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This Sustainability Report covers the year 2024 and the legal unit Zizzi Denmark ApS (hereafter mentioned as Zizzi).

The Sustainability Report also serves as our Communication on Progress, which we are obligated to create and share as members of UN Global Compact.

The report will be revisited annually.

Introduction

A Word from Our CEO

Throughout the year, we have deepened our focus on sustainability, guided by the understanding that even as a small piece in the vast global puzzle, our actions can drive meaningful change. By aligning our commercial objectives with our corporate responsibilities, we have made measurable progress toward our ESG goals. In 2024, we took significant steps to amplify our impact. This includes implementing key improvements in our sourcing strategy, reducing waste through new technologies, and increasing transparency in our operations. Our intensified commitment to sustainability was bolstered by the action of our dedicated team, whose efforts have been instrumental in driving these ambitions forward.

We also recognize that meaningful change requires collaboration. This year, we continued to engage with stakeholders and global initiatives, reaffirming our dedication to the ten principles of the UN Global Compact. These partnerships underscore our role as a responsible corporate citizen, working together to achieve a more sustainable and equitable future.

This report serves as a testament to our ongoing efforts, fulfilling our obligations under The Danish Financial Statements Act § 99a & 99b (FSA) and acting as our Communication on Progress (COP) for the UN Global Compact. It highlights the strides we've made and the challenges we are prepared to face as we build upon this momentum in the coming years.

On behalf of Zizzi, I extend my gratitude to our employees, partners, and stakeholders for their support and shared vision. Together, we are making a path toward a more sustainable future.

Let us make 2025 a year of bold action, shared responsibility, and meaningful progress. The challenges are significant, but so is our determination.

On behalf of the company,

CEO, Kuno Kildetoft Mehlsen



We are Zizzi

Zizzi is a Danish womenswear plus-size brand established in 2000. Our Headquarters are located in Billund, where we have 109 skilled employees. Our warehouse is in Horsens, employing 93 talented individuals. Zizzi owns 62 retail stores across Scandinavia and Europe, alongside webshops in thirteen countries and a fast-growing online business throughout Europe.

We have a strong passion for plus-size fashion and strive to be the first choice for fashion apparel for all shapes. Every team member works hard to deliver the best products, the perfect fit, and outstanding customer service.

Zizzi is owned by Findos Investor GmbH. Besides Zizzi, Findos Investor GmbH owns various other companies, across different industries.



Sustainability – A Work in Progress

OUR COMMITMENT TO THE 10 PRINCIPLES BY UN GLOBAL COMPACT

Zizzi has been part of the United Nations Global Compact since 2011, and we commit to the 10 Principles that are part of the world’s largest corporate sustainability initiative.

HUMAN RIGHTS (PRINCIPLE 1-2)

Zizzi supports and respects the Universal Declaration of Human Rights and the UN Guiding Principles on Human Rights. Through our due diligence process, we systematically work to identify and mitigate risks to human rights, such as bonded or forced labour, unsafe working conditions, or excessive working hours, across all parts of our business and value chain. Our policies and procedures, including our Code of Conduct, are implemented and adhered to by our direct suppliers and their workers, regardless of their employment status.

In 2024, no breaches of this practice were identified. Through continuous monitoring and transparency, we are committed to ensuring that we do not contribute to human rights violations. We prioritize collaboration with suppliers and stakeholders to promote responsible business practices.

LABOUR RIGHTS (PRINCIPLE 3-6)

Zizzi supports and adheres to the fundamental labour principles and International Labour Rights. We are dedicated to the elimination of all forms of forced and compulsory labour, the abolition of child labour, and the elimination of discrimination in respect of employment and occupation. We also respect and adhere to the principles of freedom of association and the effective recognition of the right to collective bargaining.

ENVIRONMENT (PRINCIPLE 7-9)

Zizzi supports a precautionary approach to environmental challenges and undertake initiatives to promote greater environmental responsibility. Furthermore, we encourage the development and diffusion of environmentally friendly technologies. Recognizing risks such as significant water use, energy consumption, and chemical pollution, we address these through responsible sourcing, sustainable fibres, and close collaboration with suppliers to mitigate environmental impacts.

ANTI-CORRUPTION (PRINCIPLE 10)

Zizzi has an anti corruption policy (code of conduct) which highlights the importance of not accepting gifts, return’s commission or similar to promote own interests. Further, not supporting any actions which could lead to promoting business interests if it involves bribery or corruption. The policy is communicated internally, and all stakeholders of Zizzi are aware of its existence.

Our main risk is characterized as transactions (monetary) which serve as payments for goods or services, which can serve or lead to corruption or bribery, directly or indirectly. Internal control with Zizzi monitors domestic and international transactions in search of irregularities or patterns which can suggest misconduct. In 2024 there have been zero transactions which led to internal investigation. It is the expectation that the degree of transactions which will lead to internal investigation will remain low in the coming year.

Due diligence

WE CONDUCT DUE DILIGENCE IN THE FOLLOWING AREAS:

- Human and Labour Rights, including the Rights of the Child
- Animal Welfare
- Chemical Management
- Anti- Corruption
- Environmental Protection

OUR DUE DILIGENCE PROCESS CONSISTS OF THESE STEPS:

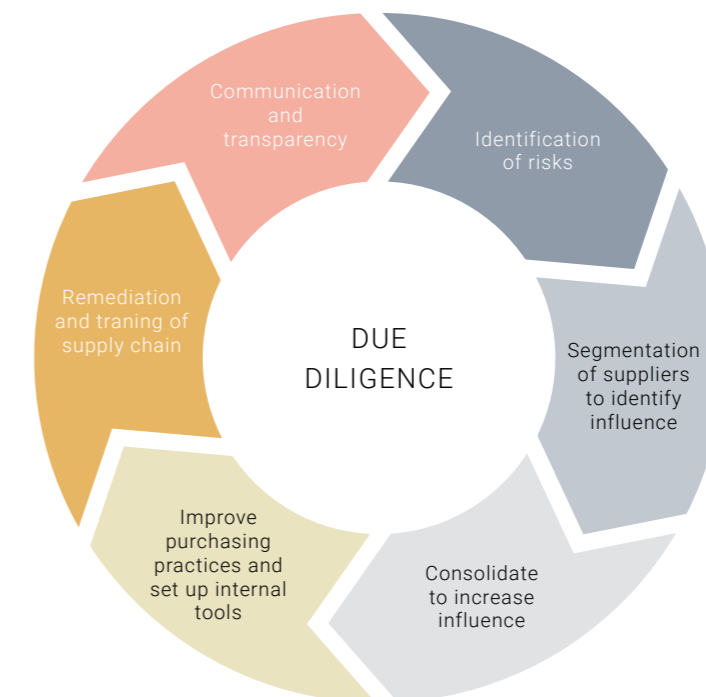
1. Identifying our risks
2. Segmenting our Suppliers to identify our influence
3. Seeking to increase our influence through consolidation
4. Improving our purchasing practices and set up internal tools to make sustainability visual to all Employees.
5. Remediating and training of our supply chain
6. Communicating and providing transparency

Policies play a critical role in our due diligence process.

APART FROM OUR CODE OF CONDUCT, WE HAVE THE FOLLOWING POLICIES:

- Human and Labour Rights, including the Rights of the Child
- Animal Welfare
- Chemical Management
- Anti- Corruption
- Environmental Protection

Our Code of Conduct and our policies extend to all our direct suppliers, including all their workers, re-gardless of their status or relationship with the supplier. This includes workers engaged informally on short-term contracts, or on a part-time basis.



Reached our first target in our sourcing strategy

Zizzi's clothes are made from various fibres. As part of the textile industry, we are aware that textile production is not inherently sustainable. This is due to the significant use of water, energy, and chemicals in production processes, as well as the generation of waste and emissions. To evolve alongside our peers and uphold to our responsibility toward a more sustainable future, we have identified fibres that are more environmentally friendly than others. Consequently, we have defined a list of preferred fibres and set ambitious goals: By 2024, 25% of Zizzi's styles will be made from these preferred fibres. This target will increase to 29.2% by 2025, 33.3% by 2026, and ultimately 50% by 2030. We have integrated this strategy into our design and buying teams, and key suppliers have been briefed to ensure alignment in achieving these goals. Importantly, we remain steadfast in our commitment to maintaining product quality and price integrity; all elements must work in harmony.

With a focus on optimizing material and sourcing, Zizzi became GOTS (Global Organic Textile Standard), and GRS (Global Recycled Standard) certified in 2022. GOTS ensures that the fibres used, typically cotton, is organic while guaranteeing fair working conditions and the absence of harmful chemicals in production. Similarly, GRS ensures fair working conditions and confirms that the fibre used is indeed recycled.

We are thrilled to announce that we have achieved our 2024 target! More than 25% of all styles created were made of at least 50% preferred fibres (See definition in Methodology section). This marks a strong beginning and fuels our ambition to reach 29.2% in 2025.

In 2024 we opened our new warehouse

Zizzi has outgrown its current warehouse, promoting the need for a larger facility. To address this, we partnered with Verdion, resulting in a significant expansion to a 12,000 m² of storage space – more than doubling the previous facility. Relocating warehouses is a complex process, with numerous factors to consider. However, under the leadership of our warehouse organization, the transition was carried out seamlessly.

The relocation was completed in two phases, in June and August 2024. During the first phase, 50 trucks transported 415,000 items, followed by 55 trucks moving 480,000 items in the second phase. With our headquarters and warehouse now located in separate cities, it is no longer possible to walk to the warehouse for quality inspections or product photography. To accommodate this, a vehicle has been designated to transport items between Horsens and Billund three times a week.



About this report

The structure for this report is based on our newly developed 2030 sustainability strategy.

The strategy is defined by four overall commitments. Each commitment has a number of objectives, that support the contents of our commitment. The commitments are continual, and we will be working with them for many years to come, whereas the objectives are made to be ambitious, but achievable.

Within each objective, we work with a group of targets and KPIs to measure our progress and make sure we are on the right track, or that we take the necessary steps to get there.

For simplicity, we have focused on a selection of the targets and will show our level of completion using percentages. Some KPIs will be included as supporting information. Some targets will be 0% or Not Available (N/A) - but is acceptable as we otherwise would have set the bar too low. However, certain targets and objectives are no longer a primary focus for us, as forthcoming legislation will introduce its own set of requirements. Consequently, we have decided to concentrate our efforts on the objectives already in progress and to prepare for the upcoming regulations. To provide further clarity, we have included a section in this report titled "Update on EU Legislation."

The data presented in this report has been collected from September to December 2024, why the remaining period of the fiscal year 2024 has been estimated by reviewing corresponding period in 2023. At the end of the report, a methodology section explains how the presented tables were calculated.

Commitment 1:

CONTINUOUSLY TRANSFORM OUR BUSINESS TO ENSURE RESPONSIBLE PRODUCTION AND CONSUMPTION IN OUR VALUE CHAIN

As an international organization operating in a challenging industry, we recognize our responsibility to transform our business. Not only does this involve ensuring that our products and manufacturing processes are as sustainable and responsible as possible, but also empowering consumers to use our products responsibly. Achieving this is a gradual process that requires continuous improvement, hard work, and a willingness to confront difficult realities.

TO GUIDE OUR EFFORTS IN THIS MISSION, WE HAVE ESTABLISHED TWO KEY OBJECTIVES:

Objective 1.1: Increase transparency and traceability in our supply chain by mapping all suppliers down to tier 3

Objective 1.2: Reach a Share of 100% Preferred Fibers and Materials in our Products by 2030

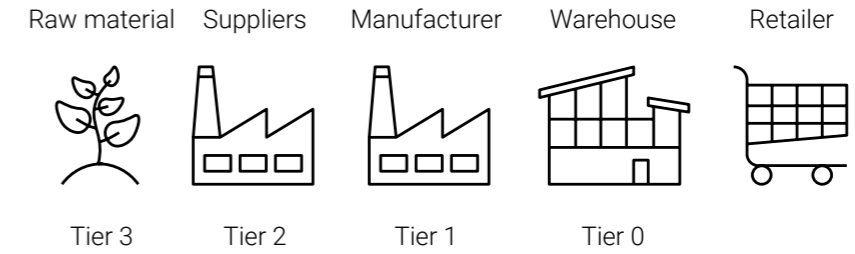
Objective 1.1:

Increase transparency and traceability in our supply chain by mapping all suppliers down to tier 3

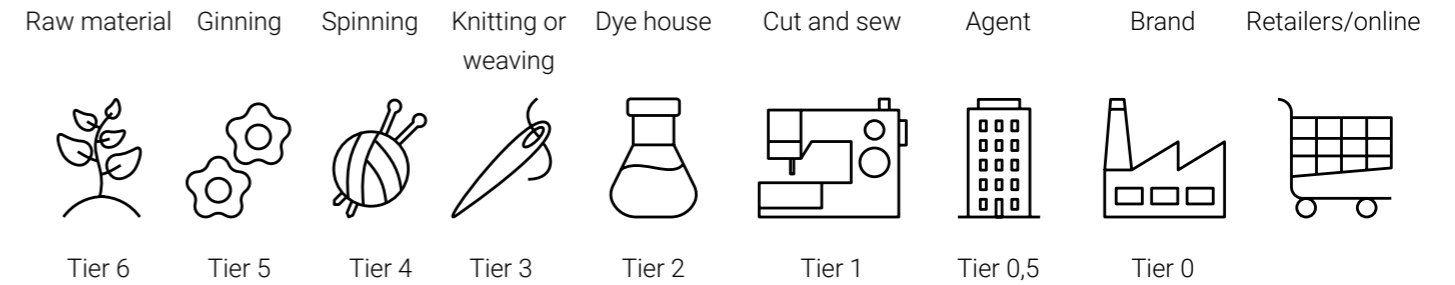
OUR SUPPLY CHAIN

Supply chains within the fashion industry are long and complex. Each tier is a new production process, and those processes can be carried out in a single production unit or be distributed between different production units.

MOST SUPPLY CHAINS LOOK LIKE THIS:



WHEREAS THE FASHION SUPPLY CHAIN LOOKS LIKE THIS:



The example above is how supply chains producing cotton, hemp, linen etc. would look like. Of course, it would be different for synthetic fibres, such as polyester, where tier 5 would refer to the process of melting plastic pellets, which then is spun into a fibre. Therefore, knowing each step is pivotal for knowing our actual impact on the environment and the people who are a part of making our products.

We have been successful in mapping tiers 0.5 and 1. We are still in the process of mapping out tier 2 and 3, however, due to future EU legislation regarding traceability, we decided to pause our tier mapping until the EU legislation is adopted.

We have concluded the mapping of our direct suppliers (tier 0.5), and their direct suppliers (tier 1). This is updated annually.

Sourcing Country (Volume)

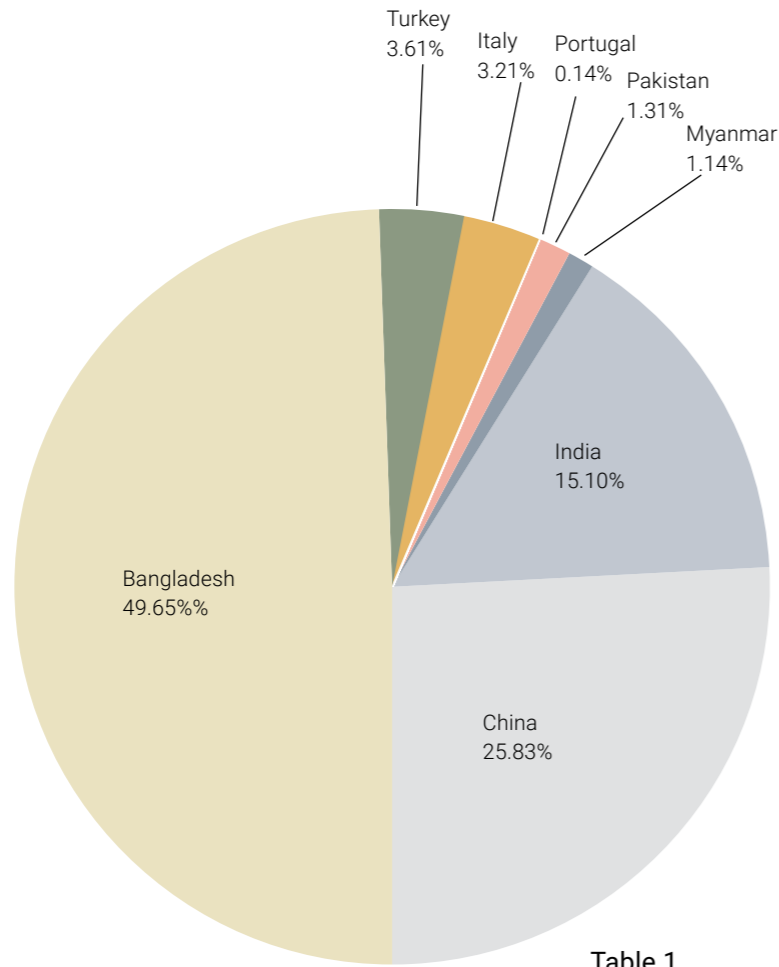


Table 1
Data collected
December 2024

Direct suppliers		Direct suppliers Production Units	
Country	Suppliers	Country	Suppliers
Bangladesh	6	Bangladesh	9
China	14	China	30
India	5	India	7
Italy	1	Italy	6
Turkey	5	Turkey	8
Pakistan	1	Pakistan	8
Portugal	1	Portugal	1
Myanmar	2	Myanmar	3
China/India	1	Cambodia	1
Total	36	Total	73

Table 2
Data collected
December 2024

In 2023 we had 37 direct suppliers and 78 production units, whereas in 2024 we have reduced those numbers down to 36 direct suppliers and 73 production units. This is due to our continued focus of optimizing production value, quality, and sustainability with the continuously evaluated suppliers.

The majority of our production takes place in Bangladesh, China, and India, in close cooperation with our trusted long-term suppliers.

9 of our direct suppliers are A-suppliers, meaning they constitute 80% of everything we source. 11 of them are B-suppliers, which means they constitute 15% of everything we source, while the remaining 16 are C-suppliers, constituting the remaining 5% of everything we source.

Segment	Suppliers	Direct suppliers
A	9	15
B	11	32
C	16	26

Table 3
Data collected
December 2024

Every year, we segment our direct suppliers in a matrix, to make sure we focus our efforts efficiently. The matrix takes five aspects into account: the supplier's size, production country and product type. We have 4 A-suppliers, 1 B-supplier and 1 C-supplier, who will receive a large share of our focus in 2025.

	A Supplier	B Supplier	C Supplier
High focus	4	1	1
Medium focus	5	10	12
Low focus	0	0	3

Table 4
Data collected
December 2024

CERTIFICATIONS IN OUR SUPPLY CHAIN

To be able to produce and make certified products available to our customers, we have to ensure that our complete supply chain is certified to uphold standards and requirements. This also gives us the ability to guarantee full transparency and traceability throughout our Supply chain.

Zizzi became GOTS and GRS certified in 2022. There are still many certification options available. However, Zizzi chose to prioritize these certifications because of how deeply they take social issues into consideration. Being certified in either one means that we, at the very least, can ensure safe working and payment conditions for the workers in our Value Chain.

GOTS	2022	2023	2024
A supplier	3	6	4
B supplier	1	3	4
C supplier	1	4	3
TOTAL	5	13	11
% certified of used suppliers	9.1%	35.1%	30.6%

Table 5
Data collected
December 2024

GRS	2022	2023	2024
A supplier	3	9	7
B supplier	0	5	7
C supplier	1	6	3
TOTAL	4	20	17
% certified of used suppliers	7.3%	54.1%	47.2%

Table 6
Data collected
December 2024

We aim to increase the number of certified suppliers in the future, so it becomes easier for us to source and offer our customers certified products.

TARGET: 100% OF DIRECT SUPPLIERS HAVE SIGNED OUR CODE OF CONDUCT AND POLICIES

LEVEL OF COMPLETION: 100%

Our code of conduct and our policies have been added to our supplier manual. This ensures 100% level of completion, as all our suppliers must sign the manual, which is updated annually.

Our code of conduct is based on the UN guiding principles on human rights, and covers subjects such as human and labour rights, health & safety, and ethical business behaviour.

Apart from our code of conduct, we have the following policies:

- Anti-slavery policy
- Child labour policy
- Anti-corruption policy
- Animal welfare policy
- Environmental policy

Objective 1.2:

Reach a Share of 100% Preferred Fibres and Materials in our Products by 2030

OUR FIBRE TOOL

To help us make better material choices when designing products, we have developed a fibre tool that divides our fibres into five different categories.

The green category contains the preferred fibres, the yellow contains the accepted fibres, the orange the tolerated fibres, the red the fibres we want to avoid in the future and the black the prohibited fibres.

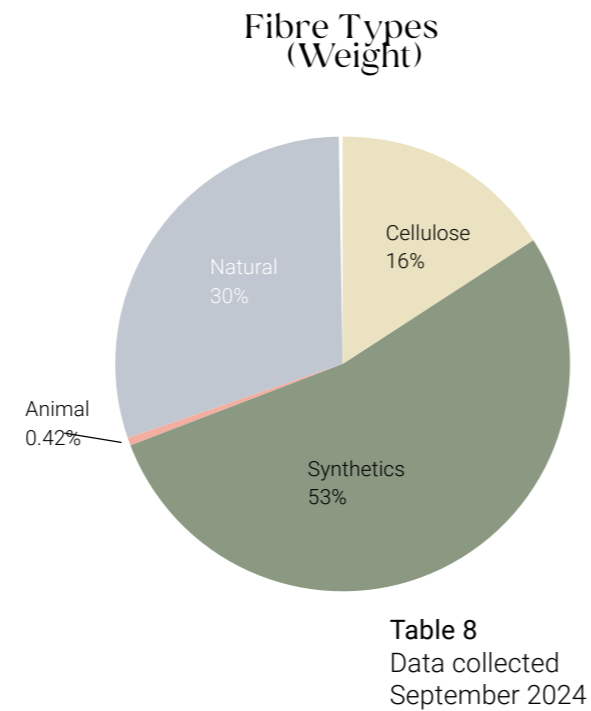
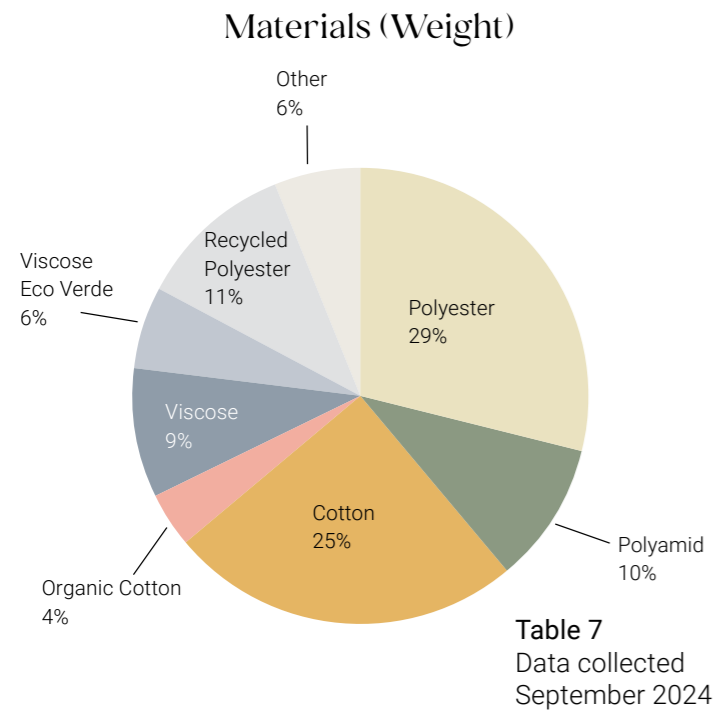
The categorization of fibres will change over the years as more research becomes available of each fibre's environmental impact. We aim to introduce new materials if they have less environmental impact than existing fibres and can sustain our quality requirements.

We always prioritize to select and use the most preferred fibre when producing a new item, taking into consideration environmental impact, cost of fibre as well as maturity in the production line with respect to quality control of the garment / fibre.

Initially, our goal for 2030 was to achieve a 100% share of preferred fibres. When we developed this strategy in 2022, the target felt ambitious yet achievable. However, much has changed since then – both within our organization and in the world around us. These shifts have prompted us to step back and reassess our approach. While it is clear, that change is necessary, the most viable path forward lies in balancing the three bottom lines of a sustainable business: people, planet, and profit. To maintain this balance, we have decided to adjust our target for preferred fibres, allowing us to distribute our focus more evenly.

Organic/GOTS Hemp	TENCEL™ Modal	TENCEL™ Lyocell	Recycled Elastane
Organic/GOTS Cotton	LENZING™ Viscose	Recycled Wool	RDS Down
Organic/GOTS Linen	Livaeco by Birla Cellulose™ Viscose	Recycled Polyester	RWS Wool
Organic/GOTS Wool	Re:Down	Recycled Polyamid	Refibra
BCI Cotton	Cashmere	Lyocell	Elastane
Wool	Silk	Alpaca	Down
Recycled Cotton			
Linen	Leather	FSC Viscose	Hemp
Bamboo Viscose	Modal	Cupro	
Cotton	Polyamid	Polyester	Mohair
Acrylic	Acetate	PU/PVC	Viscose
	Fur	Angora	



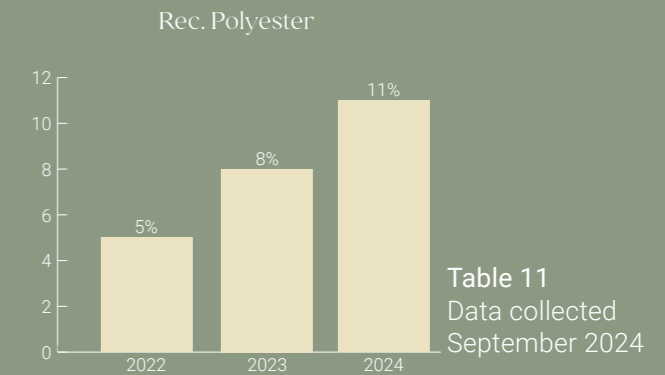
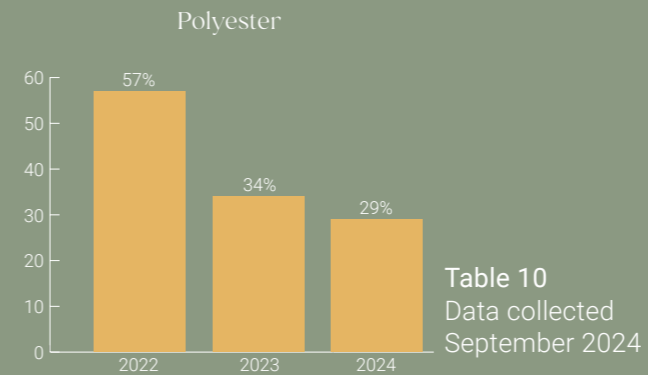


When analysing our fibre usage by weight, synthetic fibres represent 53% of the total. This marks an improvement from the 2023, where synthetic fibres constituted over 56%. Additionally, of that 53%, 11pp is recycled polyester. Natural fibres account for 30%, including 4% organic cotton. Cellulose-based fibres make up 16%, with 6% consisting of EcoVero Viscose. The use of animal fibres has decreased from 0,5% to 0.42%.

	Fibre types (Weight)	2022	2023	2024	Change 2022-2024
Natural	Cotton	9,83%	21,92%	25,43%	15,60 pp
	Org. Cotton	0,50%	1,97%	3,86%	3,35 pp
	Linen	0,08%	0,35%	0,63%	0,55 pp
	Total - Natural	10,41%	24,24%	29,92%	19,51 pp
Animal	Wool	N/A	0,23%	0,42%	0,19 pp
	Leather	N/A	0,27%	0,01%	-0,27 pp
	Cashmere	N/A	0,00%	0,00%	0,00 pp
	Total - Animal	0,20%	0,50%	0,42%	0,23 pp
Cellulose	Viscose	6,22%	14,59%	9,07%	2,85 pp
	EcoVero Viscose	1,69%	3,47%	6,08%	4,39 pp
	Lyocell	0,00%	0,00%	0,25%	0,25 pp
	Tencel Lyocell	0,22%	0,35%	0,39%	0,17 pp
	Modal	0,21%	0,35%	0,33%	0,12 pp
	Livaeco Viscose	0,14%	0,00%	0,28%	0,14 pp
	Total - Cellulose	8,48%	18,76%	16,41%	7,93 pp
Synthetics	Polyester	56,96%	34,09%	28,84%	-28,12 pp
	Rec. Polyester	5,81%	7,81%	10,96%	5,14 pp
	Polyamide	15,98%	11,19%	9,85%	-6,14 pp
	Rec. Polyamide	0,00%	0,00%	0,97%	0,97 pp
	Elastane	2,15%	2,82%	2,20%	0,05 pp
	Others	0,00%	0,58%	0,44%	0,43 pp
	Total - Synthetics	80,91%	56,49%	53,25%	-27,66 pp

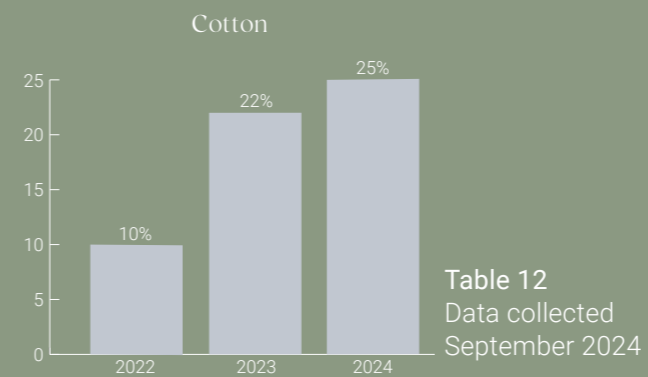
Table 9
Data collected September 2024

Polyester



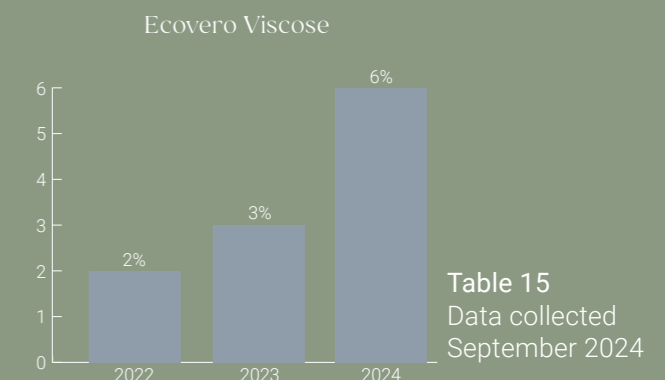
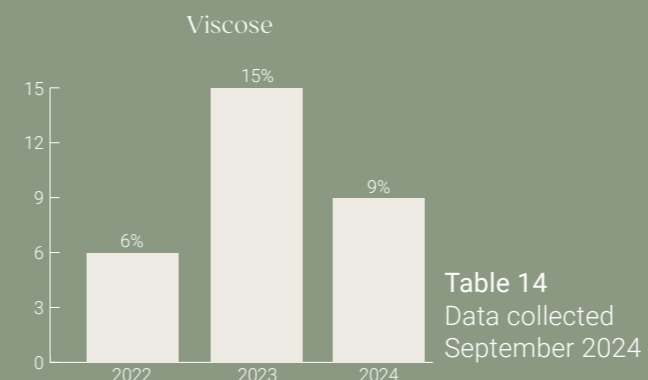
Polyester once accounted for the largest share of our materials by a significant margin. However, this is no longer the case, with its current share at 29% and continuing to decline steadily, as shown in the graph above. This reduction is directly tied to the growing use of recycled polyester, which now makes up 11% of our materials.

Cotton



The share of cotton has steadily increased from last year expansion of 22% to 25%. Our aim was also to increase our share of certified organic cotton and we are pleased to report that we have been successful by doubling the share from 2% to 4%.

Cellulose



The regenerated cellulose category has many subcategories and is therefore not only referred to as viscose. The cellulose category contains both viscose, modal and lyocell which are then sub categorized further between branded/certified fibres. The share of viscose fibres amounts to 9% which is a decrease of 6%. However, EcoVero Viscose has increased from 3% up to 6%.

TENCEL™ LYOCELL & TENCEL™ MODAL

TENCEL™ is a trademark of Lenzing AG. TENCEL™ Lyocell and TENCEL™ Modal fibres are made from wood, a natural and renewable raw material carefully sourced from responsibly managed forests. The wood taken from nature is purposefully balanced with forest growth rates, to ensure the continued availability of this valuable resource. These fibres are naturally soft and smooth to the touch.



Target: Reach 50% Preferred Fibers

LEVEL OF COMPLETION: 26%

In 2024, 26% of the fibres we used belonged in the preferred category (See definition in Methodology section). This is a 9pp improvement from last year. Our sourcing strategy for preferred fibres is to target a share of preferred fibres of 29.2% in 2025. By having reached the milestone in 2024, the product team and our suppliers are very motivated to reach this target in 2025.



LENZING™ ECOVERO™ VISCOSE

LENZING™ and ECOVERO™ are trademarks of Lenzing AG. LENZING™ ECOVERO™ fibres are made from wood, a natural and renewable raw material carefully sourced from responsibly managed forests. The wood taken from nature is purposefully balanced with forest growth rates, to ensure the continued availability of this valuable resource. This fibre support natural softness and drape.



LIVAEKO™ BY BIRLA CELLULOSE™ VISCOSE

Livaeco™ by Birla Cellulose™ Viscose is made from pulp procured from sources that are certified by the Forestry Stewardship® Council (FSC®) and follows a stringent protocol that can be tracked across the entire journey from source to the finished garment. This fibre has a soft feel and a long-lasting shine.



Update on EU legislation

This section replaces some of the objectives and targets we have previously communicated. The main purpose of this section is to inform of the expected coming terms of EU legislation and how Zizzi is expected to adhere to those requirements.

An important distinction is between legislation in the form of a directive or a regulation as they are treated differently.

The key difference between EU Directives and Regulations is in their application. **Regulations** are binding and must be applied in full across all EU countries, with no need for national laws. **Directives** set out objectives which EU countries must achieve but allow each country to decide how to implement them through national laws.

For more details, you can visit https://european-union.europa.eu/institutions-law-budget/law/types-legislation_en

WASTE FRAMEWORK DIRECTIVE

The Waste Framework Directive establishes key principles for waste management in the EU, aiming to protect human health and the environment. It sets guidelines on when waste becomes a reusable resource and applies concepts like the “polluter pays principle” and the EPR (Extended Producer Responsibility). The EPR ensures that companies pay a fee for all sales packaging that is imported to each EU country.

Further, the directive outlines the “waste hierarchy,” which prioritizes waste prevention, reuse, and recycling. Specific targets for recycling rates and rules for handling hazardous waste are included, promoting sustainability and a circular economy.

For more information, visit https://environment.ec.europa.eu/topics/waste-and-recycling/waste-framework-directive_en

As a directive, the Extended Producer Responsibility (EPR) is implemented individually by each EU member state, resulting in 27 different interpretations and compliance procedures. This means navigating various national regulations and websites to ensure accurate fee payments. Since Zizzi exports its products to most EU countries, we quickly recognized the complexity of managing compliance across multiple jurisdictions. To address this, we partnered with Take E Way to ensure that we meet all necessary regulatory requirements efficiently.

SOCIAL DUE DILIGENCE

Social Due Diligence is the process of assessing and evaluating a company's impact on its stakeholders, including employees, customers, and the wider community. It examines labor practices, human rights, social welfare, and corporate responsibility to ensure that a company's operations align with ethical standards and positively affect its social environment. This helps identify potential risks related to social factors and ensures responsible business practices.

Although numerous instances require companies to demonstrate their commitment to social due diligence, there were previously no specific laws enforcing this responsibility. This changed with the introduction of the Norwegian Transparency Act, marking Norway as the first country to implement direct legal requirements in this area.

NORWEGIAN TRANSPARENCY ACT

The Norwegian Transparency Act, effective from July 2022, mandates that larger companies operating in Norway disclose their efforts to respect human rights and ensure decent working conditions in their supply chains. Companies must conduct due diligence to assess potential risks, report on their findings, and provide transparency regarding their operations. The act promotes corporate accountability and responsible business practices, ensuring that businesses take active steps to prevent human rights violations.

For more information, you can visit this relevant source: <https://www.forbrukertilsynet.no/vi-jobber-med/apenhetsloven/the-transparency-act>

Please visit <https://www.aboutzizzi.com/csr> to see how Zizzi works with due diligence.

CSDDD – CORPORATE SOCIAL DUE DILIGENCE DIRECTIVE

The Corporate Sustainability Due Diligence Directive (CSDDD), set to take effect by 2026, aims to promote responsible business practices by requiring EU member states to incorporate the directive into national law.

It applies to large EU companies with over 500 employees and a turnover of €150 million or more, and to non-EU companies with similar thresholds operating in the EU. Additionally, smaller companies in high-risk sectors with over 250 employees and €40 million in turnover are subject to the directive.

Companies must identify and address human rights and environmental risks within their global value chains, aligning with the EU's 2050 climate goals. The CSDDD seeks to harmonize regulations across the EU, ensuring legal certainty and an equal playing field for businesses.

For more information, visit https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence_en

EUDR – EU DEFORESTATION REGULATION

The EU Deforestation Regulation (EUDR) aims to prevent products linked to deforestation from entering the EU market. It establishes strict requirements for companies to demonstrate that their goods, such as coffee, cocoa, and palm oil, are produced without contributing to deforestation or forest degradation. The regulation applies to both EU and non-EU operators and emphasizes traceability and due diligence throughout supply chains, supporting EU's commitment to sustainability and climate action.

For more information, visit the https://environment.ec.europa.eu/topics/forests/deforestation/regulation-deforestation-free-products_en

In the near future, additional products will be incorporated into the regulation's scope, with new goods expected to be added by 2026. Textiles may be included at this point in time.

As disclosed in Objective 1.2 Zizzi sources 16.41% of its cellulose fibers, which are derived from wood. Consequently, this regulation will impact Zizzi if/when textiles are incorporated into its scope.

EU FORCED LABOUR REGULATION

The EU Parliament has given its final approval to the Forced Labour Regulation, which bans the sale, import, and export of products made with forced labour in the EU market.

It mandates economic operators to ensure that their products are free from forced labour, including that imposed by state authorities. The regulation also establishes a framework for investigating potential violations and requires the creation of a database to identify risk areas and products associated with forced labour. This initiative reflects EU's commitment to uphold human rights and eliminate forced labour from supply chains.

GREENWASHING

Greenwashing refers to the deceptive practice of companies marketing themselves as environmentally friendly when their actions or products do not genuinely align with sustainability. This can involve exaggerating eco-friendly initiatives or making false claims about the environmental benefits of products to mislead consumers. The aim is to create a green image to attract environmentally conscious customers without implementing meaningful sustainable practices.

DANISH CONSUMER OMBUDSMAN (DCO)

The DCO ensures that the Danish Marketing law is upheld. In 2024 the DCO published recommendations for companies' environmental marketing, after receiving an increase in greenwashing complaints.

The recommendations emphasize that environmental claims must be accurate, clear, and substantiated. It highlights the importance of avoiding vague or misleading terms like "green" or "eco-friendly" without evidence. Claims should relate to the entire product lifecycle, and companies must ensure that these statements are verifiable. Misleading or false claims could violate regulations and lead to consumer distrust or legal consequences. Clear guidelines are provided to help businesses communicate environmental benefits responsibly and transparently.

GREEN CLAIMS DIRECTIVE

The Green Claims Directive aims to regulate environmental claims made by businesses, ensuring they are reliable, verifiable, and not misleading to consumers. It addresses the issue of greenwashing by setting strict criteria's for how companies communicate their environmental impact. Negotiations between the EU Council and the European Parliament are expected to take place during the next legislative cycle. This directive will primarily affect businesses that make sustainability claims about their products or services, requiring them to provide clear evidence to support these claims.

For more information, please visit <https://www.consilium.europa.eu/en/press/press-releases/2024/06/17/green-claims-directive-council-ready-to-start-talks-with-the-european-parliament/>

PRODUCT SAFETY

Product safety involves ensuring that all products available on the market are safe for consumer use. The methods for achieving this vary depending on the industry and the nature of the products. Each sector may require different safety standards, regulations, and procedures to meet legal obligations and protect consumers from potential risks. Ensuring product safety includes rigorous testing, compliance with relevant laws, and ongoing monitoring to prevent harm and maintain public trust.

GPSR - GENERAL PRODUCT SAFETY REGULATION

The GPSR establishes a framework for ensuring that consumer products in the EU market are safe. It requires manufacturers and importers to ensure their products meet safety standards and to provide clear information to consumers regarding potential risks. The regulation aims to enhance consumer protection and streamline safety procedures across member states. It also emphasizes the importance of market surveillance to identify and address unsafe products effectively.

The GPSR will take effect on December 13, 2024, effectively replacing the current General Product Safety Directive.

For more details, please visit the https://commission.europa.eu/business-economy-euro/doing-business-eu/eu-product-safety-and-labelling/product-safety/general-product-safety-regulation_en

ESPR – ECODESIGN FOR SUSTAINABLE PRODUCTS REGULATION

The Ecodesign for Sustainable Products Regulation (ESPR) seeks to enhance product sustainability in the EU by mandating specific design and production criteria. It emphasizes reducing environmental impact through improved energy efficiency, durability, reparability, and recyclability. Additionally, the regulation introduces the concept of the Digital Product Passport, which provides detailed information about a product's environmental attributes and lifecycle, facilitating better consumer choices and promoting circular economy practices. This initiative aims to encourage sustainable consumption patterns while supporting EU's broader environmental goals.

Furthermore, this legislation introduces a ban on the destruction of unsold textiles and footwear. This prohibition will mandate that large and medium-sized companies disclose annual information on their websites regarding the quantity and weight of products discarded, as well as the reasons for such actions. Adoption and publication of the first ESPR working plan are expected in Q2 2025.

For more information, visit the https://commission.europa.eu/energy-climate-change-environment/standards-tools-and-labels/products-labelling-rules-and-requirements/ecodesign-sustainable-products-regulation_en

Commitment 2:

ENSURE GOOD WORKING CONDITIONS FOR ALL PEOPLE INVOLVED WITH OUR PRODUCTS AND BUSINESS ACTIVITIES

When it comes to sustainability, the focus tends to be on climate change and carbon emissions, while the social aspect is often paid less attention to. At Zizzi, we pay equal attention to the health and safety of the workers in our supply chain. In other words, we pay equal attention to the level of carbon footprint of a t-shirt, as well as the working conditions of where it is made.

TO FOCUS OUR WORK WITH THIS COMMITMENT, WE HAVE DEFINED TWO KEY OBJECTIVES:

Objective 2.1: Ensure that all suppliers have undergone a social audit and that key suppliers continuously improve of their results

Objective 2.2: Offer an excellent workplace for all employees with a healthy and developing work environment and attractive conditions.

Objective 2.1:

Ensure that all suppliers have undergone a social audit and that key suppliers continuously improve of their results

Target: All suppliers outside of EU have a valid social audit for all production units

LEVEL OF COMPLETION: 100%



We made it a requirement for our suppliers, that all production units have undergone a social audit, being either a BSCI, SEDEX or SA8000 audit. We monitor the audits and conduct yearly follow ups to ensure that all production units have a valid audit.

TARGET: COOPERATE WITH ALL A SUPPLIERS ON IMPROVING THEIR SOCIAL AUDIT RESULTS.

LEVEL OF COMPLETION: 0%



We review the social audits and address any identified issues. We maintain a good dialogue with our suppliers, including on social audits, so we can monitor their progress and assist them if needed. 2024 will be the first year of tracking improvement of social audits, and therefore the level of completion is 0%. In 2025, we will be able to track and demonstrate the progress.

This year, all our A-supplier production units underwent either a BSCI or SEDEX audit. To enable a comparison between the two audit types, we grouped the measurement criteria into 12 categories. Every remark identified during the social audits has been documented, and for 2024 the findings are summarized as follows:

Social audit category	% Of production units receiving a remark	Share of less critical remarks*	Example of less critical remark	Share of critical remarks**	Example of critical remark
Social Management System	86%	86%	A management system for implementing BSCI COC has been set up but could be improved.	0%	No effective management systems for avoiding non-conformities, regarding BSCI COC.
Workers Involvement and Protection	64%	64%	Production unit has developed vision, mission, and objectives, but not defined long term goals	0%	Employees were not aware of their legal rights, overtime rate, benefits or leaves they were entitled to.
Freedom of Association and Collective Bargaining	0%	0%	Workers committee meetings are documented, but communication to the workforce could be improved.	0%	Policies or procedures preventing employees from joining or forming a union
Discrimination, Violence or Harassment	14%	14%	Management has conducted necessary surveys, except grievance satisfactory survey, due to lack of awareness.	0%	No training or policies to avoid discipline, dismissal, or discrimination of workers.
Fair Remuneration	50%	43%	Not all workers had a medical insurance via the production unit, as they had their own insurance.	7%	Not all employees are insured.
Decent Working Hours	71%	14%	One month, 20% of employees had exceeded the regulatory maximum for consecutive working days by 2 days. This was adjusted with additional days off	57%	Employees monthly overtime hours exceeded the regulatory requirements. This due to an ineffective management system regarding orders and working hours.
Health and Safety	29%	29%	2 of 3 employees did not use provided dust mask.	0%	No firefighting equipment and fire drills.
Child Labour	0%	0%	-	0%	Use of child labour.
Precarious Employment	0%	0%	-	0%	Use employment arrangements in a way that deliberately does not correspond to the genuine purpose of the law.
Bonded, Forced Labour or Human Trafficking	0%	0%	-	0%	Use of bonded, forced, or trafficked labour.
Protection of the Environment	7%	7%	Production unit had not implemented any significant programs to promote water conservation and reduce water waste	0%	Waste, both hazardous and non-hazardous, from production unit was burned and destroyed in an uncontrolled manner in the facility garden.
Ethical Business Behaviour	14%	14%	Change of factory location was not yet changed in their business license at the time the audit was conducted.	0%	No policies, controls, or measures for preventing and detecting corruption, extortion, embezzlement, or any form of bribery.

* Less critical remarks are categorized as either A or B (step 1&2) on a scale from A to E (step 1-5)

**Critical remarks are categorized as either D, or E (step 4&5) on a scale from A to E (step 1-5)

Table 16.
Data collected
November 2024

The 13 Principles of the BSCI Code of Conduct:

1. The Social Management System and Cascade Effect
2. Workers' Involvement and Protection
3. The Rights of Freedom of Association and Collective Bargaining
4. No Discrimination
5. Fair Remuneration
6. Decent Working Hours
7. Occupational Health and Safety
8. No Child Labour
9. Special Protection for Young Workers
10. No Precarious Employment
11. No Bonded Labour
12. Protection of the Environment
13. Ethical Business Behaviour

The 16 SEDEX Measurement Criteria:

1. Universal Rights covering UNGP
2. Management Systems & Code Implementation
3. Freely Chosen Employment
4. Freedom of Association
5. Health and Safety
6. Child Labour
7. Wages and Benefits
8. Working Hours
9. Discrimination
10. Regular Employment
11. Sub-Contracting and Homeworking
12. No Harsh or Inhumane Treatment is Allowed
13. Entitlement to Work
14. Environment 2-pillar
15. Environment 4-pillar
16. Business Ethics



Objective 2.2:

Offer an excellent workplace for all employees with a healthy and developing work environment, attractive conditions and flexible working hours and place

Every day, our colleagues go to work at a Zizzi office, warehouse, or retail store. We are grateful that they spend their time, energy, and skills to ensure the wellbeing of Zizzi. Our many dedicated employees deserve a workplace that make them feel proud and valued, with opportunity for progress, and room for everyday life.



Our values

Our values are the essence of our corporate culture and our compass, guiding all employees of Zizzi in their work life.

CUSTOMER FOCUS

We are dedicated to deliver a world-class customer experience

TEAM SPIRIT

We value team spirit and the strength of common dreams and shared ambitions

PROFIT

We value profit and a commercial mindset as fundamental for our existence and future opportunities



TARGET: MATCH OR HEIGHTEN THE GENERAL EMPLOYEE SATISFACTION LEVEL IN THE ANNUAL WORKPLACE ASSESSMENT (APV)

LEVEL OF COMPLETION: N/A

The APV (Arbejdsplassvurdering), translated to English means Workplace Assessment. A company is obliged by law to hold an APV Survey every 3 years.

At HQ two APV surveys were held in 2022. One for office workers and one for storage workers. The results from the office worker survey showed an average employee satisfaction level of 8.4 on a 10-point scale. Employees reported a high level of mutual respect, pride, great social events, good cooperation with their closest leader and a feeling of being seen, heard, and included.

Most of our challenges (noise and temperature) were related to the condition of our offices, which are located in an old building. Based on the report, several changes have been made to try and remedy these challenges, such as divider screens for better acoustics and reduction of visual disturbances. Some of the office space has been transformed into an additional lunch area, to help reduce noise in the main lunch area in the Cantina.

EMPLOYEE TURNOVER RATE

This year, the employee turnover rate is 34.78% (See definition in Methodology section). In comparison, the national average for employee turnover in service-oriented industries like ours is 35.9%, based on the Confederation of Danish Employers' Job Change Statistics (DA's Jobskiftestatistik). Understanding that the turnover rate is affected by organizational adaptations initiated by the company, we also make an effort to understand the factors behind the turnover rate initiated by the employees. In the past three years, the turnover rate has been highly affected by organizational adaptations initiated by the company. However, while we strive to reduce our voluntary turnover rate, job changes have been increasing in the Danish labour market, particularly among younger generations, making the previously ideal 10% turnover rate an outdated benchmark

A SAFE AND HEALTHY WORKPLACE

It is our top priority that our employees go to work feeling safe and secure, and we have a line of initiatives in place to ensure this.

First and foremost, we have our annual fire drill, where all employees are trained in what to do in case of a fire emergency in our buildings. We conducted our annual fire drill on December 19th, 2024, at HQ and on August 28th, 2024, at our new warehouse in Horsens.

Additionally, as required per Danish law, we have a whistleblower program, where employees can anonymously report any unsettling behaviour. This year we have had no reports in our whistleblower program.

Regrettably, we experienced two accidents this year that resulted in sick leave. Both accidents were mitigated by actions to secure that the likelihood of similar events is reduced.

Both incidents were duly reported to the relevant authorities.

PEOPLE AND CULTURE COMMITTEE

The People and Culture committee reports to the executive team, and the committee consists of 4 people widely representing the departments in Zizzi. We find answers to questions such as how can we motivate our employees the best?, how do we create a more exciting physical work environment?, and how do we empower them to perform their best?. Culture, motivation, management tools, and work pride are the cornerstones of our work. We want to put people first and strengthen our managers to work with purpose-driven management. The goal for the People and Culture committee is to create a positive work environment that directly benefits the business.

To highlight some of the notable initiatives organized by this committee for all employees at Zizzi HQ, they have, among other activities, arranged a European Championship Football tournament, which was a resounding success. Each department demonstrated their enthusiasm for the tournament by decorating their office spaces and spreading football spirit throughout the workplace, with three departments being awarded 1st, 2nd, and 3rd places. Another noteworthy event is Halloween, during which special lunches are organized, and once again, each department is encouraged to showcase their creativity with decorations and spread a festive atmosphere of 'horror' across the office. Finally, December is eagerly anticipated at Zizzi, as the People and Culture Committee consistently excels in bringing the spirit of 'hygge' to everyone.

WORK – LIFE BALANCE

We believe that a good work life is one, that makes room for everyday life. We focus on creating a flexible workplace for our employees, in terms of both time and place, so they can have a work/life balance that fits them.

As an example, some employees work part-time, and office workers from HQ have the option to work from home every Friday.

WORKING FROM HOME

The majority of our employees work from home each Friday.

Working from home gives our employees the possibility to schedule their own day of work. They can find the calm to focus deeply on tasks that require a higher level of concentration, if needed. We find that the opportunity to work from home contributes to a higher level of flexibility and correspondingly higher level of employee satisfaction.



Commitment 3:

SIGNIFICANTLY IMPROVE OUR IMPACT ON THE CLIMATE AND ENVIRONMENT THROUGH OUR ACTIVITIES

The planet is our shared home, and we must all do what we can to protect it. We are already seeing the consequences of climate change around the world. It is not a risk, but a reality. We must therefore all work to lower our impact and we will do so the way best way we can – through our business activities and in cooperation with our suppliers.

To focus our work with this commitment, we have defined two key objectives:

Objective 3.1: Set 1.5°C reduction targets for scope 1 and 2 and work towards reducing remaining scope 3 emissions caused by own operations and actions

Objective 3.2: Reduce emissions from inbound and outbound transportation of goods

Objective 3.1:

Set 1.5°C reduction targets for scope 1 and 2 and work towards reducing remaining scope 3 emissions caused by own operations and actions

Regarding calculation our carbon emissions, we follow the Greenhouse Gas (GHG) Protocol. It divides the source of the emissions into three different scopes:

SCOPE 1

Direct emissions, from resources we own and/or control, such as buildings and vehicles.

SCOPE 2

Indirect emissions, from purchasing electricity and district heating.

SCOPE 3

Indirect emissions not covered in Scope 2, from activities in our value chain, such as production and transportation of our products.

TARGET: CALCULATE SCOPE 1 AND SCOPE 2 EMISSIONS

LEVEL OF COMPLETION: 75%

Carbon accounting is a complex process and for us still associated with a fair amount of uncertainty. For 2024, our calculation of emissions for all scopes are as follows:

Total emissions – Market based	2023*		2024	
	Scope	Ton CO ₂ e**	Percentage of emissions	Ton CO ₂ e
Scope 1	709,46	3,41%	898,16	3,47%
Scope 2	295,63	1,42%	509,79	1,97%
Scope 3	19.808,56	95,17%	24.461,10	94,56%
Total	20.813,65	100%	25.869,05	100%

Table 17
Data collected
November 2024

Total emissions – Location based	2023*		2024	
	Scope	Ton CO ₂ e	%	Ton CO ₂ e
Scope 1	709,46	3,45%	898,16	3,53%
Scope 2	86,45	0,42%	137,45	0,54%
Scope 3	19.795,56	96,13%	24.435,98	95,93%
Total	20.591,47	100%	25.471,60	100%

Table 18
Data collected
November 2024

*Emissions from 2023 has been recalculated due to an error in the classification method.

** "T CO₂ e" is equal to "tonnes of carbon dioxide equivalents."

A closer look at scope 1 and 2 reveals the following emission sources:

Scope 1	2023*		2024	
	Emission source	Ton CO ₂ e	%	Ton CO ₂ e
Mobile combustion	49,77	7%	46,08	5%
Stationary combustion	659,69	93%	852,08	95%
Total	709,46	100%	898,16	100%

Table 19
Data collected
November 2024

Scope 2 – Market based	2023*		2024	
	Emission source	Ton CO ₂ e	%	Ton CO ₂ e
District heating	12,00	4%	21,09	4%
Electricity	263,38	96%	488,70	96%
Total	275,37	100%	509,79	100%

Table 20
Data collected
November 2024

Scope 2 – Location based	2023*		2024	
	Emission source	Ton CO ₂ e	%	Ton CO ₂ e
District heating	12,00	14%	21,09	15%
Electricity	74,46	86%	116,37	85%
Total	86,45	100%	137,45	100%

Table 21
Data collected
November 2024

*Emissions from 2023 was recalculated due an error in the classification method.

The notable increase in stationary combustion, district heating and electricity is likely due to opening of new retail stores, moving to a bigger warehouse and general growth of the company. However, it has been challenging to collect high-quality data for scope 1 and 2, and therefore the calculated emissions have some level of uncertainty.

Consumption data is unit-based and has been collected through a review of invoices. Some of the data is based on estimates. Data collected for scope 1 and 2 covers our headquarters in Billund, office in Aarhus, warehouse in Horsens and our retail stores in Denmark.

The emission factors are sourced from Klimakompasset. The emission factor for district heating is a national average.

The goal for next year is to further investigate our scope 1 and 2, with the intention of enhancing our data quality and lowering the degree of uncertainty.

TARGET: CALCULATE SCOPE 3 EMISSIONS

LEVEL OF COMPLETION: 33%



For 2024, our calculations for scope 3 are as follows:

Scope 3 – Market based	2023*		2024	
	Ton CO ₂ e	%	Ton CO ₂ e	%
Purchased Goods & Services	15.511,47	78%	13.913,66	57%
Fuel- and energy-related activities not included in Scope 1 & 2	198,17	1%	1.745,76	7%
Upstream transport & distribution	2.005,11	10%	6.791,85	28%
Business travels	-	0%	116,21	0%
Downstream transportation & distribution	2.093,81	11%	1.893,62	8%
Total	19.808,56	100%	24.461,10	100%

Table 22
Data collected
November 2024

Scope 3 – Location based	2023*		2024	
	Ton CO ₂ e	%	Ton CO ₂ e	%
Purchased Goods & Services	15.511,47	78%	13.913,66	57%
Fuel- and energy-related activities not included in Scope 1 & 2	185,17	1%	1.720,64	7%
Upstream transport & distribution	2.005,11	10%	6.791,85	28%
Business travels	-	0%	116,21	0%
Downstream transportation & distribution	2.093,81	11%	1.893,62	8%
Total	19.795,56	100%	24.435,98	100%

*Emissions from 2023 was recalculated due to an error in the classification method.

Table 23
Data collected
November 2024

The spend based method is primarily used to calculate emissions for scope 3, and therefore the calculated emissions have a relatively high degree of uncertainty. The emission factors are sourced from Klimakompasset. Also here, next year's goal is to further investigate our Scope 3, with the intention of enhancing our data quality and lowering the degree of uncertainty.

TARGET: SET REDUCTION TARGETS

LEVEL OF COMPLETION: 0%



The complexity of carbon accounting has made us put this target on hold. Before we can set a reduction target, we must have a better view and better understanding of our total emissions.

TARGET: COMMIT TO SCIENCE BASED TARGET INITIATIVE (SBTi)

LEVEL OF COMPLETION: 0%



The SBTi is a partnership between the CDP, the UN Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

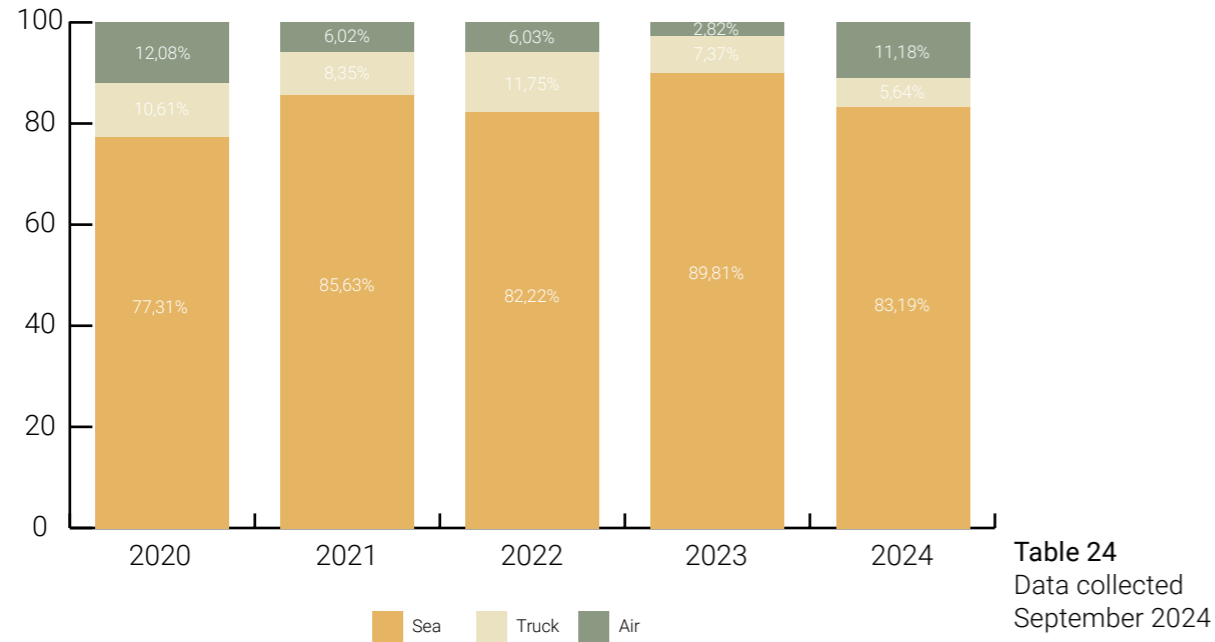
SBTi is based on the standards of the GHG Protocol and is an initiative where companies commit to climate action and reducing their emissions in line with the ambitions of the Paris Agreement of limiting global warming to 1.5°C. Any commitments made must comply with this ambition.

Many retailers have started to implement SBTi into their responsibility requirements, and if you are more than 500 Employees, your goals are validated by SBTi.

We wish to commit to SBTi because it is a widely recognized initiative, where commitments are made public. However, as with the target above, we need a better view and understanding of our emissions, before we can start setting reduction targets.

Objective 3.2:

Reduce emissions from inbound and outbound transportation of goods



INBOUND TRANSPORTATION

Inbound transportation includes the transportation from our suppliers to our warehouse.

The majority of our inbound transportation was still by sea freight in 2024. However, this year had more significant supply chain disruptions compared to previous years, largely due to issues in the Red Sea and strikes in Bangladesh. As a result, our need for air freight increased to address these challenges.

OUTBOUND TRANSPORTATION

Outbound transportation includes the transportation of our products from our warehouse to our stores, retailers, and customers.

The majority of our outbound transportation was done by truck. Most of our retailers and customers are located around Europe, as is our warehouse. Therefore, transportation by truck is the most efficient outbound transportation method.

TARGET: DEVELOP A TRANSPORTATION POLICY THAT WILL REDUCE EMISSIONS FROM TRANSPORTATION

LEVEL OF COMPLETION: 100%



All employees who place orders for freight or transportation have been instructed to follow a principle of low speed, low emissions. This means choosing sea freight as often as possible, and truck if the transportation is within Europe. Only in instances of severe delays due to supply chain issues, air freight is considered an alternative.

Commitment 4:

EQUAL OPPORTUNITIES FOR EVERYONE NO MATTER THEIR GENDER, AGE, SIZE, RACE, OR ORIGIN

No matter of looks, language spoken, choice of partners, beliefs, religion or heritage, every person should have the same set of opportunities. Everyone deserves to feel represented and valued, and we should celebrate the ways we are different and not just the ways we are alike.

To focus our work with this commitment, we have defined two key objectives:

Objective 4.1: Secure a diverse workforce of talented people with different backgrounds, gender, and perspectives

Objective 4.2: Portray real women as they are, no matter their size, age, or race by telling their story and be their voice

Objective 4.1:

Secure a diverse workforce of talented people with different backgrounds, gender, and perspectives

Different people have different viewpoints and skills, and everyone brings something valuable to the table.

Gender diversity HQ	
Female	87
Male	22
Total	109

Table 25
Data collected
December 2024

Gender diversity WH	
Female	54
Male	39
Total	93

Table 26
Data collected
December 2024

We manage diversity by recruiting and retaining the best talent for the position, while being mindful of offering equal opportunities for everyone. Further, we strive to have a balanced mix of genders across teams and management levels, as we know this supports both business and social dynamics.

As seen above, the gender majority at our HQ and warehouse is female.

TARGET: HAVE AT LEAST 33% OF THE UNDERREPRESENTED GENDER AT EACH MANAGEMENT LEVEL

LEVEL OF COMPLETION: 100%

The Danish government has made several laws regarding gender equality. Due to these legislations, companies must include a calculation on gender diversity in management levels. If the top management is comprised of 3 members, the target goal for the underrepresented gender is 33%. For management groups, that are more than 3 members, the target goal is 40% for the underrepresented gender.

The Board of Directors consists of two members per 2024 and has a gender composition of 100% male. As there are only two members in the Zizzi Board, a target for gender balance is not formulated in line with the guideline of reaching 40/60 balance between the genders. The gender composition of the BoD in 2024 is subject to resource availability with Zizzi Holding's ApS owner.

BoD	2023	2024
Total # of members	2	2
% of underrepresented gender	0%	0%
Target	N/A	N/A
Year of reaching target	N/A	N/A

Table 27
Data collected
December 2024

Other Management levels (combined)	2023	2024
Total # of members	24	25
% of underrepresented gender	37,5%	44%
Target	40%	40%

Table 28
Data collected
December 2024

As illustrated above, the target goal of 40% on other management levels has been met.

Objective 4.2:

Objective 4.2: Portray real women as they are, no matter their size, age or race by telling their story and be their voice

TARGET: ENSURE WOMEN OF ALL SIZES ARE PORTRAYED IN OUR CAMPAIGNS

LEVEL OF COMPLETION: 100%

Diversity is at the heart of everything we do, and we believe in fashion and beauty beyond size. At Zizzi, we are committed to embracing the differences in shapes and sizes, ensuring that everyone feels comfortable and confident. By featuring models of all sizes in our campaigns, we aim to create communication where women can truly see themselves represented. Our mission is to deliver on-trend fashion with perfect fits, inspiring women to explore their unique fashion identity. Representation matters, and we are dedicated to providing a world-class experience for our customers, celebrating diversity as a core part of our DNA. Therefore, a priority for us is ensuring that models of all sizes are represented in our campaigns, reflecting our dedication to inclusivity and representation.

EVERYDAY WOMEN – WITH YOU, FOR YOU. ONE STEP CLOSER TO THE CUSTOMER.

'Everyday Women' reflects our ambition to portray a world that is a bit more real, a bit more true to women as they are and look in real life.

During 2022, we took the first steps in the process of including more real-life women in our everyday work and campaigns. This resulted in an introductory campaign featuring six women from across Europe and, amongst other initiatives, pictures for our 'Shop the Look' concept, giving the online customer a platform of outfit inspiration as seen on real-life women.

In 2023 we chose to continue this project in 2023 and on March 8th also known as International Women's Day, Zizzi launched the Everyday Women's Manifest: Real, ordinary women – representatives of Zizzi. We also invited our Everyday Women representatives to an event in Copenhagen where they were asked to use this platform to spread positivity and self-love by having the models voice their best and most positive advice to our customers.

In 2024 we have used 9 Everyday Women in our work and campaigns. All the wonderful pieces of advice can be seen on our website: <https://www.zizzifashion.com/everyday-women/c89348.html>

Everyday Women is our path to a world of fashion that is a little bit closer to a real woman.



Thank you for reading this year's sustainability report.

We hope you enjoyed getting to know our business a little better.

As you will have noticed reading the report, we are not finished just yet. We still have targets with various degrees of completion and some we are not even able to assign a level, because we're still in the starting phase.

The easiest thing would have been to not include targets on which we do not have something to report. But we believe in the importance of practicing transparency, and this report is as much a communication of our sustainability strategy.

We do not only want to show you how far we have come, but also where we are heading.

Questions and comments are welcomed and can be sent to csr@zizzifashion.com

Methodology

26% OF ALL STYLES WERE MADE OF AT LEAST 50% PREFERRED FIBRES

We calculated the share of styles containing at least 50% preferred fibres using the following formula: Share of POs with preferred fibres = (Preferred fibre POs)/(Total POs). The calculation is based on POs rather than styles, as a single style can have multiple POs and fibre compositions may change. A PO qualifies if the style contains at least 50% preferred fibres, such as 100% organic cotton or a blend like 80% EcoVero Viscose and 20% Linen.

EMPLOYEE TURNOVER RATE

Calculated as follows: Employee turnover rate = (Employees terminated in 2024)/(Total employees primo 2024). The employee turnover rate only covers our HQ.

TABLE 1: SOURCING COUNTRY BY VOLUME

The sourcing country refers to the country where production takes place. For example, if a direct supplier is located in Bangladesh but their production unit operates in China, the sourcing country would be China. Our sourcing countries have been calculated using the following formula: Share of sourcing from country X = (Sourcing amount from country X)/(Total sourcing amount)

TABLE 2-3: DIRECT SUPPLIERS + PRODUCTION SITE

To create the table listing our direct suppliers and their production sites, we counted the number of direct suppliers engaged throughout 2024, along with the production site(s) they have registered with us. These were then grouped by country.

TABLE 4: FOCUS MATRIX

We categorize suppliers in a focus matrix based on country, material, and product type. High risk reflects significant environmental or social challenges, such as water scarcity in India or the use of harsh chemicals in producing denim or leather, which endanger workers and the environment.

TABLE 5-6: GOTS + GRS

As with table 2 and 3, we counted the number of direct suppliers engaged throughout 2024 and grouped them by certifications. This includes all suppliers holding a GOTS or GRS certificate, regardless of whether we sourced any certified styles from them.

TABLE 7-15: MATERIALS AND FIBRE TYPES BY WEIGHT

We used the weight of each style, the total number of items produced, and the material composition of each style to calculate the share of materials as follows:

Material weight pr.style=(style weight * total items produced)*share of material

Share of material byhz

Weight=(total weight of material)/(total weight of all materials)

However, since the weight per style is only an estimate, the material share calculation is not entirely accurate.

TABLE 16: SOCIAL AUDITS REMARKS

We calculated social audit remarks by reviewing each report and noting all remarks. For BSCI audits, less critical issues were rated A or B, while critical ones were rated D or E. C-ratings were classified based on the specific remark. In SEDEX audits, less critical issues required desktop follow-up, while critical ones required a follow-up audit.

TABLE 17-23: SCOPE 1, 2 AND 3

We calculated our CO₂e emissions using the following formula:

CO₂e=Consumption (kg,kWh,m³)*Emission factor

or scope 1 and 2, activity data is based on physical units, such as litres of diesel or kWh of electricity. In 2024, we were unable to gather data from retail stores outside Denmark. For scope 3, activity data relies on monetary units, and emission factors are sourced from Klimakompasset (2022).

Regarding the five principles of carbon accounting—relevance, completeness, consistency, transparency, and accuracy—our CO₂e emissions calculations fall short in completeness, consistency, and accuracy due to our inexperience in carbon accounting. Some emission sources were omitted or estimated, affecting completeness and accuracy, and our procedures are still being refined to improve consistency. However, with upcoming EU legislation like the CSRD, our calculations remain relevant, and we aim to maintain transparency by clearly communicating our methods.

Emissions from 2023 were recalculated due to a classification error.

TABLE 24: INBOUND TRANSPORT

Calculated as follows:

Share of transportation method=(Spend on transportation type)/(Total spend on transportation)