport modes and recognised secondary emission factors.

Emission factors and estimates
BESTSELLER prioritises primary and activity-based data where available and uses recognised secondary data, industry averages, financial data and other appropriate proxies where more specific data is unavailable. Key emission factor sources include Worldly/Cascale MSI and HIGG FEM, IEA, UK Government GHG Conversion Factors for Company Reporting and US EPA environmentally extended input-output (EEIO) factors. Emission factors are reviewed annually, and supplier- and partner-specific data is used where sufficiently robust.

Where final financial-year data is not available in time for reporting, proxy periods may be applied. Assumptions, estimates and proxy methods are reviewed annually and applied consistently.

Data quality and controls
BESTSELLER works to improve the coverage, quality and granularity of its GHG data, including through increased use of supplier- and partner-specific data. Data inputs and calculations are subject to validation and review as part of the annual GHG accounting process.

As data availability and methodologies evolve, calculation methods are updated where this provides a more representative estimate of emissions. Where retrospective recalculation is not possible, such changes may affect year-on-year comparability independently of changes in underlying business activity. Significant methodological changes are explained where relevant.

Material consumption

Methodology overview
BESTSELLER's material KPI reporting is based on a material consumption model that quantifies the volume and share of materials contained in purchased products during the reporting period. The methodology uses product-level composition data to allocate material consumption across defined material categories. The calculated data supports internal management reporting, sustainability performance monitoring, and external reporting in accordance with applicable sustainability reporting standards.

The methodology is intended to provide a consistent and auditable approach for measuring material consumption and tracking progress against BESTSELLER's sustainability targets, including 2030 goals related to preferred and recycled materials.

Scope of reporting
The KPI calculations cover purchased apparel products. The following product groups are excluded from the KPI calculations:

Footwear is excluded as it is not considered a core textile product category within the scope of this assessment. Furthermore, the currently available footwear data is assessed as insufficiently robust and complete to support reliable KPI reporting.

Marketing materials are excluded as they are not products intended for direct sale or use by external end users and therefore fall outside the primary scope of the KPI assessment.

Accessories are excluded as they represent a limited share of products containing the identified key materials and are therefore considered immaterial to the overall KPI results.

Key materials
Key materials are defined as materials, substances, components, or products that are essential to BESTSELLER's ability to manufacture or deliver its products. Key materials are identified through a structured management assessment that considers internal factors (volume, cost, operational criticality, and strategic importance) as well as external factors (environmental and social impacts, stakeholder expectations, regulatory requirements, and reputational considerations).

Based on BESTSELLER's assessment, the following materials have been identified as key materials: cotton, polyester, man-made cellulosic fibres (MMCF), and wool. Wool is included due to its significant land-use and climate-related impacts.

Material grouping
Materials are grouped according to their generic fibre name as provided directly by the supplier at the time of registration. For KPI reporting purposes, materials sharing the same generic fibre name are grouped together regardless of specific type or variation. For example, all cotton fibre types are categorised under the generic fibre name Cotton. Certificates and supporting documentation for the different fibres are stored on the relevant purchase order (PO) lines in the internal ERP system.

Product weight estimation
Product weight is estimated using shipment registration data provided by suppliers. Suppliers are required to declare the total weight of each shipment box, the quantity of products contained within each box, and related style information. Packaging material weight is deducted from the declared box weight to estimate the net product weight, which is then divided by the number of products in the box to calculate the estimated unit weight per product. The estimated unit weight is subsequently combined with product composition percentages to calculate material volumes by material type.

Data processing
All data sources, including product composition data, purchase order data, and shipment weight data are transferred to Datawarehouse for centralized processing and reporting. Data processing activities include data cleansing, validation, merging of datasets, weight calculations, material allocation calculations, and KPI aggregation. Material classifications and mappings for key, preferred, and recycled materials are maintained by Global Sourcing & Sustainability. Processed data is made available for sustainability reporting, KPI monitoring, internal management reporting, and audit and assurance purposes.

Systems and data sources
Material composition data and purchasing data are registered and stored in BESTSELLER's internal ERP systems. Buyers are responsible for entering and maintaining product composition information, including material composition percentages, product style information, supplier-related sourcing data, and product category information. Shipment weight data is provided by suppliers. All data sources are subsequently merged and processed in Datawarehouse.

KPI definitions

Recycled Key Materials (share of total key materials)
This KPI measures the percentage of recycled content within BESTSELLER's total consumption of key materials during the reporting period. Key materials included in the calculation are cotton, polyester, man-made cellulosic fibres (MMCF), and wool.

The KPI is calculated as:
Recycled Key Materials (%) = Total volume of recycled key materials ÷ Total volume of key materials × 100

The KPI includes materials sourced within the final product. The calculation excludes footwear, marketing materials, and accessories.

Preferred Key Materials (share of total key materials)
This KPI measures the share of preferred materials within BESTSELLER's total consumption of key materials during the reporting period. Key materials included in the calculation are cotton, polyester, man-made cellulosic fibres (MMCF), and wool.

Preferred materials are defined as certified and branded materials, as well as BCI Cotton, sourced in accordance with BESTSELLER's approved material standards and sourcing requirements.

The KPI is calculated as:
Preferred Key Materials (%) = Total volume of preferred key materials ÷ Total volume of key materials × 100

The calculation excludes footwear, marketing materials, and accessories. The KPI is used to monitor BESTSELLER's progress toward its 2030 sustainability targets

related to increased use of preferred materials across key material categories.

Data quality and controls
The following controls are applied to support data quality and consistency in material KPI reporting:

Buyers are responsible for maintaining accurate composition data in the internal ERP system (during the purchasing process).

Suppliers are required to provide shipment weight and quantity declarations per style to enable product weight estimation.

Global Sourcing & Sustainability maintains controlled material category definitions and KPI material mappings, and any updates to material classifications must be documented and communicated to relevant reporting teams.

All data is centrally processed in Datawarehouse, with validation checks applied during data merging and calculation processes to support data consistency and auditability.

FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS GROUP

204 Income statement

206 Balance sheet

210 Statement of changes in equity

212 Cash flow statement

214 Group notes

INCOME STATEMENT
1 AUGUST - 31 JULY

(mDKK)	Note	2025/26	2024/25
Revenue	**1**	**39,805**	**38,074**
Other operating income		138	200
Cost of sales		-17,210	-17,295
Other external costs		-8,013	-7,421
Gross operating profit		**14,720**	**13,558**
Staff costs	2	-7,528	-6,873
Depreciation, amortisation, and impairment losses	7-8	-1,223	-752
Profit before net financials		**5,969**	**5,933**
Income from investments in associates		3	4
Financial income	3	234	219
Financial costs	4	-271	-268
Profit before tax		**5,935**	**5,888**
Tax on profit for the year	5	-1,175	-1,309
Profit for the year		**4,760**	**4,579**

DISTRIBUTION OF PROFIT	**6**		
Proposed dividend for the year		1,800	3,000
Minority interests' share of net profit of subsidiaries		242	208
Retained earnings		2,718	1,371
Profit for the year		**4,760**	**4,579**







The Mini Market
Our kids brands came together for a shared B2B sales event in Belgium. From flower shops to bakeries and delis, the showroom was transformed into a themed mini market, with each brand bringing its universe to life.

BALANCE SHEET
31 JULY

Assets (mDKK)	Note	2026	2025
Software		23	11
Goodwill		69	92
Key money/leasehold rights/trademark rights		18	18
Intangible assets	**7**	**110**	**121**
Land and buildings		3,200	3,221
Other fixtures and fittings, tools, and equipment		785	657
Leasehold improvements		1,719	1,444
Property, plant and equipment in progress		4,756	2,289
Property, plant and equipment	**8**	**10,460**	**7,611**
Investments in associates	9	20	19
Deposits		394	340
Fixed asset investments		**414**	**359**
Total non-current assets		**10,984**	**8,091**

Assets (mDKK)	Note	2026	2025
Inventories		**6,938**	**7,122**
Trade receivables		3,156	2,986
Receivables from group enterprises		789	2,433
Other receivables		724	627
Deferred tax asset	11	484	243
Corporation tax		178	125
Prepayments	10	565	432
Receivables		**5,896**	**6,846**
Cash and cash equivalents		**2,581**	**2,617**
Total current assets		**15,415**	**16,585**
Total assets		**26,399**	**24,676**

BALANCE SHEET
31 JULY

Equity and liabilities (mDKK)	Note	2026	2025
Share capital		110	110
Reserve for exchange rate adjustments		-469	-429
Reserve for hedging adjustments		15	-12
Retained earnings		11,892	9,119
Proposed dividend for the year		1,800	3,000
Equity before non-controlling interests		**13,348**	**11,788**
Non-controlling interests		700	607
Equity		**14,048**	**12,395**
Deferred tax	11	56	69
Other provisions	12	1,297	1,504
Total provisions		**1,353**	**1,573**
Mortgage loans		62	64
Total non-current liabilities	**13**	**62**	**64**

Equity and liabilities (mDKK)	Note	2026	2025
Credit institutions		3,076	2,024
Mortgage loans	13	3	3
Trade payables		3,976	4,117
Payables to group enterprises		70	74
Corporation tax		631	1,136
Other payables		3,014	3,220
Deferred income	14	166	70
Total current liabilities		**10,936**	**10,644**
Total liabilities		**10,998**	**10,708**
Total equity and liabilities		**26,399**	**24,676**

In autumn 2025, JACK & JONES and JJXX opened a series of multi-brand stores across Europe and the US, offering customers a more dynamic shopping experience in a single location.





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 2025	**110**	**-429**		**-12**	**9,119**	**3,000**	**11,788**	**607**	**12,395**
Exchange adjustments	0	-40		0	0	0	**-40**	0	**-40**
Ordinary dividend paid	0	0		0	0	-3,000	**-3,000**	-150	**-3,150**
Fair value adjustment of hedging instruments	0	0		35	0	0	**35**	0	**35**
Tax on transactions on equity	0	0		-8	0	0	**-8**	0	**-8**
Other equity movements	0	0		0	55	0	**55**	1	**56**
Net profit/loss for the year	0	0		0	2,718	1,800	**4,518**	242	**4,760**
Equity at 31 July 2026	**110**	**-469**		**15**	**11,892**	**1,800**	**13,348**	**700**	**14,048**

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 constitute a restricted reserve under company law and may therefore be negative.

CASH FLOW STATEMENT

(mDKK)	Note	2025/26	2024/25
Net profit for the year		**4,760**	**4,579**
Adjustments	21	2,205	1,794
Change in working capital	22	-373	-841
Corporation tax paid		-1,996	-1,280
Cash flows from operating activities		**4,596**	**4,252**
Purchase of intangible assets		-28	-16
Purchase of property, plant and equipment		-4,238	-2,504
Purchase of non-current investments		0	0
Sale of property, plant and equipment		162	104
Sale of intangible assets		1	16
Sale of non-current investments		0	0
Dividends received from associates		2	3
Deposits		-54	3
Cash flows from investing activities		**-4,155**	**-2,394**
Repayment/raising of loans from credit institutions		1,050	1,930
Changes in receivables/payables to group enterprises		1,644	0
Dividend paid		-3,150	-3,602
Cash flows from financing activities		**-456**	**-1,672**
Change in cash and cash equivalents		**-15**	**186**
Cash and cash equivalents at 1 August 2025		2,617	2,493
Exchange rate adjustment		-21	-62
Cash and cash equivalents at 31 July 2026		**2,581**	**2,617**

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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 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 equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from payments associated with the purchase or 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 & lease contractual obligations

NOTE 17
Contingent liabilities

NOTE 18
Financial instruments

NOTE 19
Related parties and ownership 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 2025/2026 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.

Basis of recognition and measurement

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 and the parent company 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.

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.

Recognition and measurement of business combinations

Newly acquired or newly established subsidiaries are recognised in the consolidated financial statements 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 statements 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.

In the event that the group has subsidiaries which are not 100 percent owned and where the group has a contractual obligation to purchase the minority interest (put option), a financial liability corresponding to the fair value is recognised with a reduction in the shareholders' equity. Subsequent value adjustments of the financial liability are recognised in the shareholder's equity.

On initial recognition, non-controlling interest are measured at the fair value of 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.

Foreign currency translation

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.

NOTE 1

REVENUE

(mDKK)	2025/26	2024/25
Revenue	39,805	38,074
Total revenue	**39,805**	**38,074**
Denmark	2,026	1,892
Rest of Europe	35,339	33,493
Rest of the world	2,440	2,689
Total revenue	**39,805**	**38,074**

The Group's revenue is disclosed by geographical markets. The Group's activities consist of one business segment why the revenue is only disclosed by geographical markets.

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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.

NOTE 2

STAFF COSTS

(mDKK)	2025/26	2024/25
Wages and salaries	6,162	5,614
Pensions	352	297
Other social security costs	784	701
Other staff costs	230	261
	7,528	**6,873**
Average number of employees	22,683	21,753

Executive Board received remuneration of mDKK 33 (2024/25 mDKK 31). The remuneration is dependent on the Group's profit. The Board of Directors received no remuneration.

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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.

NOTE 3

FINANCIAL INCOME

(mDKK)	2025/26	2024/25
Financial income, group enterprises	0	0
Other financial income	234	219
	234	**219**

NOTE 4

FINANCIAL COSTS

(mDKK)	2025/26	2024/25
Financial costs, group enterprises	0	0
Other financial costs	271	268
	271	**268**

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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.

NOTE 5

TAX ON PROFIT FOR THE YEAR

(mDKK)	2025/26	2024/25
Current tax for the year	1,340	1,325
Change in deferred tax for the year	-15	-69
Adjustment of tax concerning previous years	-45	39
Adjustment of deferred tax concerning previous years	-105	14
	1,175	**1,309**

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 recognising 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's 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.

§

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.

NOTE 6

DISTRIBUTION OF PROFIT

(mDKK)	2025/26	2024/25
Proposed dividend for the year	1,800	3,000
Non-controlling interests	242	208
Retained earnings	2,718	1,371
	4,760	**4,579**







VERO MODA
In April, VERO MODA hosted a VIP event in Copenhagen, bringing key customers together for a day centred around fashion, creativity, and the spirit of the city.



NOTE 7

INTANGIBLE ASSETS

(mDKK)	Software	Goodwill	Key money Leasehold rights
Cost at 1 August 2025	**84**	**668**	**204**
Exchange adjustment	-1	0	1
Additions for the year	17	9	2
Disposals for the year	-3	-2	-13
Transfers for the year	0	5	-5
Cost at 31 July 2026	**97**	**680**	**189**
Impairment losses and amortisation 1 August 2025	**73**	**576**	**186**
Exchange adjustment	0	0	0
Impairment losses and reversals for the year	0	7	-7
Amortisation for the year	4	25	9
Reversal of amortisation of sold assets	-3	-2	-12
Transfers for the year	0	5	-5
Impairment losses and amortisation at 31 July 2026	**74**	**611**	**171**
Carrying amount at 31 July 2026	**23**	**69**	**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 are 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.

NOTE 8

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 2025	**4,538**	**2,762**	**4,592**	**2,289**
Exchange adjustment	2	-4	1	0
Additions for the year	74	485	1,073	2,606
Disposals for the year	-6	-160	-229	-108
Transfers for the year	-8	31	8	-31
Cost at 31 July 2026	**4,600**	**3,114**	**5,445**	**4,756**
Impairment losses and depreciation at 1 August 2025	**1,317**	**2,105**	**3,148**	**0**
Exchange adjustment	0	-4	0	0
Impairment losses and reversals for the year	0	8	153	0
Depreciation for the year	90	323	611	0
Reversal of depreciation of sold assets	-6	-103	-187	0
Transfers for the year	-1	0	1	0
Impairment losses and depreciation at 31 July 2026	**1,400**	**2,329**	**3,726**	**0**
Carrying amount at 31 July 2026	**3,200**	**785**	**1,719**	**4,756**

§

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 lives:

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 period 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 external costs, respectively.

NOTE 9

INVESTMENTS IN ASSOCIATES

(mDKK)	2026	2025
Cost at 1 August	**36**	**36**
Adjustment to opening balance	0	0
Cost at 31 July	**36**	**36**
Revaluations at 1 August	**-17**	**-18**
Exchange adjustment	0	0
Net profit/loss for the year	3	4
Received dividend	-2	-3
Revaluations at 31 July	**-16**	**-17**
Carrying amount at 31 July	**20**	**19**

For ownership in associates, see group chart on page 281.

§

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 INVESTMENTS 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.

NOTE 10

PREPAYMENTS

Prepayments comprise prepaid costs regarding rent, insurance premiums, subscriptions and interest.

NOTE 11

DEFERRED TAX

(mDKK)	2026	2025
Deferred tax at 1 August 2025	**174**	**128**
Exchange adjustment	-2	-8
Adjustment of deferred tax for the year	15	69
Deferred tax recognised on equity	-8	4
Other movements on deferred tax	144	-5
Deferred tax concerning previous years	105	-14
Deferred tax at 31 July 2026	**428**	**174**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	484	243
Deferred tax liabilities	-56	-69
	428	**174**

We have unrecognised deferred tax assets related to tax losses carried forward in India amounting to mDKK 315.

§

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.







PIECES
In November 2025, PIECES hosted its second PIECES&Partners event in Amsterdam, gathering customers and partners from 12 countries for a day of collaboration and shared learning.

NOTE 12

OTHER PROVISIONS

(mDKK)	2026	2025
Balance at beginning of year	**1,504**	**1,697**
Exchange adjustment	-4	-6
Provision in year	535	459
Applied in the year	-738	-646
	1,297	**1,504**
The expected due dates of other provisions are:		
Within one year	467	531
Between 1 and 5 years	708	848
Over 5 years	122	125
	1,297	**1,504**

§

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.

NOTE 13

MORTGAGE LOANS

(mDKK)	2026	2025
After 5 years	49	52
Between 1 and 5 years	13	12
Non-current portion	**62**	**64**
Within 1 year	3	3
Current portion	**3**	**3**
Mortgage loans at 31 July 2026	**65**	**67**

§

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.

NOTE 14

DEFERRED INCOME

Deferred income consists of payments received in respect of income in subsequent financial years. Examples include rent income, tenant allowance, and other deferred income.

NOTE 15

EVENTS AFTER THE BALANCE SHEET DATE

No events materially affecting the financial position have occurred after the balance sheet date.

NOTE 16

RENT & LEASE CONTRACTUAL OBLIGATIONS

(mDKK)	2026	2025
Within 1 year	3,197	2,544
Between 1 and 5 years	6,001	5,140
After 5 years	955	793
	10,153	**8,477**

NOTE 17

CONTINGENT LIABILITIES

Guarantee commitments

The Group has issued guarantee commitments for mDKK 670.

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 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 65 (2024/25: mDKK 67) which is secured by land and buildings, with a carrying amount of mDKK 129 (2024/25: mDKK 129).

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 obligations

The Group has entered into mutually binding agreements with its sourcing suppliers for delivery of goods during the financial year 2026/27 amounting to approx. bDKK 3.5.

The Group has also entered into mutually binding agreements regarding construction work on property amounting to approx. bDKK 1.6.

NOTE 18

FINANCIAL INSTRUMENTS

The BESTSELLER Group seeks to reduce foreign currency risks by hedging currency exposures related to purchases and sales of goods. At 31 July 2026, The BESTSELLER Group had entered into foreign exchange forward contracts relating to future purchases in foreign currency of mUSD 156 with a fair value of mDKK 17 before tax, and mCNY 282 with a fair value of mDKK 5 before tax. In addition, The BESTSELLER Group had entered into foreign exchange forward contracts relating to future sales in foreign currency of mGBP 25 with a fair value of mDKK -3 before tax. All contracts are recognised in other receivables and equity.

All transactions are to be realised within the financial year 2026/27.

The BESTSELLER Group has also entered into foreign currency options. The fair value amounted to mDKK 6 at 31 July 2026.

The agreements are entered into with the BESTSELLER Group's core banking partners. Accordingly, it is the BESTSELLER Group's assessment that the counterparty credit risk associated with these counterparties is limited.

(mDKK)	Derivative financial instruments
Fair value, at 1 August 2025	**-62**
Value adjustments in the income statement	52
Changes recognised in the reserve for hedging transactions	35
Fair value, at 31 July 2026	**25**

NOTE 19

RELATED PARTIES AND OWNERSHIP STRUCTURE

Transactions (mDKK)	
Sale of goods to related parties	102
Sale of services to related parties	19
Purchase of goods from related parties	0
Purchase of services from related parties	836
Interest income from related parties	0
Interest costs to related parties	0
Paid dividend	3,000
Receivables from related parties	789
Payables to related parties	-70

No other transactions were carried through with shareholders in the year.
Remuneration/fees to members of the Executive Board are reflected in note 2.

NOTE 20

FEE TO AUDITORS APPOINTED AT THE GENERAL MEETING

(mDKK) PricewaterhouseCoopers	2025/26	2024/25
Fees regarding statutory audit	12	11
Other assurance engagements	1	1
Tax assistance	0	0
Other assistance	0	0
	13	**12**

(mDKK) Other auditors	2025/26	2024/25
Fees regarding statutory audit	0	1
Other assurance engagements	0	0
Tax assistance	0	0
Other assistance	0	0
	0	**1**

NOTE 21

CASH FLOW STATEMENT: ADJUSTMENTS

(mDKK)	2025/26	2024/25
Loss from sale of assets	45	34
Unrealised exchange rate adjustment	-28	-104
Depreciation, amortisation, and impairment losses	1,223	752
Income from investments in associates	-3	-4
Tax on profit for the year	1,175	1,309
Change in other provisions	-207	-193
	2,205	**1,794**

NOTE 22

CASH FLOW STATEMENT: CHANGE IN WORKING CAPITAL

(mDKK)	2025/26	2024/25
Change in inventories	184	-790
Change in receivables	-388	-438
Change in trade payables, etc.	-169	387
	-373	**-841**

FINANCIAL STATEMENTS PARENT

246 Income statement

248 Balance sheet

250 Statement of changes in equity

252 Parent notes

INCOME STATEMENT
1 AUGUST - 31 JULY

(mDKK)	Note	2025/26	2024/25
Revenue	1	**20,216**	**20,611**
Other operating income		401	385
Cost of sales		-13,882	-14,402
Other external costs		-2,309	-2,595
Gross operating profit		**4,426**	**3,999**
Staff costs	2	-1,958	-1,780
Depreciation, amortisation, and impairment losses	7	-136	-149
Profit before net financials		**2,332**	**2,070**
Income from investments in subsidiaries	8	2,667	2,912
Financial income	3	237	234
Financial costs	4	-251	-391
Profit before tax		**4,985**	**4,825**
Tax on profit for the year	5	-467	-454
Profit for the year		**4,518**	**4,371**

DISTRIBUTION OF PROFIT	6		
Proposed dividend for the year		1,800	3,000
Retained earnings		2,718	1,371
Profit for the year		**4,518**	**4,371**









Copenhagen Fashion Week
Copenhagen Fashion Week 2026 brought three days of creativity, style, and inspiration across various locations in the city, including CIFF (Copenhagen International Fashion Fair), our Bredgade office, and Holmen.

BALANCE SHEET
31 JULY

Assets (mDKK)	Note	2026	2025
Land and buildings		2,020	2,019
Other fixtures and fittings, tools, and equipment		142	165
Leasehold improvements		0	4
Property, plant and equipment in progress		979	520
Property, plant and equipment	**7**	**3,141**	**2,708**
Investments in subsidiaries	8	8,441	8,630
Deposits		2	1
Fixed asset investments		**8,443**	**8,631**
Total non-current assets		**11,584**	**11,339**
Inventories		**4,985**	**5,243**
Trade receivables		8	7
Receivables from group enterprises		7,594	6,544
Other receivables		30	21
Corporation tax		211	0
Prepayments	9	165	134
Receivables		**8,008**	**6,706**
Cash at hand and in bank		**258**	**488**
Total current assets		**13,251**	**12,437**
Total assets		**24,835**	**23,776**

Equity and liabilities (mDKK)	Note	2026	2025
Share capital		110	110
Reserve for hedging adjustments		15	-12
Retained earnings		12,193	9,530
Proposed dividend for the year		1,800	3,000
Equity		**14,118**	**12,628**
Deferred tax	10	11	25
Provisions relating to investments in group entities		0	2
Other provisions	11	37	61
Total provisions		**48**	**88**
Credit institutions		3,076	2,016
Trade payables		729	863
Payables to group enterprises		6,462	7,370
Corporation tax		0	344
Other payables		402	467
Total current liabilities		**10,669**	**11,060**
Total liabilities		**10,669**	**11,060**
Total equity and liabilities		**24,835**	**23,776**

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 2025	**110**	**-12**	**9,530**	**3,000**	**12,628**
Ordinary dividend paid	0	0	0	-3,000	**-3,000**
Exchange adjustments	0	0	-40	0	**-40**
Fair value adjustment of hedging instruments	0	35	0	0	**35**
Tax on transactions on equity	0	-8	0	0	**-8**
Other equity movements	0	0	-15	0	**-15**
Net profit/loss for the year	0	0	2,718	1,800	**4,518**
Equity at 31 July 2026	**110**	**15**	**12,193**	**1,800**	**14,118**

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 constitute a restricted reserve under company law and may therefore be negative.







VILA
In May, VILA showcased their Spring 2027 Occasion Edit to 142 key customers at a VIP event at Orangerie Charlottenburg in Berlin.

TABLE OF PARENT 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
Property, plant and equipment

NOTE 8
Investments in subsidiaries

NOTE 9
Prepayment

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 ownership structure

§

ACCOUNTING POLICY

For a summary of the general accounting policies please refer to pages 216-221 in the notes to the consolidated financial statements.

In pursuance of section 86 paragraph 4 of the Danish Financial Statements Act, the company has not prepared a Statement of Cash Flow. Reference is made to the Consolidated Statement of Cash Flow, page 212. Referring to section 96 paragraph 3 and section 101 paragraph 4 of the Danish Financial Statements Act, the company does not disclose the fee paid to the auditors appointed by the Annual General Meeting or five year financial summary.

NOTE 1

REVENUE

(mDKK)	2025/26	2024/25
Revenue	20,216	20,611
Total Revenue	**20,216**	**20,611**
Denmark	1,106	1,031
Rest of Europe	18,927	19,371
Rest of the World	183	209
Total revenue	**20,216**	**20,611**

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)	2025/26	2024/25
Wages and salaries	1,686	1,522
Pensions	167	143
Other social security costs	28	22
Other staff costs	77	93
	1,958	**1,780**
Average number of employees	2,726	2,591

Executive Board received remuneration of mDKK 33 (2024/25 mDKK 31). 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.

NOTE 3

FINANCIAL INCOME

(mDKK)	2025/26	2024/25
Financial income, group	163	152
Other financial income	74	82
	237	**234**

NOTE 4

FINANCIAL COSTS

(mDKK)	2025/26	2024/25
Financial costs, group	179	238
Other financial costs	72	153
	251	**391**

§

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.

NOTE 5

TAX ON PROFIT FOR THE YEAR

(mDKK)	2025/26	2024/25
Current tax for the year	501	442
Change in deferred tax for the year	-26	-32
Adjustment of tax concerning previous years	-12	44
Adjustment of deferred tax concerning previous years	4	0
	467	**454**

§

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.

NOTE 6

DISTRIBUTION OF PROFIT

(mDKK)	2025/26	2024/25
Proposed dividend for the year	1,800	3,000
Retained earnings	2,718	1,371
	4,518	**4,371**





ONLY
In December 2025, ONLY BRAND HOUSE hosted 350 colleagues at a 7,500 m² conference setup in Herning, Denmark, with space to explore collections, presentations, and brand universes.





NOTE 7

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 2025	**3,210**	**716**	**53**	**520**
Additions for the year	71	14	0	486
Disposals for the year	-6	-16	-2	0
Transfers for the year	0	27	0	-27
Cost at 31 July 2026	**3,275**	**741**	**51**	**979**
Impairment losses and depreciation at 1 August 2025	**1,191**	**551**	**49**	**0**
Depreciation for the year	70	62	4	0
Reversal of impairment and depreciation of sold assets	-6	-14	-2	0
Transfer for the year	0	0	0	0
Impairment losses and Depreciation at 31 July 2026	**1,255**	**599**	**51**	**0**
Carrying amount at 31 July 2026	**2,020**	**142**	**0**	**979**

§

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. Interest is 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 lives:

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 period 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.

NOTE 8

INVESTMENTS IN SUBSIDIARIES

(mDKK)	2026	2025
Cost at 1 August 2025	**9,540**	**9,068**
Additions for the year	101	472
Cost at 31 July 2026	**9,641**	**9,540**
Revaluations at 1 August 2025	**-1,130**	**-1,616**
Exchange adjustment	-40	-200
Net profit for the year	2,667	2,912
Received dividend	-2,836	-2,191
Other equity movements, net	-15	-35
Revaluations at 31 July 2026	**-1,354**	**-1,130**
Net value at 31 July 2026	**8,287**	**8,410**
Reconciliation to the book value		
Booked value of investment in subsidiaries at 31 July 2026	**8,441**	**8,630**
Provisions relating to investments in group entities	0	-2
Netting of intercompany balances from enterprises with negative equity	-154	-218
Net value at 31 July 2026	**8,287**	**8,410**
Remaining positive difference included in the above carrying amount at 31 July 2026	**24**	**37**

§

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.

INCOME FROM INVESTMENTS IN SUBSIDIARIES

The proportionate share of the profit/loss for the year after tax of subsidiaries 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.





Smukfest crew-tee
ONLY BRAND HOUSE created this year's Smukfest crew-tee – using 30% textile-to-textile recycled fibres.

NOTE 9

PREPAYMENTS

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions, and interest.

NOTE 10

DEFERRED TAX

(mDKK)	2026	2025
Deferred tax at 1 August 2025	**-25**	**-61**
Adjustment of deferred tax for the year	26	32
Deferred tax recognised on equity	-8	4
Deferred tax concerning previous years	-4	0
Deferred tax at 31 July 2026	**-11**	**-25**

§

ACCOUNTING POLICY

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. 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. 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 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.

NOTE 11

OTHER PROVISIONS

(mDKK)	2026	2025
Balance at beginning of year	**61**	**155**
Provision for the year	11	0
Applied for the year	-35	-94
	37	**61**
The expected due dates of other provisions are:		
Within one year	37	26
Between 1 and 5 years	0	35
Over 5 years	0	0
	37	**61**

Other provisions primarily comprise 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 Parent 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.

NOTE 12

RENT AND LEASE CONTRACTUAL OBLIGATIONS

(mDKK)	2026	2025
Within 1 year	144	140
Between 1 and 5 years	216	201
After 5 years	0	0
	360	**341**

ROUGE EDIT
Celebrating the launch of 'The Local Edit: Paris' – a city guide to the French capital – alongside a preview of the Pre-Autumn '26 collection.









NOTE 13

CONTINGENT LIABILITIES

Guarantee commitments

The Parent company has issued guarantee commitments for mDKK 35.

Other contingent liabilities

The Parent company 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 1,280 at 31 July 2026.

The Parent company 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 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 obligations

The Parent company has entered into mutually binding agreements with its sourcing suppliers for delivery of goods during the financial year 2026/27 amounting to approx. bDKK 3.1.

NOTE 14

EVENTS AFTER THE BALANCE SHEET DATE

No events materially affecting the financial position have occurred after the balance sheet date.

NOTE 15

FINANCIAL INSTRUMENTS

BESTSELLER A/S seeks to reduce foreign currency risks by hedging currency exposures related to purchases and sales of goods. At 31 July 2026, BESTSELLER A/S had entered into foreign exchange forward contracts relating to future purchases in foreign currency of mUSD 156 with a fair value of mDKK 17 before tax, and mCNY 282 with a fair value of mDKK 5 before tax. In addition, BESTSELLER A/S had entered into foreign exchange forward contracts relating to future sales in foreign currency of mGBP 25 with a fair value of mDKK -3 before tax. All contracts are recognised in other receivables and equity.

All transactions are to be realised within the financial year 2026/27.

BESTSELLER A/S has also entered into foreign currency options. The fair value amounted to mDKK 6 at 31 July 2026.

The agreements are entered into with BESTSELLER A/S's core banking partners. Accordingly, it is BESTSELLER A/S's assessment that the counterparty credit risk associated with these counterparties is limited

(mDKK)	Derivative financial instruments
Fair value, at 1 August 2025	-62
Value adjustments in the income statement	52
Changes recognised in the reserve for hedging transactions	35
Fair value, at 31 july 2026	25

NOTE 16

RELATED PARTIES AND OWNERSHIP STRUCTURE

Controlling interest:

BESTSELLER United A/S
Store Torv 1, 3.
8000 Aarhus C
(Majority owner).

The financial statements for BESTSELLER A/S is included in the consolidated financial statements for Heartland A/S,
Store Torv 1, 3.
8000 Aarhus C
with that being the largest group.

Transactions (mDKK)	
Sale of goods to subsidiaries	20,146
Sale of services to subsidiaries	3,397
Sale of goods to other related parties	2
Sale of services to other related parties	10
Purchase of services from subsidiaries	1,801
Purchase of services from other related parties	200
Interest income from subsidiaries	163
Interest cost to subsidiaries	179
Share of profits from subsidiaries	2,667
Purchase of intergroup companies	101
Dividend received	2,836
Dividend paid	3,000
Receivables from group companies	6,811
Payables to group enterprises	6,451
Receivables from other related parties	783
Payables to other related parties	11

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 STATEMENTS

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 2025 – 31 July 2026.

Aarhus, 12 November 2026

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's and the Group's financial position at 31 July 2026, and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 August 2025 – 31 July 2026.

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 Executive Board

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
Chief Financial Officer - Line Andrea Fandrup



BESTSELLER AARHUS CITY HALF
BESTSELLER is proud to sponsor and be part of the BESTSELLER Aarhus City Half, where more than 12,500 people run through the city of Aarhus – as part of our local commitment. In 2026, the race was sold out, and tickets for 2027 sold out on the very first day of sale.





INDEPENDENT AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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 2026, 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 2025 - 31 July 2026 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 2025 - 31 July 2026, 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").

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, pp. 4 - 199.

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 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's Responsibilities for the Financial Statements

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.

- 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 and the Parent Company 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Statement on report on income tax information

As auditor of the Company, we are required to provide a statement pursuant to section 137 i of the Danish Financial Statements Act as to whether the Company was required to prepare a report on income tax information for the financial year 1 August 2024 – 31 July 2025 and, if so, whether the Company has published the report in accordance with the requirements of the Danish Financial Statements Act.

This statement does not constitute an assurance engagement. We have based our work on the information applied by Management in its assessment of whether the Company was subject to the requirement to prepare a report on income tax information, the knowledge obtained in connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements and such procedures as we considered necessary to enable us to provide this statement.

Based on the work we have performed, in our view, the Company was not required to prepare a report on income tax information for the financial year 1 August 2024 – 31 July 2025.

AARHUS,
12 NOVEMBER 2026

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



Chief Financial Officer
Line Andrea Fandrup

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

BESTSELLER A/S

Fredskovvej 5
7330 Brande

CVR no.: 88 21 65 12
Reporting period: 1 August 2025 - 31 July 2026
Domicile: Ikast-Brande

Board of Directors

Merete Bech Povlsen, Chair
Anders Holch Povlsen
Troels Holch Povlsen
Finn Poulsen
Lise Kaae

Executive Board

Anders Holch Povlsen
Line Andrea Fandrup

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
BESTSELLER A/S	**Brande, Denmark**	
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	Oslo, 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%

• Grønhaug Retail AS *	Bergen, Norway	50%
• ONLY Stores A/S	Brande, Denmark	100%
• • ONLY Stores Austria GmbH	Vienna, Austria	100%
• • ONLY Stores Hungary Kft.	Budapest, Hungary	100%
• • Only Stores Maloprodaja d.o.o	Zagreb, Croatia	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%
• Belgium Property BV	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	100%
BESTSELLER trgovina SLO d.o.o.	Ljubljana, Slovenia	100%
BESTSELLER Stores Romania S.R.L	Bucharest, Romania	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%
ALIGNE Ltd.	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.	Castel San Pietro Terme, Italy	100%
• VILA Norge AS	Oslo, Norway	100%
• VILA Spain S.L.U.	Torremolinos, Spain	100%
• VILA GmbH 1	Hamburg, Germany	100%
• VILA Sweden AB	Solna, Sweden	100%
• VILA Wholesale A/S	Skanderborg, Denmark	100%