

BESTSELLER

ANNUAL REPORT
1 AUGUST 2023 — 31 JULY 2024

FREDSKOVVEJ 5
7330 BRANDE
CVR NO.: 88 21 65 12

AS ADOPTED AT THE
ANNUAL GENERAL MEETING
ON 7 OCTOBER 2024

THOMAS BØRGLUM JENSEN
CHAIRMAN

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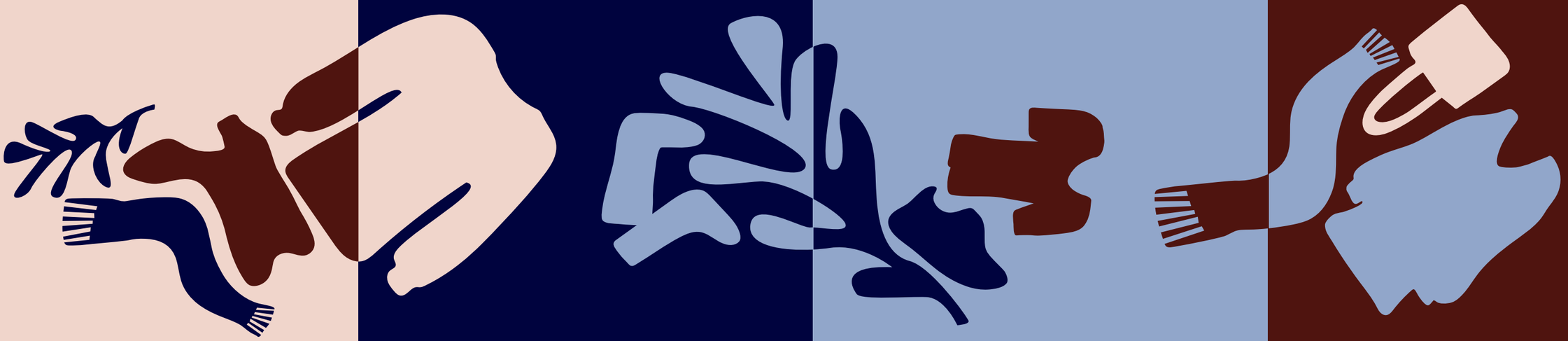
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Adapting to new demands — in our business and beyond

In 2023-24, we faced headwinds, but found solid ground in our unwavering commitment to transform our business and bring fashion forward. While navigating a challenging market and balancing the juxtaposition of growth and sustainability, we remained determined to invest in our business and beyond.

INTEGRATED REPORTING

This report presents BESTSELLER's financial and sustainability performance, investments, risks, strategy, and governance for the financial year 1 August 2023 to 31 July 2024.

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

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

We are striving to fully integrate the reporting of all sustainability data with financial data in the same reporting period in the future. This will provide a comprehensive view of our performance and progress across both dimensions.

Through this integrated reporting approach, we aim to demonstrate the interconnectedness of our financial and sustainability goals and our commitment to creating long-term value for our stakeholders.

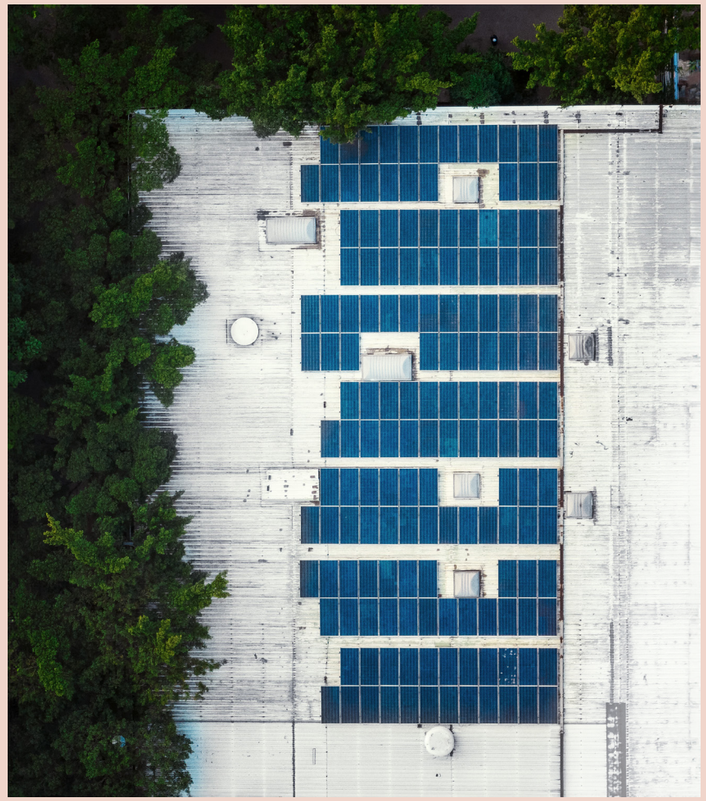


Organic cotton
We increased our commitment to a transparent and fair cotton production through the direct-to-farm programme. Read more on page 88 and 160.



Innovation
We collaborated with innovators and launched capsule collections made with new materials. Read more on page 86 and 156.

Supply chain
We introduced a collaborative initiative to financially empower suppliers to reduce their carbon footprint. Read more on page 82.



Letter from our CEO & Owner

At BESTSELLER, we continuously invest in our business and beyond. Even in a challenging market, we remain steadfast in our commitment to serving our partners and customers and bringing fashion forward.

In 2023-24, we set out to reach new milestones, grow our company, and surpass last year's results. Mindful of our heritage and founding principles, this is our aim every year, as we know our results are profoundly linked to our obligation to leave a positive impact on the world around us and to generate economic contribution which can benefit countries we operate in.

While doing our best to fulfill this aspiration, we witnessed the impact of macroeconomic challenges along the way.

As expected, persistent inflation and geopolitical uncertainties affected the market and caused a tough year for the fashion industry.

These challenges also affected us, ultimately resulting in a turnover slightly below our ambition.

Despite this, we managed to adapt to a new market and new demands, not least thanks to valued partnerships and skilled colleagues.

As a result, profitability increased by 8 percent for this financial year. This achievement is a testament to the hard work and eagerness to innovate and invest that characterise the spirit of BESTSELLER, perhaps more than ever when we are facing headwinds.

Continuous investments – throughout the ebb and flow of business – play an important role in honouring the responsibility we carry for our company and the world we are a part of.

Without hesitation, and with BESTSELLER's persistent determination, we have invested in new markets and new retail stores as well as new technology throughout our value chain.

Furthermore, we have invested in efforts to reduce our environmental footprint. Balancing growth with sustainability is one of the biggest challenges we face as a fashion company. But it is also a challenge we face head-on with determination, transparency, and cautious optimism.

To motivate and accelerate our commitment towards reaching our targets, we will launch sustainability incentives for all colleagues in 2025.



As BESTSELLER approaches its 50th anniversary next year, I am humbled by what we have achieved this year and in the years that came before it.

Through our commitment to investing and bringing fashion forward, we are casting the foundation for the next 50 years.

Anders Holch Povlsen
CEO & Owner

Joint letter from our CFO & Head of Sustainability

Delivering results in a challenging market should not be underestimated. Nonetheless, true commercial success must be aligned with the ability to operate within the limits of the planet's resources and boundaries. While we have made progress, there is still a significant journey ahead. In this report, we outline the goals we must achieve to reach our ambitions.

Considering the difficult market conditions and a changing fashion landscape, we delivered reasonable commercial results for our financial year from 1 August 2023 to 31 July 2024. Top-line revenue fell by 4 percent, to DKK 35.6 billion, driven by conservative order patterns from online wholesale partners and a slight decrease in sales on our own online channels.

In contrast, the multichannel retail nature of our business showed its strength, with top-line revenue from physical wholesale partners and particularly from our 2,800 branded retail stores continuing to grow in line with recent years.

Despite pressure on top-line revenue, our bottom-line profitability improved. This was primarily due to higher online sell-through, lower stock levels, and efficiency gains, especially in our logistics operations. As a result, profitability increased 8 percent to a total of DKK 5.3 billion.

We anticipate the global uncertainty to continue into the current financial year, 2024-25, and expect revenue to remain stable and profit ranging between DKK 5 and 6 billion.

The ability to deliver results under difficult circumstances allows us to continue to invest in an even stronger commercial foundation and in bringing fashion forward. Our results are undoubtedly linked to our abilities to deliver on our broader ambitions and responsibility. Therefore, it is essential to invest in and elevate both, as they are deeply interconnected, forming the core of our overarching goal. In the coming years, we intend to do exactly this.

The dilemma facing our industry

As with every company, our commercial success must go hand-in-hand with our broader responsibilities as part of an industry that operates with respect for human rights and within planetary boundaries.



Dorte Rye Olsen
Head of Sustainability

Thomas Børglum Jensen
Chief Financial Officer

Going forward, we will amplify our efforts and collaboration with customers, suppliers, consumers, and peers to address the ever-present dilemma facing our industry and all industries working in consumer goods. That is, delivering the right products, which provide the right value at the right time to consumers. All while simultaneously addressing the environmental and social impact of our business across the value chain.

This report marks the second year we have consolidated our financial, social, and environmental performance into a single, unified narrative, and we continue to further integrate our reporting.

In 2023-24, we communicate for the first time the amount of greenhouse gas emissions from our value chain linked to the financial year. The data shows we are beginning to see a decoupling of emissions compared to our commercial growth, a result largely driven by increased investments in preferred materials that have a lower environmental impact compared to conventional options.

As knowledge evolves
Collaborative solutions are crucial to achieving scale and transitioning to a circular future.



A year of investing to make the biggest impact
While we are happy to see progress, we recognise that there is a long way to go to reach our sustainability ambitions. To succeed, we have, and will continue to increase our investments in three key areas:

— Increasing the volume of preferred and next generation material in our products. These are materials with a lower environmental impact compared to conventional materials. In 2023-24, we increased the volume of recycled polyester, doubled the amount of organic cotton sourced directly from farmers, and committed to increasing the volume sourced by another 50 percent in 2024-25.

— Collaborating holistically with partners to decarbonise the global supply chain. This means working directly with suppliers to reduce their environmental impact and collaborating with peers to achieve scale at a faster pace. In 2023-24, we committed to investing in the Future Supplier Initiative. This initiative brings together major industry peers to provide financial support for garment producers and material manufacturers, helping them reduce their environmental footprint. Additionally, we made our biggest ever sustainability pledge for a renewable energy project in our supply chain.

— Extending the lifecycle of our products to prepare for a circular future. This starts with improving product quality and durability. It also means working together with partners across the industry to advocate for solutions that promote reuse and recycling, and engaging with consumers to raise awareness about their impact and providing solutions to promote recycling. In 2023-24, we launched our first online recommerce platform to enable product reselling.

Now for the hard part
Since the launch of our Fashion FWD sustainability strategy, we have made meaningful progress, and we remain committed to reaching our targets. Whenever we reach our goals, we will assess our progress and set new objectives. Similarly, we will introduce new, specific ambitions related to biodiversity, water, and land use, as these are areas with a profound impact on the health of our planet.

Some of our targets set in 2018 were to be achieved between 2025 and 2030. We are more than aware that some will be challenging to achieve within the indicated timeframe. Here, we will not make any excuses. Instead, we will do our best to improve and increase our efforts, as we know that the long-term success of our business hinges upon achieving financial, societal, and environmental goals.

Through collaborative efforts among customers, industry peers, suppliers, policymakers, and other stakeholders, we can collectively prepare the fashion industry for a circular future, which respects planetary boundaries. This is our unwavering commitment.

Thomas Børglum Jensen
Chief Financial Officer,
BESTSELLER

Dorte Rye Olsen
Head of Sustainability,
BESTSELLER

2023-24 Highlights



Supplier sustainability progress

We placed 78 percent of product orders with suppliers rated highly in our evaluation of environmental and human rights management. This result surpasses our 2025 goal of 75 percent.

FWD>>ENV programme

30 key suppliers in Bangladesh enrolled in the programme reported average annual savings of energy (7%) and water consumption (12%), reducing CO_2 emissions by 29,000 tonnes.



Retail performance

From a growth perspective, retail once again stood out in our total business. Sales in retail stores increase by over 5 percent.

Organic cotton

The total amount of organic cotton used in products nearly doubled, rising from 11 percent in 2022-23 to 21 percent in 2023-24.



Reduced electricity consumption in retail

Two years ahead of the projected timeline, we succesfully reduced our stores' electricity consumption per square metre by 30 percent since 2018, largely due to low-wattage LED lighting.



The Gender Diversity Pledge

We signed The Gender Diversity Pledge created by the Confederation of Danish Industry to support our mission of promoting diversity, equity, and inclusion across our company.



Climate emissions

We began to see a decoupling of greenhouse gas emissions from our growth, primarily driven by investments in low impact materials.

International Accord extension

We joined leading fashion brands in extending the International Accord for Health and Safety in the Textile and Garment Industry in Pakistan and Bangladesh for six more years.



National Olympic partnership

During Paris 2024, we proudly dressed the Danish Olympic and Paralympic athletes for the fifth consecutive time. The collection was designed and delivered by JACK & JONES and VERO MODA.



New brands

We launched two new brands, ANNARR and JJ Rebel, each catering to different menswear segments, providing new and distinctive style options for today's shoppers.



25 years in Austria

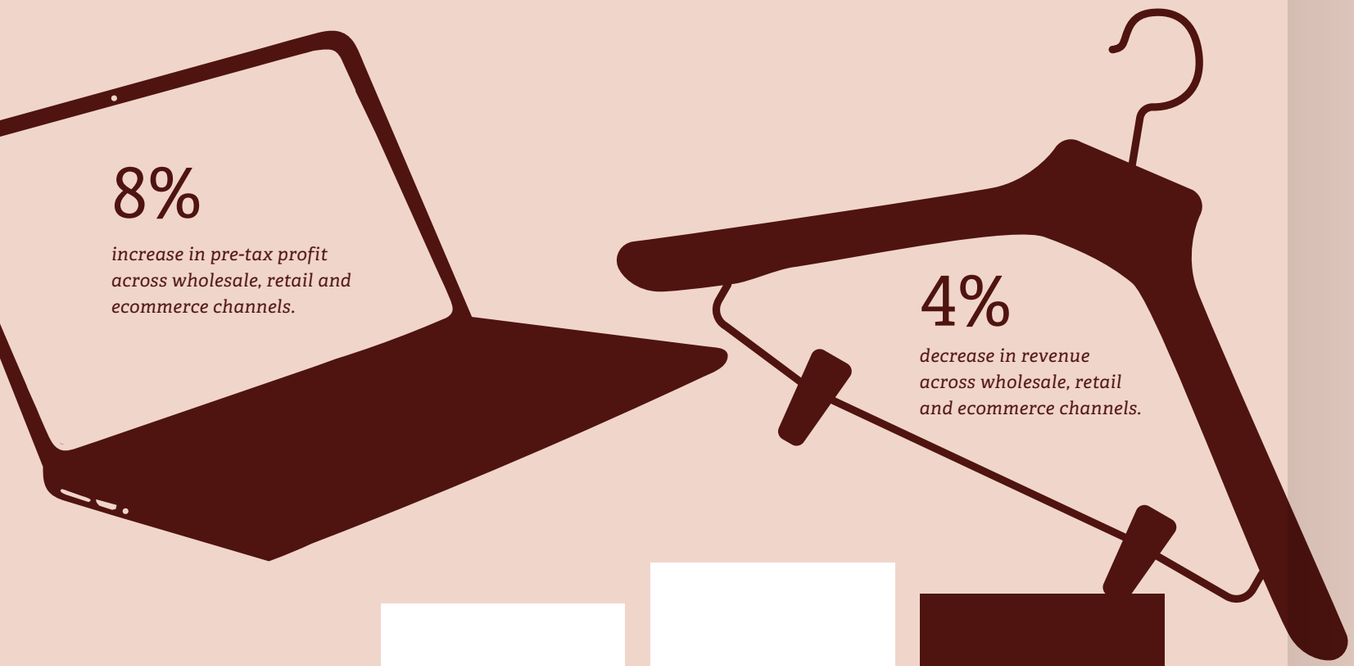
This year, we celebrated 25 years of BESTSELLER Austria with a party for colleagues and partners in Vienna.

Investing in the future of our suppliers

In collaboration with leading fashion companies and industry organisations, we launched the Future Supplier Initiative to financially empower suppliers to reduce their carbon footprint.

Financial highlights

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

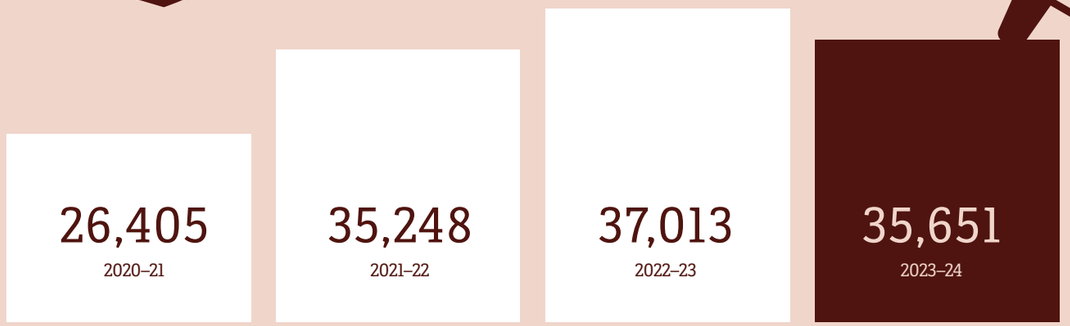


8%

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

4%

decrease in revenue across wholesale, retail and ecommerce channels.



(mDKK)	2023/24	2022/23	2021/22	2020/21	2019/20
Profit/loss					
Revenue	35,651	37,013	35,248	26,405	24,133
Gross margin	19,012	17,097	17,534	13,019	11,551
Gross profit	12,321	11,223	12,201	9,435	6,326
Profit before net financials	5,299	4,790	6,263	4,458	988
Net financials	38	154	-179	146	-212
Profit before tax	5,337	4,944	6,085	4,604	776
Profit for the year	3,932	3,913	5,143	3,609	415
Balance sheet					
Balance sheet total	21,745	21,132	22,308	18,246	13,830
Investment in property. plant, and equipment	1,794	1,779	1,371	379	513
Equity	11,827	11,848	11,881	8,734	5,245
Financial ratios					
Gross margin ratio	53.3%	46.2%	49.7%	49.3%	47.9%
Operating margin ratio	14.9%	12.9%	17.8%	16.9%	4.1%
Solvency ratio	54.4%	56.1%	53.3%	47.9%	38.0%

Definition of financial ratios

Gross margin = Revenue - Cost of sales

Gross margin ratio:
Gross margin x 100 / Revenue

Operating margin ratio:
Profit before net financials x 100 / Revenue

Solvency ratio:
Equity (at year end) x 100 / Total assets

Economic contribution

We strive to generate value in the countries and regions where we do business. One of the ways we do this is through tax payments, commercial relations, and other economic contributions.

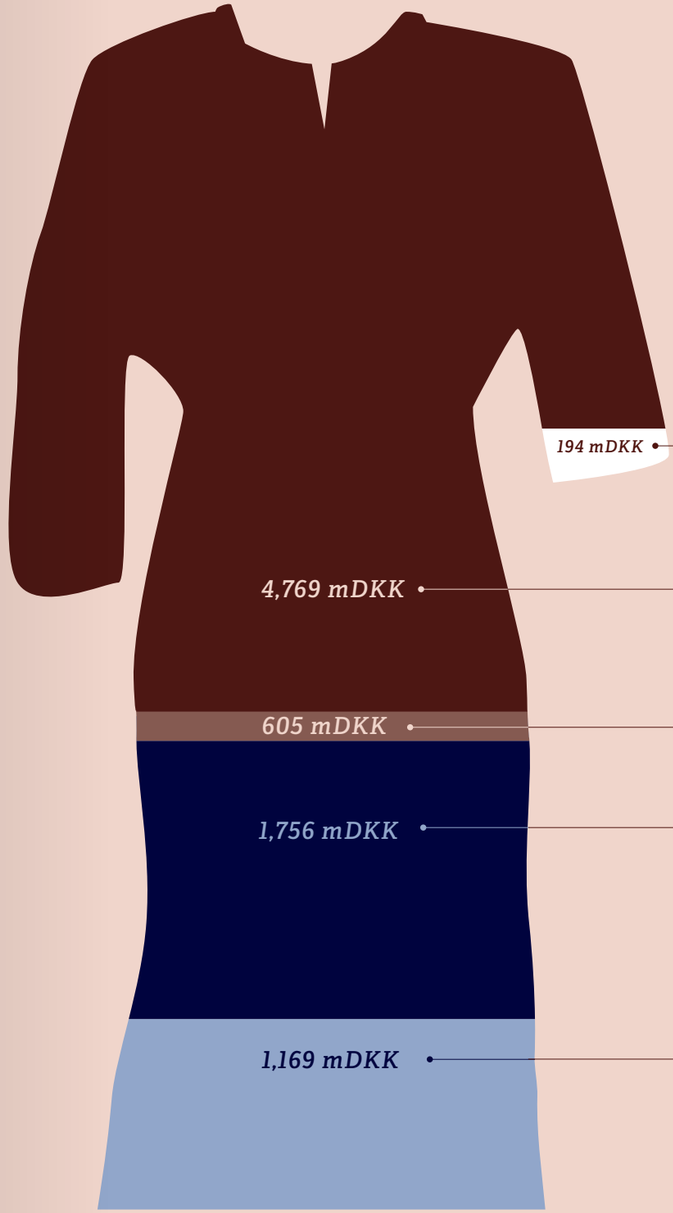
TOTAL TAX CONTRIBUTION

Our business model is based on buying and selling fashion. In addition to taxes on profit of the companies across BESTSELLER, our total tax contribution also includes additional value we generate for societies indirectly. These include, among others, the value added taxes and taxes paid on salaries by our 22,000 colleagues, as well as customs duties and property taxes.

Each year, BESTSELLER discloses our total tax contribution, aiming to provide an overview of our total economic contribution to public finances as generated during our financial year.

Taxes Borne: include corporate taxes, customes duties and other taxes levied on BESTSELLER such as property taxes. The total amount of taxes borne is 1,968 mDKK.

Taxes Collected: include Indirect taxes such as VAT, GST, and Sales Taxes, as well as payroll taxes. The total amount of taxes collected is 6,524 mDKK.



8,493

Total tax contribution (mDKK)

OUR TOTAL TAX CONTRIBUTION CONSISTS OF THE FOLLOWING CATEGORIES:

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.

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

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

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.

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.

BESTSELLER at a glance

It all started in a small store located in Ringkøbing in Denmark.



Founded in 1975 by the Holch Povlsen family, BESTSELLER is a global fashion company with a family of brands catering to every demographic. Our commitment to quality and affordability has been a core value throughout our journey from a single store in Denmark to selling products in more than 75 countries globally.

Our distribution network spans Europe, Asia, North America, South America, Oceania, and the Middle East. Through our wholesale operations, we collaborate with close to 16,000 multi-brand retailers, department stores, and online platforms. Additionally, we operate 2,800 BESTSELLER-branded retail stores, with a presence in 44 countries. Approximately 600 of these stores are run by close partners.

We are proud of our dedicated team of 22,000 colleagues. From design and logistics to sales and technology, we foster a culture of ambition and value creation for our partners.

Our global supply chain includes over 350 suppliers and 700 factories in 18 countries. We prioritise working together with our partners to keep improving manufacturing practices and empower over 700,000 people across our supply network.

TECH & Finance hub
Spain

Biggest markets
Germany
France
Spain
Italy
The Netherlands

Digital hub
The Netherlands

Main offices in Denmark
Brande
Aarhus
Copenhagen

Logistics centres
Denmark
Poland
The Netherlands
Spain

Sourcing offices
China
India
Bangladesh
Pakistan
Türkiye
Myanmar
Cambodia

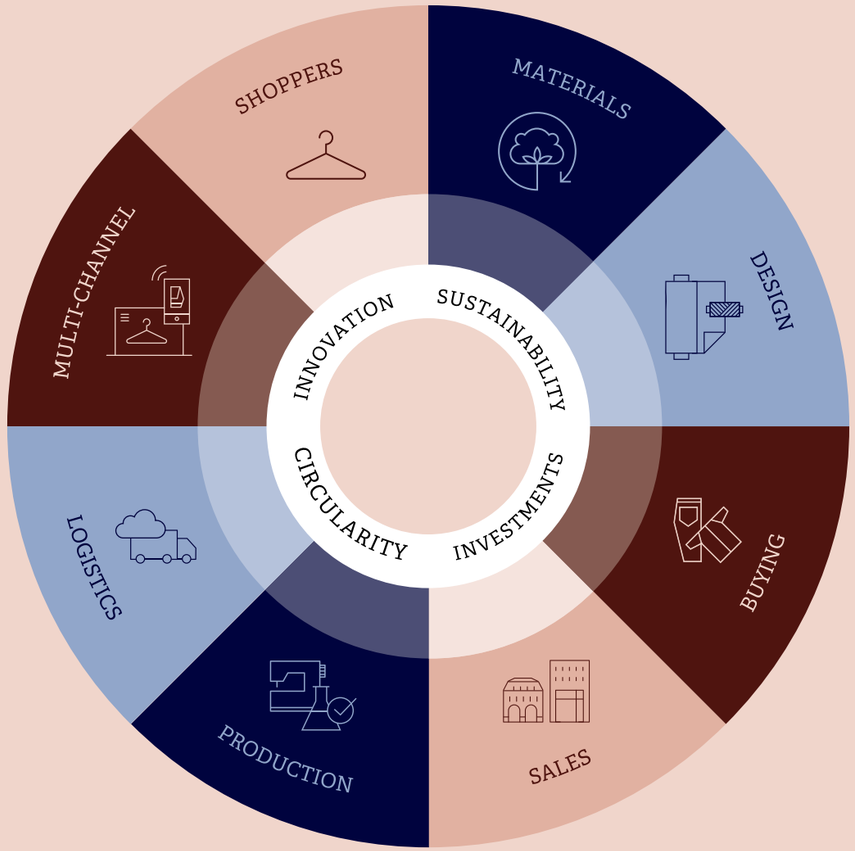


Our business model

As a global fashion company, we recognise the importance of strong partnerships throughout our value chain. Our success hinges on being the preferred supplier for our customers and the most valued customer for our suppliers.

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

We are dedicated to incorporating sustainability practices into every aspect of our operations, from material sourcing to production, logistics, and promoting reuse and recycling to extend product lifecycles.



● — *MATERIALS*
Collaborating with suppliers to increase the amount of products made with certified and branded materials.

● — *DESIGN*
Working closely with suppliers on trend analysis and style inspiration and creating products with circularity in mind.

● — *BUYING*
Evaluating trends, supplier input, and successful styles to inform buying decisions.

● — *SALES*
Introducing collections to sales teams for engagement with wholesale and retail partners.

● — *PRODUCTION*
Working with suppliers to manufacture styles using defined materials.

● — *LOGISTICS*
Collaborating with logistics partners to transport products from suppliers to distribution centres.

● — *MULTI-CHANNEL*
Distributing products across retail, wholesale, and e-commerce channels.

● — *SHOPPERS*
Empowering shoppers with information to make more informed choices and drive industry progress.

A guide to exploring the annual report

This integrated report offers a comprehensive overview of our progress and the key investments we have made over the past financial year along with our sustainability progress and financial figures.

With each financial year comes new opportunities and new challenges. As a global fashion company, our performance is impacted by external factors, such as macroeconomics, political legislation, and consumer behaviour. But our success is defined by how we adapt to these demands and our ability to turn challenges into opportunities.

For this reason, we continuously invest in our business and beyond to ensure sustainable growth today and for years to come. Investments have always been an important part of our company, but this year, perhaps more than ever, has been defined by key investments across our value chain.

A YEAR OF INVESTMENTS

In the first part of the report, we highlight selected initiatives and results from the year that has passed through case stories from our business.

More specifically, we zoom in on Brands & Markets, Technology & Digitalisation, and Planet & People as this trifecta holds defining investments made in a challenging market.

Brands & markets

Expanding our global retail footprint and strengthening our brand portfolio.

Technology & digitalisation

Digitising sales channels and enhancing customer experiences.

People & planet

Our commitment to sustainability through caring for colleagues and taking responsibility for our environment and society.

SUSTAINABILITY STATEMENT

In the second part of the report, we dive deeper into our sustainability progress and challenges by presenting our statutory reporting on corporate responsibility in accordance with the Danish Financial Statements Act §99a. Here we detail our performance, risks, strategy, and governance.

In this comprehensive statement, we also introduce our Fashion FWD strategy and describe how we are working to integrate sustainability throughout our business. The overall structure is based on our three main sustainability pillars: 'Addressing our Environmental Impact', 'Preparing for a Circular Future', and 'Supporting the People Throughout our Value Chain'.

FINANCIAL STATEMENT

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

The framework of this year's annual report is used to facilitate a thorough and methodical way to explore and understand our investments, ambitions, challenges, and results, and how we continuously adapt to new demands in our business and beyond.

The courtyard of our newly renovated office on Rue de Provence in Paris.

Brands & markets



We are committed to growing our business by investing in new stores, new brands, and new markets – to name a few.

In this chapter, we will highlight the key investments we have made in 2023-24 across brands and markets to grow our business through expansion and improved logistics. With an emphasis on the right products and the right locations, we launched several strategic initiatives this financial year.

These includes two new brands, expanding to emerging markets, and opening and renovating new offices and new retail stores. Here, we also highlight our investment in a new logistics centre in the Netherlands.

Brick-and-mortar leads the way

Investing in
retail

In a consecutive financial year, retail was once again our fastest-growing sales channel. Led by our two biggest retail brands – ONLY and JACK & JONES – we invested in new stores and grew our revenue by 5 percent.

More than 2,800 branded stores in 44 countries make up our retail business. As the public face of many of our brands, these stores are an important part of BESTSELLER – not only due to brand value and financial value but due to the stores' contribution to thriving city centres as well.

In 2023-24, our retail brands grew our presence in the market by investing in new stores and entering new countries. Still, our largest retail markets remain Germany, the Netherlands, and Denmark.

2,800 *branded stores*	*44* *countries*



ONLY – A NEW STORE EVERY OTHER DAY

During this financial year, ONLY STORES delivered retail growth of 18 percent and invested considerably in bigger and better stores.

The brand opened 180 stores – half of them completely new and half of them expanded or moved to a more suitable location. 30 of the new stores represent ONLY STORES' entry into three new retail markets: France, Italy, and the Czech Republic.

In line with previous successful retail years, ONLY STORES' retail growth in the financial year 2023-24 is the result of a strategy that targets more square metres on attractive locations with a vast selection of styles.



Finn Poulsen
Brand Director
ONLY

"Closing yet another strong retail year for ONLY STORES reinforces not only our confidence but our obligation as a market leader. We will continue to dominate the market – in fact, I believe we have the potential to triple our retail business over the next decade."

Elaborating on this strategy, Finn Poulsen says: "We will continue to grow our retail business by opening stores that offer a unique shopping experience, exceeding customers' expectations of a regular fashion store. Running hundreds of mega stores all over Europe with new styles arriving frequently requires an impressive setup across the value chain. This is possible at ONLY STORES thanks to skilled colleagues in our offices and in our stores – they truly are the backbone of our company."







ONLY
More square metres in better locations allow ONLY STORES to present a vast style selection for shoppers.

JACK & JONES – DIGITISING RETAIL ALL OVER THE WORLD

With 135 new and re-opened JACK & JONES stores, 2023-24 has been yet another eventful retail year for our biggest menswear brand. From the first store in Norway more than 30 years ago to store number 1,000 opened in Portugal this financial year, investments in expansion have been a constant from the very get-go.

The brand has made its retail entry in four new markets – Latvia, Mauritius, Portugal, and Slovenia – cementing the commitment to global growth.

Anders Gam
Brand Director
JACK & JONES

"Retail has always been a very important part of our business – and with more than 100 store openings, this year was no exception. New stores and new markets enable us to bring our products closer to shoppers around the world. We are targeting global expansion through dedicated teamwork and valuable partnerships."

In 2023-24, JACK & JONES also continued its investments in omnichannel to create a seamless connection between retail and e-commerce. Adding to existing digital features such as in-store ordering, the launch of JACK & JONES Club in 11 markets and counting is expected to digitise the retail experience further while increasing basket quantity and strengthening shopper loyalty. Read more about this investment on page 72.

When it comes to future investments, Anders Gam shares: "We will not only continue to expand our global retail portfolio, but we will also invest in our first multi-brand concept store with JACK & JONES and JJXX in the heart of London, marking the beginning of our retail journey into women's fashion."



JACK & JONES
The new 400 m2 JACK & JONES store in Amadora, Portugal, marked the brand's store number 1,000.







JACK & JONES
Visual merchandisers like Theresa create captivating displays that contribute to a great retail experience.

Targeting new segments

Investing in
new brands

In 2023-24, our brand portfolio grew as we welcomed two new brands, each catering to different segments in the menswear market. We continuously invest in brand development to expand our business and meet the demands of today's shoppers.

Our family of more than 20 brands is constantly evolving and adapting to new market trends and customer needs.

Ever since the first BESTSELLER womenswear brand was founded nearly 50 years ago, we have invested in brands and sub brands – from menswear to childrenswear, to plus size and petite and now, entry-price to premium.

20+	*2*
brands	*new brands*







JJ REBEL – AN ENTRY-PRICE BRAND THAT DOES NOT COMPROMISE ON QUALITY

Launched with a competitive price strategy, JJ REBEL is the newest addition to the JACK & JONES brand portfolio. The new brand will offer collections kept at a lower price point made possible through a narrow collection structure.

By basing the selection of styles on years of industry know-how and collaborating with longstanding suppliers, the brand can cover all categories with few but strong products that maintain the JACK & JONES product quality.

Dennis Birk Jørgensen
International Sales Director
JACK & JONES

"We have high standards for our qualities at JACK & JONES. JJ REBEL is no exception. We are able to create these entry-price collections due to a determined and focused product strategy – not because we compromise on quality."

ANNARR – A PREMIUM BRAND THAT TRANSCENDS SEASONAL TRENDS

Inspired by the urban cityscape of Copenhagen, this new menswear brand targets the premium fashion market with meticulously crafted staples that appeal to high-end shops and key department stores.

Innovative fibres, relaxed silhouettes, and inspiration from streetwear are some of the defining characteristics of ANNARR.

Per Holk Reinertsen
Brand Manager
ANNARR

"Even in challenging times and a competitive market, we are making our entry to meet the demands of a rapidly evolving young generation. They want to dress smarter, wear the best quality in new silhouettes, and combine elements from streetwear with tailoring."



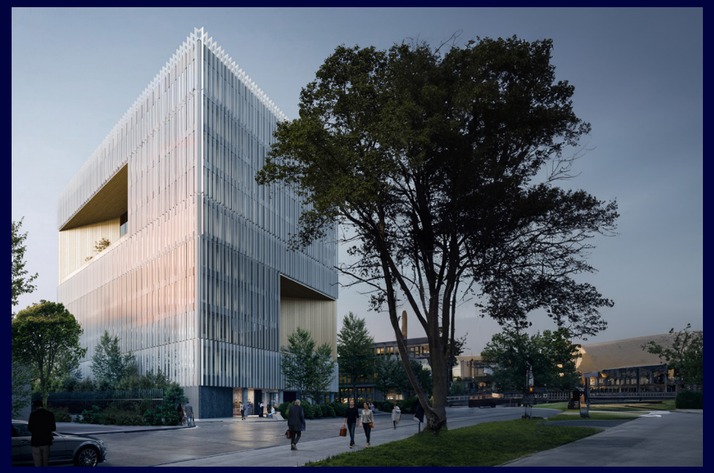


Expanding a region

Investing in
new markets

Expansion was a main headline for BESTSELLER Region East this financial year. Investments into new markets in the Middle East and Eastern Europe grew the region's business to cover more than 30 countries run by five local hubs.

Ljubljana
The new regional hub in Ljubljana will serve as a centre for business activities in the South East Subregion.



Our products are currently sold in more than 75 countries worldwide. While Germany remains our biggest market, we continuously invest in new emerging markets that hold great potential. These investments cover a wide range of business activities including wholesale and retail business.

In 2023-24, BESTSELLER Region East – a business region that covers various markets from Austria and Eastern Europe to the Middle East and North Africa – led the way by launching new offices in Athens, Dubai, Istanbul, and Ljubljana and opening 60 new retail stores across the vast region.





Alexander Korosec
Regional Director
BESTSELLER Region East

"While the wholesale business is the backbone of our company, the retail business, own stores and partner stores alike, is the main growth driver. With an estimated potential of 700 stores across the region, we face today's market complexity head-on by investing in the right markets and the right people."

Localisation is an important factor when expanding a region that covers more than 30 countries. Elaborating on this strategy, Alexander Korosec says: "To realise the full potential of these new markets and keep a competitive edge, localisation is key. That is why we are continuing our growth journey by creating additional local hubs and organisations run by skilled colleagues with an entrepreneurial spirit."

Investing in new markets, especially outside our core business in Western Europe, is not new to this BESTSELLER region. The region includes Türkiye – BESTSELLER's fastest-growing sales market for the last two years.

"With the recent success in Türkiye achieved by our local team, we have seen first-hand what we can create when we invest in markets with great potential. This year, we turned to Balkan and the Middle East to establish new regional hubs in Dubai and Ljubljana – and we are far from done."

Read more about BESTSELLER Türkiye's 2023-24 results in the next two pages.

Growth market of the year – again

Investing in
new markets

In a consecutive year, Türkiye was once again our biggest growth market. Adding to last year's results, we seized new opportunities and untapped potential in a market with economic volatility. To support the growth of this market, we invested in new warehousing and a new showroom.

Emerging markets play an important role in achieving the growth we aim for each year. For this reason, we are continuously improving our products and expanding our business to new countries that match our brand portfolio.

Among these promising markets, Türkiye stands out this financial year with a top-line growth of 26 percent – on top of a record year in 2022-23. Eight neighbouring countries contribute to this result, as they are all managed from our hub in Istanbul. The country of Türkiye, however, stands for roughly 90 percent of the turnover.

Top-line growth of

26%





Zahit Murat Apaydın
Country Commercial Manager
BESTSELLER Türkiye

"By understanding our customers' needs and delivering quality products with the right timing and pricing, we have managed to turn the challenges of a developing market into opportunities."



Behind this result lie several strategic investments to support today's demand and tomorrow's potential. New dedicated teams for market expansion, relocation to a bigger warehouse, and a new showroom to showcase our brands are among the market's defining initiatives of the year.

Busy times at this year's VERO MODA VIP event in Vienna.

Optimising valued partnerships

Investing in
partnerships

We rely on trusted partners throughout the entire value chain. In 2023-24, BESTSELLER UK demonstrated the importance of great partnerships – especially in a challenging market – by investing in a collaborative project with ASOS to optimise and grow our shared business.

The UK market is home to one of our biggest cross-border online partners: ASOS. During the financial year 2023-24, we embarked on a joint project to address commercial challenges and improve business excellence. The goal was to improve performance, find efficiencies, improve speed-to-market, and ultimately deliver better sales and profits for both parties.

Utilising the trust and respect we have built over the years, we came together to collectively work across departments and functions to review and optimise end-to-end flows covering all aspects including commercial, logistical, and operational processes.

Although the project is on-going and holds further potential, the invested time and resources have improved our sell-through rate and impacted this year's result, closing the ASOS order book at index 110 compared to 2022-23 – a result that underlines the value of great partnerships and the power of collaboration.





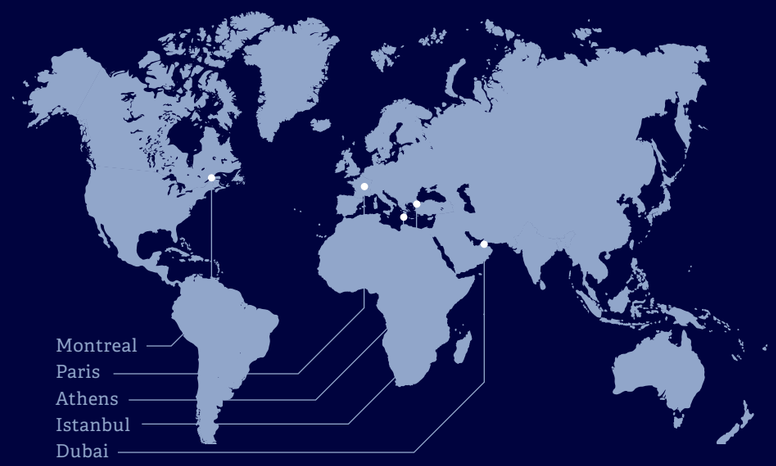
Lee Davison
Country Manager
BESTSELLER United Kingdom

"Nearness to our customers has always been a cornerstone of our business, perhaps now more than ever. The market is evolving and changing every day and we need to work in tandem to face any challenges and opportunities together. We will continue to roll out our sales, digital, operational, and logistic optimisation process across our partners to drive further efficiencies. Our ambition is to be closer than ever to our partners and faster to market than our competitors."

New offices

Investing in
new offices

During this financial year, we invested in new offices and in renovations of current locations to support the needs of our markets and ensure the BESTSELLER identity – no matter where you visit us.



We have offices in more than 30 countries worldwide. These locations are home to thousands of colleagues as well as visiting customers and business partners. Although every location offers something unique, each space is meticulously designed to enhance BESTSELLER's Nordic look & feel.



Birgitte Majlund Mikkelsen
Designer
BESTSELLER Identity

"We want our colleagues and customers to feel at home in all BESTSELLER offices around the world. No two locations are alike, but our identity spans geographical borders thanks to consistent choices in colours, furniture, and decorations. All offices are based on a modern and fashionable design philosophy with emphasis on creating a warm and ambient space for business and relaxing."

In 2023-24, we opened new offices in Athens, Dubai, Paris, and Istanbul and completed an extensive renovation and expansion of our office in Montreal.

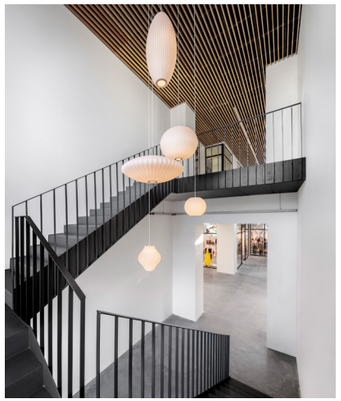
While some offices represent our entry into a new market, others represent growing markets that need better locations and more space.

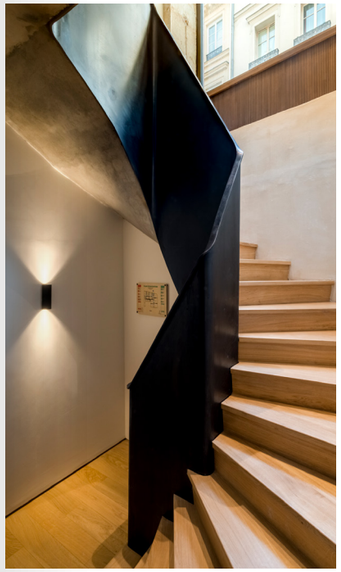
Entry or existing market, these new BESTSELLER offices are all designed to be long-lasting and flexible for future needs.



Athens
Our new office in Greece is a piece of modern architecture located in Kifissia, one of the oldest and most beautiful suburbs of Athens.









Paris
The newly renovated corner building on Rue de Provence in Paris' 9th arrondissement features a stunning mix of new and preserved materials.



Montreal
An extensive renovation doubled the size of our industrial office space in Montreal, creating more showrooms and inviting natural light inside.



Building a new logistics centre

Investing in
logistics

The Dutch city of Lelystad will be home to this year's biggest investment in logistics: a 155,000 m2 logistics centre with stunning architectural details and cutting-edge technology. When completed, it is expected to be Europe's largest logistics centre made of mass timber.



Our logistics centres play a crucial role in getting products to customers at the right time. To support the growth of our brands and optimise lead time, we have signed the papers for a new logistics centre – Logistics Centre West – that will also be our first own-operated warehouse outside Denmark.





Allan Kyhe Kjærgaard
Logistics Director
BESTSELLER

"Building Logistics Centre West not only strengthens our opportunities for future growth but also underlines our commitment to reducing the environmental impact of our logistics operations and the continual integration of automation technology to improve our business."



Storage capacity of 1,500,000 cartons



50% of the site dedicated to landscape



Biodiversity increased by 10%



Powered by 23,000 m2 solar panels



600 highly skilled colleagues



1,000+ robots

Designed by renowned architecture studio Henning Larsen, Logistics Centre West will offer around 600 colleagues a positive workspace of natural daylight, green areas, and timber sourced from FSC-approved suppliers.

BREEAM is one of the leading international building certifications in sustainable construction, and the new logistics centre is designed to be BREEAM-certified at the highest level due to features like solar panels and landscape areas protecting biodiversity and absorbing CO2.

To assist our skilled colleagues and increase efficiency, we will deploy state-of-the-art AI and robotic technology inside the logistics centre. With more than 1,000 robots, the facility is set to become one of Europe's most highly automated and efficient logistics centres.



When it comes to investments that demonstrate our commitment to tech and sustainability, Logistics Centre West was not the only initiative of this financial year. In the following chapters, you can read more about selected investments in these two key areas of our business.







Technology & digitalisation



Through digital investments, we are transforming our business and equipping ourselves with the technology needed to support our customers with the right products at the right time.

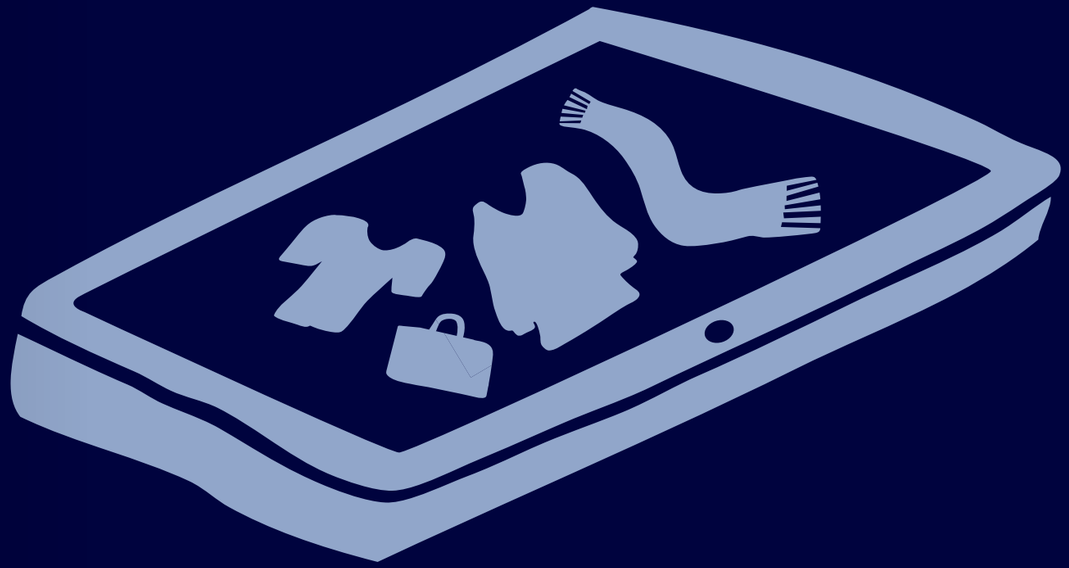
Investing in technology is critical to achieve our sustainability ambitions. By optimising our buying and sales processes, we can design closer to season and showcase our styles digitally to minimise the number of samples. At the same time, upgrading our data platforms is essential to create transparency and traceability in our supply chain.

In this chapter, we will highlight the key initiatives made in 2023-24 to accelerate our digital transformation.

This includes incorporating new generative artificial intelligence technology throughout our business, while supporting wholesale customers' transition to digital sales channels. It also encompasses new projects within automatic product replenishment and omnichannel shopping.

Introduction

At BESTSELLER, we navigate digital trends and adapt to new demands through investments in existing solutions and the latest technology to increase effectiveness, strengthen security, and optimise our business throughout the entire value chain.



"There is never a dull year in the ever-changing world of technology – and this financial year was no exception.

Finalising the implementation of our new retail platform for 2,400 of our stores, building a new wholesale platform, strengthening our platform for digital collaboration with our suppliers, taking the first steps towards product transparency, automating our logistics and warehouse operations, and initiating new AI (artificial intelligence) projects are among the key tech investments that have defined an eventful year.

Naturally, generative AI has played – and continues to play – an important role in our digital journey. We have developed new initiatives to prepare our business for a digital revolution of endless opportunities.

By taking our point of departure in everyday AI to create a solid foundation for game-changing AI, we are slowly but steadily supporting our colleagues with AI assistance to various extents, ultimately increasing productivity, minimising errors, and bringing new inspiration.

It has also been a year of keeping our company safe from cyber threats. Each week, we face attacks on our firewall. For this reason, we continuously invest in dedicated efforts towards disarming this risk through preventive and reactive technology.

Looking ahead, we know that more opportunities as well as challenges will come. From our TECH hubs in Denmark, Malaga, and Kigali, we keep focusing on our core business to support further growth. By embedding our solutions across the business, we ensure full value harvesting while keeping in mind that the fashion industry is rapidly changing, which will require increased flexibility in our solutions.

We are committed to supporting and developing our main activities as well as new emerging markets using our solid solutions, knowledge, and data combined with modern technology and AI. This way, we invest in the digital transformation today to grow our business tomorrow".

Nicolas Skovmand
Chief Information Officer
BESTSELLER



Digitising our wholesale business

Investing in
wholesale

Investing in the digitalisation of our sales processes drives customer value and strengthens partnerships.



Wholesale operations remain a cornerstone of our company, representing over half of our business. The traditional sales cycle in the fashion industry relies on the two main seasonal collections of Spring-Summer and Autumn-Winter. By adopting new technology, we have optimised our sales processes and enhanced customers' buying experience.

By leveraging experience and insights from thousands of data points, we identify top-performing styles and improve the way we present our product offerings to generate greater value for our wholesale partners.

In 2023-24, digital sales across all BESTSELLER channels grew by 5 percent. This was mainly due to the continual rollout of new digital technology, training of our colleagues in using digital tools, and the dedication of thousands of sales colleagues working to help customers make the transition to buying digitally.

Copenhagen Fashion Week
Digital tools play a big part for most brands when attending fashion fairs.



Germany, France, and Spain were the markets with the highest share of digital sales, while we saw significant growth in digital sales across our newer markets in Latin America.

The two key channels for digitising the dialogues with our customers are DIRECT and digital showrooms (DSRs).

DIRECT B2B PLATFORM

DIRECT is our interactive B2B digital sales platform, empowering wholesale customers with self-managed ordering, personalised experiences, real-time product availability, and delivery timelines. The platform provides customers with efficient order planning and forecasting capabilities, streamlining the ordering process, and facilitating in-season collection adjustments.

In 2024-25, we will transition customers from DIRECT to our new digital sales platform, MORE. Developed specifically for BESTSELLER, MORE represents the next stage in the digital sales journey, meaning we can develop even more customer centric features and integrate seamlessly into our other digital tools.

The transition to MORE will take place market by market and close collaboration between sales colleagues and customers will be the key to success.

In this chapter, on page 62, we highlight the work done by colleagues in BESTSELLER France, who led the way with their work supporting customers using DIRECT.

DIGITAL SHOWROOMS

Digital showrooms utilise touchscreen technology to transform the sales experience. Customers can engage with products interactively, access detailed information, and personalise their shopping journey, streamlining the ordering process and enhancing product discovery.

Utilising digital showrooms enables sales teams to present collections using a limited number of physical samples alongside high-resolution images, videos, and 3D models. This approach enhances the customer experience while offering the potential for significant reductions in physical samples, leading to substantial environmental and cost benefits.

In 2023-24, we developed new digital tools to enhance the buying experience for our key customers. These included developing a digital merchandise floor, a 3D viewers, and digital catalogues.

The merchandise floor provides sales colleagues options to mix and match styles to find the perfect product combination. Being able to present 3D collections means customers can almost feel the textures of the materials, explore details, and immerse themselves in the products.

Finally, the new digital catalogues are collaborative platforms for joint interaction with customers. We can showcase comprehensive product information, and customers can easily place orders directly through the catalogue.

In 2023-24, we expanded our global network of digital showrooms to over 200 across 20 countries, representing a significant increase of more than 40 new installations.

Germany was once again the market with the highest volume of sales in digital showrooms, while Denmark and Belgium were the other leading markets.

Across the company, sales from digital showrooms increased to DKK 1.2 billion.

In this chapter, on page 66, we continue our focus on digital sales in 2023-24 by highlighting the work done by colleagues at VERO MODA, inspiring customers using digital showrooms.





Digitising sales globally
Touchscreen technology in showrooms across 20 countries enables colleagues to offer our customers an interactive experience.









Frederik Leerskov Bugslag
Head of Digital B2B
BESTSELLER

"By continuing to digitise our sales channels, we empower our sales representatives to deliver a more personalised and inspiring buying experience, offering greater flexibility for colleagues and partners to customise and select the right products tailored to their needs."

Leading DIRECT sales in France

Investing in
wholesale

In 2023-24, France was the market with the highest share of digital sales on DIRECT, and the second highest share of self-service orders placed by customers.

Digital sales tools provide real-time stock information and order history, enabling customers to identify and order needed products quickly.

Many of BESTSELLER's largest customers still buy collections using physical samples and through traditional sales channels. During 2023-24, the French sales teams worked closely with customers to showcase the advantage of buying collections using digital sales channels. The team highlighted the benefits, such as time and cost savings and the reduced environmental impimpact of prioritising digital sales to reduce samples.

The success of the digital transformation in France can be attributed to the local market strategy consisting of creating tailored digital content for the French market and brands, training sales representatives and customers on digital tool use, and supporting customers' transition to digital self-service.

This year, the team in France supported Intersport, one of our most important customers, to successfully transition from traditional to digital sales channels.

As a major international retailer with thousands of stores, Intersport requires a flexible digital platform for their stores to place orders independently based on local market demands.

By providing exclusive digital access to full collections and local digital marketing content, the France team was able to highlight the benefits for Intersport to using digital sales, especially the self-service functionality.



DIRECT is our digital B2B sales platform created to offer the best self-service shopping experience to our customers.

The self-service functionality on DIRECT provides a simplified digital dashboard with real-time access to available stock, order history, and inbound orders. This provides customers with an easy overview of new products and the ability to place orders themselves with just one click.

Digital sales were particularly important in France in 2024. During the Olympic Games in Paris, the city and our central showroom were largely inaccessible, underscoring the critical importance of digital sales channels so we could continue to help our customers place orders digitally during a normally busy sales period.



Thibaut Demange
Country Director
France & Italy

"Our long-term commitment to digitalisation of our sales channels is unwavering. Using digital sales channels benefits both BESTSELLER and our customers by providing simpler and more efficient delivery of styles and allowing customers to tailor their own ordering to the demands of their business. We believe that by embracing digital technologies, we can enhance the customer experience, drive sales growth, and position our business for future success."



A digital showroom setup, as seen in our new Dubai office.

A new standard for digital showrooms

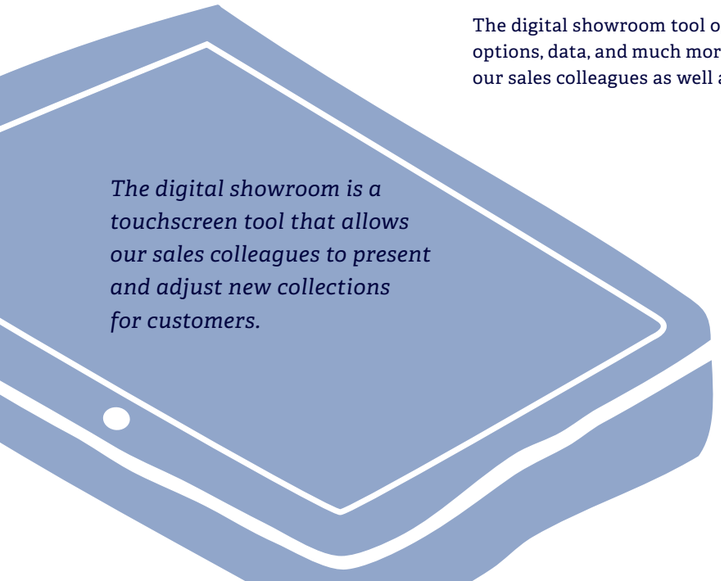
Investing in
digital showrooms

With 34 digital showrooms across 18 countries, VERO MODA is committed to its digital journey. This year, the brand invested in localisation, training, and events to optimise the tool in close collaboration with our markets.

2023-24 brought a new BESTSELLER record for sales in our digital showrooms, achieving close to EUR 160 million in sales globally.

Originally developed by VERO MODA and BESTSELLER Germany with support from BESTSELLER TECH, the tool is now used widely across a majority of brands and markets.

The digital showroom tool opens up an interactive world of inspiration, colour options, data, and much more, ultimately transforming the sales experience for our sales colleagues as well as our customers.



The digital showroom is a touchscreen tool that allows our sales colleagues to present and adjust new collections for customers.

Susanne Buur
Sales Director
VERO MODA

"The digital approach is infused in everything we do. But we cannot do it alone – we rely on our skilled sales colleagues around the world. For this reason, we have invested in various initiatives to create nearness, from market customisation and content creation to digital events and continuous trainings. Digital showrooms are a true game changer but you can only win as a team."



As the first BESTSELLER brand to invest in digital showrooms, VERO MODA has tailored the tool over a four-year period to fit our markets perfectly and keep up with ever-changing technology. In 2023-24, the brand has focused on localisation – adapting products and styling to each market – to enable sellers to build relationships with customers based on trust and authenticity.

"Being digital does not create distance from our customers – on the contrary. With tools like the digital showrooms, we are bridging physical and digital sales to inspire, guide, and increase sales," says Susanne Buur and ends:

"In this financial year, we once again experienced a substantial growth in orders placed through digital showroom. Going forward, we will continue our digital investments and onboard new markets."

Innovating to improve automatic replenishment

Investing in
customer retail value

In 2023-24, we invested in a pilot programme to improve the customer value proposition of our automatic replenishment programme. The data driven programme aims to further strengthen our partnerships with retail customers and optimise product availability in challenging market conditions.

The programme covers NOOS (Never out of Stock) collections, which feature timeless pieces in high demand. NOOS collections are a cornerstone of our business. In Germany, our largest market, NOOS accounts for more than 40 percent of sales.

By combining our business acumen with new streams of product data, we are now investing in NooS 2.0. The programme leverages real-time data to directly optimise product flow, ensuring customers' bestselling styles are available in the right quantities at the right time in their stores.

NooS 2.0 will initially be tested with five of our largest brick-and-mortar customers in Germany using JACK & JONES and VERO MODA products. NOOS 2.0 workflows of the customers in the programme will be directly managed by dedicated BESTSELLER teams, allowing customers to focus on their core collection management while we take care of the business of logistics.

Going forward, we aim to expand the programme to even more customers in Germany and in other markets. Our long-term vision is integrating 'in season' products into the same workflow, further streamlining the process and ensuring shorter time to market for customers.



Lars Pedersen
Regional Director
North and Central
BESTSELLER

"Our vision is to connect as many customers as possible to the new version of our important automatic replenishment programme. This will provide great value for customers, securing the right products, the right quantity and the right flow. We have the belief to innovate and use our knowledge and technology to improve our customer value proposition."

The foundation for ecommerce & digital growth

Investing in
ecommerce and digital solutions

During 2023-24, we invested further in the development of our unified commerce experience, digital platforms, and our ambitious ecommerce business operation.

By delivering new digital and data solutions, improving our operational effect, and focusing on providing seamless shopper experiences, our online profitability almost doubled, laying the foundation for future sustainable growth.

Our online business provides inspiration, fashion trends, and the latest styles directly to shoppers across all BESTSELLER brands. More than 40 percent of our total sales are online. Our products are sold through our own platforms and as well as on those of our ecommerce partners.

During 2023-24, we expanded our ecommerce to eight new markets and launched several new brands through our ecommerce platforms. We continued our focus and investment in building competitive advantage through AI forecasting, accuracy of buying, and sell-through models. We continued the development of our own online channels and those of our partners.

We opened new marketplaces so shoppers can find our products on our own platforms as well as with even more of the biggest international online fashion retailers.

We developed a stronger digital and unified commerce foundation with a new customer relationship management system (CRM/CXP) and data platforms. This included launching eight new brand apps, featuring new loyalty programmes and clubs for omnichannel shoppers. These tools provide greater flexibility and improve the way we can personalise digital shopper experiences across channels and brands.

Finally, we strengthened our connected commerce experience with a new instore ordering system for retail, extended ship from store, and expanded the solution across more markets.

The global online fashion market continues to be a challenging landscape. As in previous years, online sales remain flat, and profitability is impacted by distribution and handling costs as well as high return rates, especially in central Europe.

STRONG PROGRESS AND PROFITABILITY IN CHALLENGING ONLINE MARKET

In 2023-24, we improved our promotional strategies, buying accuracy, and sell-through and reduced our return rates across channels. Despite a slight decline or flat development in sales across brands, our combined efforts resulted in doubling our profitability across our online channels, and improved our online partner trading significantly.

Importantly, by improving our service offerings across markets and platforms, we doubled online shopper satisfaction based on our own and external benchmarks.





Claus Nielsen
Business Director
Ecommerce & Digital
BESTSELLER

"Our ambition is to build world-class, unified commerce experiences across our brands, markets, and channels. Through our insight and data-driven approach, this year's result shows that we have laid the foundation for the future sustainable growth of our ecommerce and digital channels."

A connected shopping experience

Investing in
omnichannel

JACK & JONES launched its first shopper loyalty programme, JACK & JONES Club, providing shoppers exclusive rewards and personalised benefits for instore and online shoppers.

Now successfully rolled out to more than 10 markets across Europe, the app-based programme represents a significant milestone in the brand's omnichannel journey. The rollout of the loyalty programme also includes retail partner stores, to ensure a unified approach across the brand.

JACK & JONES Club offers a variety of personalised benefits for members. These include exclusive member deals, digital receipts, and bonus point vouchers.

Importantly for shoppers, the loyalty programme is an omnichannel solution to connect instore and online channels. For every euro spent in store or online, members earn one point, which can be redeemed for a EUR 5 voucher once 100 points are accumulated. Shoppers scan their individual member ID in the app at check-out to claim and spend points.

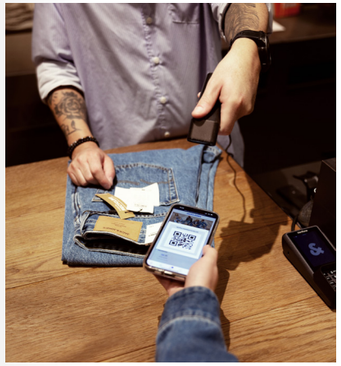
Early results are promising. Across all markets, JACK & JONES Club members have, on average, a more than 40 percent larger basket size and a 30 percent higher basket quantity compared to non-members. This demonstrates the programme's effectiveness in driving shopper engagement and loyalty.

CROSS-FUNCTIONAL SUCCESS

The project required coordination and dedication across the company, showcasing the strength of teamwork between retail, e-commerce, and tech teams. While developing the programme, investing in the right technology, and testing instore and online was essential to ensure shoppers have smooth and seamless experiences in-stores at check out and on digital platforms.

The programme's success also relies heavily on the dedication of JACK & JONES in-store colleagues. With 100 percent staff-driven signups, these colleagues play a crucial role in welcoming new members and driving shopper loyalty.

The app will be rolled out to 10+ further retail markets in Europe during 2024.





Helena Pinderup Schelle
Digital Retail Manager
JACK & JONES

"The JACK & JONES Club exemplifies our commitment to providing a seamless and rewarding shopping experience for our customers, both online and in stores. As the programme continues to grow and evolve, it will play a crucial role in gathering customer insights and feedback, steering the direction of our brand. Additionally, it will drive sales growth, increase store traffic, enhance customer retention, satisfaction, and engagement, all while fostering stronger relationships with our customers".

From supporting colleagues with AI tools to digitising sales to reduce products samples and building traceability through our material supply chain, this year's tech investments play an important role in our company's responsibility to our people and our planet. In the next chapter, you can read more about selected investments in this key area of our business.

People & planet



We have a responsibility to operate our business with respect for people and planetary boundaries. Our sustainability strategy, Fashion FWD, sets the direction for reducing our impact and bringing fashion forward towards a more circular future.

This chapter will delve into some of the key investments made during 2023-24 to reaching our sustainability ambitions.

This begins with our commitment to the well-being of the 22,000 colleagues in our company and our pledge to build a more diverse, equitable, and inclusive workplace.

It emphasises the important investment in helping suppliers transition to clean, renewable energy and addressing their environmental and social impact. Finally, we focus on the investment in the raw materials in our products. Here we focus on cotton, where we have made progress in 2023-24.

In the Sustainability Statement, we dive deeper into the details of our approach, progress, and the challenges we face to reach our ambitious goals.

People are the heart of our company

Investing in
people

More than 22,000 colleagues around the world make up BESTSELLER. In 2023-24, we signed the Gender Diversity Pledge and continued our commitment to a safe workplace built on respect through investments in new policies, surveys, and systems.

Every year, we set out to grow our business – and our people. In 2023-24, we grew the BESTSELLER family by 2,000 colleagues and welcomed skilled people to our culture of trust, respect, fairness, and responsibility.

While these values have been the foundation of BESTSELLER ever since our two founders welcomed the first colleagues almost 50 years ago, we remain deeply committed to ensuring an inclusive workplace with equal opportunities for everyone.

For this reason, we continued our work with diversity, equity, and inclusion (DEI) by launching a new DEI policy and signing the Confederation of Danish Industry's Gender Diversity Pledge. By placing our signature, we have committed to working with our diversity goals and developing an action plan to reach our targets.





Louise Sylvest
Chief People Officer & Head of BESTSELLER Identity

"Our values and the wish to make everyone in the BESTSELLER family feel welcome, respected, and at home, have always been important to us. However, we need to make sure we do not take this aspect for granted. That is why we have put our existing stance on the matter in writing. Research shows that companies with high levels of diversity and inclusion tend to achieve greater long-term success. While we acknowledge our past achievements, we must remain vigilant and recognise the ongoing work ahead."



It has also been yet another year of investing in the personal growth of our colleagues. Through BESTSELLER Academy we have conducted more than 5,700 training sessions to ensure continuous development and new opportunities for thousands of colleagues. Furthermore, we have introduced digitalised growth management in our digital HR system, offering a new user experience to enhance and manage personal as well as team goals.

By investing in new people initiatives, we are only halfway there. To ensure that these initiatives are well-received and spark positive change, feedback and data are crucial. In 2023-24, we launched a new exit survey to support the data from current colleagues gained through Our People's Voice – our annual employee survey that reached a record response rate of 83 percent in this financial year.

Supplier sustainability evaluation

Investing in
suppliers

In 2023-24, we placed 78 percent of product orders with suppliers highly rated in our Supplier Sustainability Evaluation. The result is a significant increase from 2022-23 and means we have surpassed our goal of placing 75 percent of orders with highly rated suppliers by 2025.

The Supplier Sustainability Evaluation plays a central role in BESTSELLER's dedication to rigorous assessment and engagement in reducing the environmental and social impact in our supply chain.

Each supplier's evaluation integrates factory-level data on human rights and environmental performance with supplier-level data on responsible supply chain management, commitment, and ethics & transparency. To achieve a high rating, suppliers must not only meet our expectations, but demonstrate proactive efforts to reduce their impacts and contribute to improvements in the industry and their communities.

In practice
Evaluating social impact

There are hundreds of indicators of human rights risks we are monitoring at each factory. To be highly rated, factory management teams have to consistently demonstrate that they are providing safe, secure workplaces that go above and beyond the expectations in our Code of Conduct.

78%

of product orders placed with highly rated suppliers

In practice
Evaluating environmental impact

Every factory is different, but nonetheless every process at each factory has an impact. To be highly rated, a factory needs to be managing and reducing its impacts and showing us that they are doing all they can to be as resource efficient as possible.



Felicity Tapsell
Head of Responsible Sourcing
BESTSELLER

"Reaching the target ahead of schedule underscores the vital role of collaboration between suppliers, factories, and BESTSELLER. Through committed partnerships, we can foster a shift in practices at a factory level that paves the way for improvements across our supply chain, significantly reducing the risks we see."

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

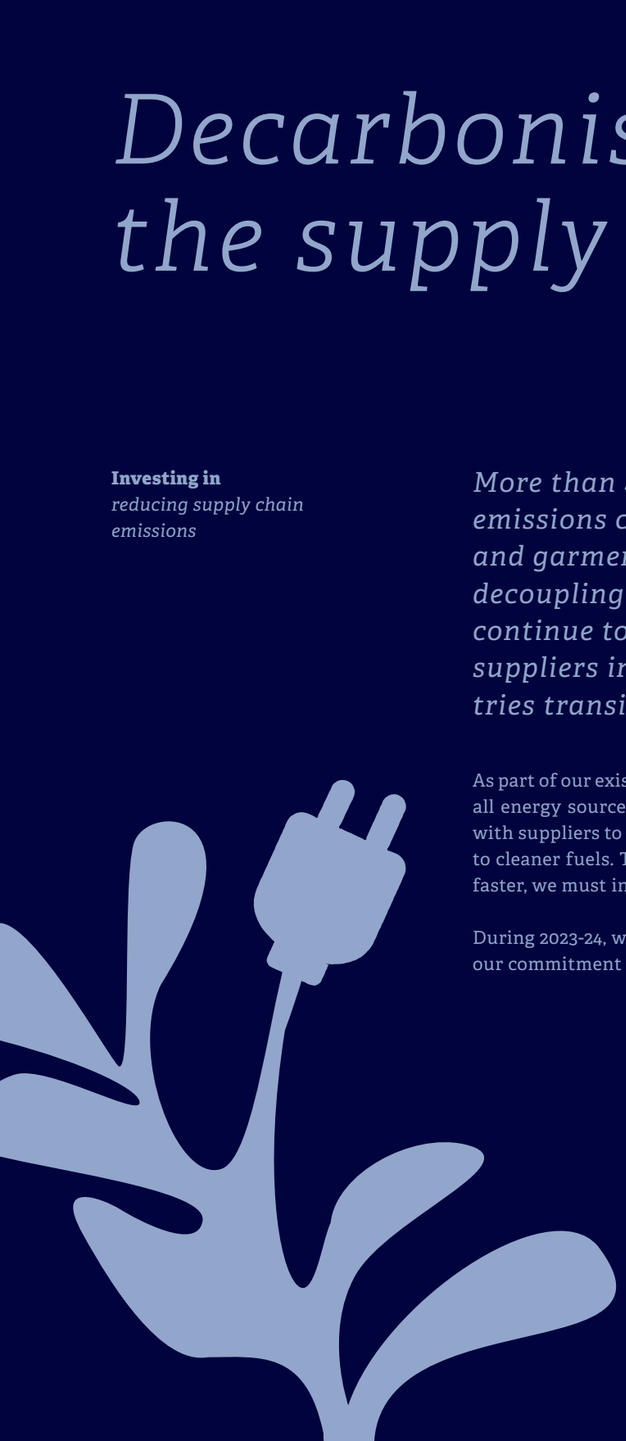
Decarbonising the supply chain

Investing in
reducing supply chain emissions

More than 40 percent of our total climate emissions come from yarn & fabric production and garment manufacturing. To succeed in decoupling emissions from our growth, we will continue to increase our investments to support suppliers in our most important sourcing countries transition to renewables.

As part of our existing collaboration with suppliers, we require factories to track all energy sources and establish a baseline for energy use. We work together with suppliers to set targets for reducing energy consumption or transitioning to cleaner fuels. This factory level work is essential, but for change to happen faster, we must increase our investment at a much larger scale.

During 2023-24, we made progress on a key factory level initiative, and pledged our commitment to two new macro level investments.





Renewable energy initiative

We pledged to invest up to DKK 700 million in an offshore wind energy project in Bangladesh. The Renewable Energy Initiative (REI) is a macro scale project, which will have an approximate capacity of 500 megawatts and generate renewable energy for Bangladesh's electricity grid, supporting the renewable infrastructure in the country.

The project is expected to contribute to job creation, stabilise energy supply, and reduce carbon emissions by approximately 725,000 tonnes annually.

The pledge is made in collaboration with the H&M Group and facilitated by Global Fashion Agenda (GFA). The wind project is initiated by Copenhagen Infrastructure Partners (CIP), a global leader in renewable energy investments.

Reducing our climate footprint, especially in our indirect value chain, is a significant challenge for our company and the entire fashion industry. The investment in Bangladesh is a testament to our commitment to this goal.

The current political instability in Bangladesh poses a substantial risk to the REI's project timeline. Despite this, we remain dedicated to supporting the country's transition to renewable energy. If the project is not deemed feasible, we will work with our partners to explore alternatives projects and will pledge the same level of investment.

Global supply chain
Our products are manufactured by more than 350 suppliers in 18 countries.



Investing in the future of our suppliers

Joined by leading fashion companies, The Fashion Pact, and Apparel Impact Institute, we launched the Future Supplier Initiative to accelerate the textile industry's green transition.

This collaborative, macro level investment aims to provide financial security, technical expertise, and economic incentives to textile factories, empowering them to reduce their environmental impact.

The initiative prioritises projects with high impact potential and scalability. It will support textile manufacturers implement resource conservation, electrification, and renewable energy solutions in their production facilities. Starting in Bangladesh and Vietnam, the programme plans to expand to other major fashion-producing countries.

This initiative signifies a new approach to sustainability in the fashion supply chain, where leading brands join forces to drive collective change. By sharing the costs and risks, brands and suppliers can collectively make more progress than what can be achieved alone.

Several fashion companies, including BESTSELLER, Gap Inc., H&M Group, Lululemon, and Mango, have joined the initiative. To realise the full potential of this initiative, it is vital that even more brands participate.

Solar powering factories

While the Renewable Energy Fund and Future Supplier Initiative represent our efforts to decarbonise the supply chain across the wider fashion industry, we work on factory level initiatives to directly enable suppliers to transition to renewable energy.

One such initiative is our collaboration with SOLshare, a pioneering Bangladeshi climate-tech company, to support our suppliers to finance and install the solar panels, allowing suppliers to purchase the green energy generated at rates lower than grid electricity.

In 2023-24, a combined total of more than 1,800-kilowatt peak (kWp) of installed solar panels were in operation across five factories in Bangladesh. Since commencing operation, the five solar systems generated more than 700,000 kilowatt hours (kWh), saving more than 450 tonnes of carbon emissions.

Furthermore, construction of another 1,000 kWp of solar power system is underway at one more supplier factory, while negotiations are underway for further two installations of more than 1,800 kWp.



Michael W. Schultze
Director, Global Supply Chain
BESTSELLER



"Directly supporting suppliers to reduce their emissions is one of the many steps we are taking to decouple growth from increasing climate impact. Each new solar system installed at factories in Bangladesh is a testament to our collaboration with our partners and suppliers on systemic solutions."

Innovation through collaboration

Investing in
innovation

As part of our Fashion FWD strategy, we focus on scaling innovation investments from pilots to production. This financial year has been no exception with 15 active collaborative projects and an increase in BESTSELLER styles made with certified and branded materials.

Through our two main innovation platforms, BESTSELLER Innovation Lab and Invest FWD, we invest in innovation and collaborate with brands, suppliers, material innovators, and research projects to address systemic challenges and launch product pilots and, eventually, scale these ideas to reach a commercial level.

15
innovation projects

Dorte Rye Olsen
Head of Sustainability
BESTSELLER

"To succeed in solving the material challenges we face in the fashion industry by moving from a linear model to a circular model, collaboration with research institutions and partners across the entire value chain is key. Going forward, viable business case structures and new investments will be essential pieces in the puzzle we are trying to piece together as an industry and society."





While several of our brands launched pilot collaborations with innovators this year, such as OBJECT x Evrnu® and VILA x OnceMore®, JACK & JONES took the next step towards scaling up production. The brand launched a second collaboration with Spinnova®, a Finnish innovator with a patented technology for making textile fibre out of wood or waste, this time introducing a higher fibre-blend percentage and a larger product quantity.

Read more about innovations and partnerships on page 156.

Our direct-to-farm commitment

Investing in
materials

In 2023-24, we invested more than DKK 23 million in giving our direct-to-farm cotton programme a leg up.



Approximately 3.2% of the global cotton grown is organic. As the supply chain in the fashion industry is opaque and complex, it is difficult to trace organic cotton credentials. Direct-to-farm sourcing is BESTSELLER's preferred method for supporting farmers transition from conventionally farmed cotton to the development of transparent and fair production of organic cotton.

Compared to conventional cotton, producing organic cotton improves soil health and biodiversity, uses no genetically modified seeds and harmful chemicals, while promoting safer and healthier working conditions for farmers and their communities.

Through direct-to-farm we work to shorten the supply chain from the beginning. We engage with individual farmers, either directly, or through third parties and every year we commit to facilitate the off-take of a certain amount of organic cotton from the upcoming harvest. This ensures the flow of raw material through the value chain for next year's products. At the same time, we play an important role in supporting the livelihoods of the people and their families growing cotton organically.

INCREASED COMMITMENT

In 2023-24, we nearly doubled the amount of organic cotton used in our products from 11 percent to more than 21 percent. This was driven by the investments made in previous years by JACK & JONES and ONLY from which we now see the benefits.

Both brands' efforts are focused on converting the NOOS (Never Out Of Stock) collections, which feature timeless pieces in high demand. NOOS collections are a cornerstone of our business, so this is where we can make a big impact.

JACK & JONES converted the brand's most popular pants programme, Paul Flake, to use direct-to-farm sourced cotton. The programme covers more than 1.6 million pieces sold and is, to date, the biggest selling programme converted by the brand.

More than 20 percent of the volume of JACK & JONES' NOOS collection has been converted from conventional to organic cotton, an increase from 6 percent in 2022-23.

ONLY converted the brand's popular Blush and Power denim lines to use Cotton made in Africa (CmiA). This more than doubled the amount of organic cotton we sourced from Africa and resulted in approximately five million jeans produced using the material.



Both JACK & JONES and ONLY have again increased their pre-season commitments to direct-to-farm sourcing.

Across all brands we have committed to sourcing 40 percent more organic cotton in 2024-25.

Jonas Meier Sørensen
Buying Manager
ONLY

"Collaboration is key to driving meaningful impact and building integrity in our organic cotton supply chains. By supporting organic farmers with long-term commitments, we address the challenges of the global organic cotton market and ensure the authenticity of our sourcing. Working with CmiA we directly support making organic farming an attractive choice for farmers in Africa and can make a positive impact on local societies."





COTTON MADE IN AFRICA

Our direct-to-farm cotton initiatives prioritise transparency and integrity throughout the cotton supply chain. This approach enables us to positively impact the livelihoods of the individuals producing the raw materials used in our products. By fostering the growth of organic cotton production through direct partnerships, we contribute to both ethical sourcing and a positive social impact. This commitment allows us to provide our customers and consumers with products they can trust, knowing their origin and the positive influence they have on the lives of cotton farmers.

ONLY works with Cotton made in Africa (CmiA), a leading initiative for organic cotton, to source organic cotton grown in Tanzania and Benin.

This year, we collaborated with the CmiA Community Cooperation Programme to support cotton farming communities in Benin, where the cotton used to make ONLY jeans is produced.

We provided financial support to improve educational and water infrastructure. This included constructing a new school block with three classrooms and two latrines. Additionally, table benches were provided to ensure proper seating for students. To address water needs, two boreholes were drilled, providing reliable access to clean water. Through this collaboration, more than 4,000 community members in three cotton farming villages have benefitted from improved access to education, clean water, and improved hygiene practices.

Read more about how we source cotton and direct-to-farm on page 160.





These selected investments in People & Planet conclude the highlights of 2023-24 – a year of investments. In the next part of the annual report, you can learn more about our sustainability and responsibility efforts as we report our sustainability performance, risks, strategy, and governance in this year's Sustainability Statement.



Organic cotton seeds in the hands of a farmer supported by the Cotton made in Africa initiative.

Sustainability statement



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

This report details our sustainability performance, risks, strategy, and governance from 1 August 2023 to 31 July 2024. Here we introduce Fashion FWD and describe how we are working to integrate sustainability throughout our business.

We outline our approach to responsible supply chain management, encompassing both environmental and social impact. We then dive into our three main sustainability pillars: Addressing our Environmental Impact, Preparing for a Circular Future and Supporting the People Throughout our Value Chain.

Fashion FWD

Our long-term business success is inextricably linked with respecting people and planetary boundaries. Our commitment to responsible operations extends beyond our own company and throughout our value chain.

Our sustainability strategy, Fashion FWD, guides our actions towards our sustainability goals and sets the direction for the future of our company.

Sustainability covers both environmental and social issues. When developing our strategy, we engaged, and continue to engage, with our stakeholders to identify and address risks, opportunities, and material issues facing our industry.

To reach our ambitions, we must fully integrate sustainability throughout every aspect of our business from design, buying, sales, manufacturing, and retail.

OUR BIGGEST SUSTAINABILITY CHALLENGE

The biggest challenge facing BESTSELLER is decoupling the financial growth of our business from our impact on our environment and society. Our climate impact data clearly demonstrates our main impact areas: raw material production, manufacturing, and use of products. Read more on page 114.

In 2023-24, we report that the investments we made over the past years show the beginning of a gradual decoupling of growth from climate emissions. This is just one small step forward on a long journey.

To reduce the impact of raw material production we must continue to invest in low impact materials. In 2023-24, we doubled the amount of organic cotton used in products, but we must significantly increase volumes of all preferred materials over the coming years and work holistically to address the wider biodiversity challenges associated with raw material production. Read more in the climate and materials sections on page 122 and 150.

To reduce the impact of manufacturing, we will intensify our work holistically with suppliers and sub-suppliers to decrease the environmental impact of their



operations and secure the well-being of the millions of workers in our global supply chain.

This year, we supported suppliers in installing onsite solar power, and expanded a key supplier programme to Pakistan. But we must intensify our efforts to reduce suppliers' water consumption and transition even faster to using renewable energy. Read more on page 138.

Finally, we must reduce waste, increase use of recycled materials, and engage consumers to extend product life cycles. In 2023-24, we increased the amount of recycled polyester in products and launched a new digital recommerce platform. But we can do much more and will work with partners to source even more recycled materials and scale up our consumer engagement here. Read more on pages 151-181.

Throughout the rest of this chapter, we describe in detail our strategy, approach, and progress towards these goals.

SUSTAINABILITY GOVERNANCE

At BESTSELLER, it is our Executive Management who has the overall responsibility for the Fashion FWD strategy, and for overseeing the company's purpose, strategy, goals and policies, risk management, structure, and reporting.

The central body guiding BESTSELLER's sustainability strategy is FAST – our Focused and Action-Oriented Sustainability Taskforce, which is chaired by the company's Chief Executive Officer (CEO) and facilitated by the Corporate Sustainability Department, which is responsible for strategic accountability within sustainability and reports directly to the CEO.

FAST consists of representatives from relevant functions, such as Brand & Markets, Communication, TECH, Finance, PEOPLE, Logistics, Global Sourcing, and Sustainability, and is overall responsible for the development and implementation of Fashion FWD, its goals and related policies, and integration in business model and core processes. During the reporting period, FAST has worked on issues, such as materials, supply chain performance and engagement, purchasing practices, financing, and investments.

The implementation of Fashion FWD requires collaboration across the entire organisation. The operational responsibility for ensuring the implementation of Fashion FWD through relevant initiatives and processes along the product development, value chain, and business model lies primarily with our brands. Our central functions are responsible for establishing and ensuring the necessary frameworks, initiatives, and structures are in place to support the implementation. On the reporting side, the responsibility is shared between Communication, Sustainability, and Finance, with all departments reporting to the CEO.

BESTSELLER's business is multi-channel retailing. We buy products from suppliers and sell products to our partners and through our our own channels. Read more about our business model on page 20.

INVEST FWD

Invest FWD is our platform for investing in innovative solutions that address sustainability challenges and accelerate progress towards a more circular fashion industry.

Through these governance structures and initiatives, we aim to embed sustainability into every aspect of our business and we are actively working to drive positive change for the fashion industry and beyond.

We have partnered with and invested in nine innovation companies with the objective of identifying newer and better materials as well as recycling of existing materials.

TRACEABILITY: A CORNERSTONE OF FASHION FWD

Product traceability and transparency are pivotal for achieving our sustainability ambitions. Technology is an important tool to this process alongside trust, collaboration, and training. We are investing in data upgrades and collaborating with our supply chain partners to enhance traceability and transparency throughout our entire supply chain.

This increased visibility enables us to reduce risks and impacts and identify opportunities associated with our business, meet the demands of stakeholders, including consumers, customers, and legislators, and finally, encourage supply chain partners to disclose their respective supply chains.

Our product traceability efforts are significantly enhanced through our partnership with Textile Genesis. Read more on page 152.

We also participate in the Better Cotton Retailer and Brand Advisory Panel on Traceability to help shape the industry's approach to cotton traceability.

Through these initiatives, BESTSELLER is committed to building a more transparent fashion supply chain.





STAKEHOLDER ENGAGEMENT: *COLLABORATING FOR IMPACT*

Recognising that many sustainability challenges and opportunities require collective action, BESTSELLER actively engages with a wide range of stakeholders.

By fostering strong stakeholder relationships and working collaboratively, BESTSELLER strives to maximise our impact and contribute to reducing the impact of the fashion industry.

STAKEHOLDERS	OUR ENGAGEMENT
Colleagues	Our colleagues are the cornerstone of our success and ability to deliver on our Fashion FWD strategy. We foster an open-door policy and daily interactions through various channels. Our biannual "Our People's Voice" survey and regular performance reviews ensure continuous development and feedback. We provide training and internal communication, focusing on diversity, equity, and inclusion, growth opportunities, employee conditions, and health and safety. These efforts promote a positive, inclusive, and supportive work environment where everyone can thrive.
Wholesale customers and key accounts	We engage with wholesale customers and key accounts to discuss environmental product impact, traceability, quality, and circularity, creating alignment, innovation, and strong partnerships for continuous improvement and meeting evolving expectations. We transparently communicate environmental product impact, ensuring clear and accessible sustainability communication for all stakeholders.
Consumers/ shoppers	Our consumers have a vital role in shaping a more ethical and circular fashion industry. Engaging with our consumers is important to strengthening our efforts within transparency and driving positive change on topics like longevity, materials, circularity, and value chain impacts.
Upstream business partners	Our human rights and environmental impact due diligence processes include regular assessments and collaboration with suppliers to ensure our products are made in line with our standards and values.
Strategic supply chain related rights holders	Through ongoing engagement with workers, trade unions, and local communities, we aim to build strong relationships, promote worker rights, and ensure responsible sourcing practices in our supply chain. We also engage with these parties in grievance reporting mechanisms and on remediation to address any issues that arise.

Legislators	We engage stakeholders in our biggest markets across the European Union. Here we are anticipating and advocating for a level playing field and more standardised legislation to ensure that product life cycles are extended, and we are already preparing for the necessary changes that will be required to operate our business and help us prepare for a circular future.
Industry collabs and associations	Collaboration with industry peers through participation in forums and associations is key to developing common standards and practices that address shared challenges in the fashion industry. By working together, the industry can improve its overall performance and responsible practices throughout the value chain.
Innovation and investment partners	We work closely with major sustainable textile initiatives and innovation partners who conduct research on market trends, innovative processes, technologies, and fibres that enable the transition to a circular future. This kind of knowledge sharing inspires new solutions and drives investments in innovation through collaborations, multi-stakeholder initiatives, investment platforms, and project partnerships.
Non-governmental organisations (NGOs) and opinion leaders	NGOs and opinion leaders play a crucial role in shaping industry practices and influencing societal behaviour. Our engagement with these stakeholders includes active participation in industry-wide initiatives, regular dialogue and information exchange, and promoting transparency and accountability.
Peers and cross-cutting industries	We engage with peers and collaborators within the garment industry, as well as innovative companies in other sectors that serve as a source of inspiration and collaboration for the fashion industry. These partnerships inspire innovative solutions through collaborative efforts, enabling joint ventures and investments in areas like renewable energy, supply chain initiatives, and innovative materials.
Academia and research institutions	Collaboration with academic institutions and researchers through joint projects within e.g. circularity, consumer behaviour, waste management, material innovation, and durability can contribute to progress within the industry. We work together to leverage academic expertise and cutting-edge research to drive innovation and implement effective solutions.
Communities and nature	Engaging with nature and communities is essential to address our environmental and social impact. This involves collaborating with local communities and environmental organisations to protect biodiversity, conserve resources, and ensure fair and equitable treatment of all impacted communities.

SELECTED
To help shoppers make well-informed decisions, the brand introduced an in-store pop-up installation with information on certified and branded fibres.







MEASURING PERFORMANCE: DRIVING CONTINUOUS IMPROVEMENT

To standardise and be consistent in our sustainability measurements, we utilise the Higg Index Suite of tools. The tools were developed by Sustainable Apparel Coalition's (SAC), now known as Cascale. Specifically, we focus on the following modules: Higg Brand & Retail Module (BRM), Higg Facility Environmental Module (FEM), Higg Social & Labor Module (FSLM) and Higg Product Module (PM).

By leveraging these industry-leading tools, we can benchmark our performance, identify areas for improvement, and report our progress transparently.

As a member of Cascale's BRM core membership engagement team, we conducted a self-assessment and also volunteered verification to ensure the accuracy of our self-assessment.

Our engagement in developing and utilising the Higg Index Suite demonstrates our commitment to continuous improvement and transparency. By measuring our performance against industry benchmarks, we can identify opportunities for progress and align our sustainability efforts with the expectations of our stakeholders.

To align with our annual integrated reporting, the Higg BRM annual cycle is now following our financial year.

Higg BRM Score	2023/24
Overall score	57.3
Environmental	61.7
Social	51.9
Governance	55.7

COMMUNICATING SUSTAINABILITY TRANSPARENCY

Going forward, we will communicate our progress year-on-year. Through our efforts and priorities within our Fashion FWD strategy we are continuously aligning with identified gaps in our Higg BRM assessment to make sure that we stay on path with both.

Since the launch of our Fashion FWD strategy, we have recognised the evolving landscape of sustainability communication. We are committed to addressing industry challenges and communicating our progress transparently.

Our goal is to ensure that our sustainability communication is transparent and not misleading. We want to provide accurate and verifiable information about our sustainability performance and initiatives. We also strive to ensure our communication is clear and understandable. We aim to present complex sustainability concepts in a way that is accessible and engaging for all our stakeholders.

Open and inclusive communication is essential for driving collective action. By collaborating with all stakeholders, also when we face obstacles, we can contribute to a future where fashion is a catalyst for positive change.

Responsible supply chain management

INTRODUCTION

Even though our business faces the most social and environmental risks in our supply chain, it is also where we can have the biggest positive impact by working with our partners.

BESTSELLER believes that businesses have a responsibility to contribute to economic, environmental, and social progress. As part of our Fashion FWD strategy, we prioritise minimising the adverse impacts of our supply chain.

Modern technology
Production tools like denim laser treatment make many tasks less physically demanding for workers in our supply chain.



APPROACH

Our approach to responsible supply chain management integrates environmental and social risks. We follow international best practices to identify, prevent, mitigate, and where necessary redress adverse impacts in our supply chain.

BESTSELLER is committed to respecting human rights as defined in the following frameworks: the International Bill of Human Rights, ILO's core conventions, United Nations Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises and Due Diligence Guidance for Responsible Business Conduct.

We recognise that our influence on some business partners and stakeholders may be limited. In such cases, we seek to increase our leverage through collaboration and engagement with rightsholders, multi-stakeholder initiatives, civil society organisations, and trade unions.

Read more about our work in the supply chain on page 138-147 (Environment) and 187-199 (Social).

OUR SUPPLY CHAIN IS DIVIDED INTO MULTIPLE TIERS

Tier 0 — Suppliers	Businesses we place orders with. To become a BESTSELLER supplier, the business must have gone through the onboarding process, during which they sign our Supplier Agreement, whereby they agree to uphold our Code of Conduct (CoC) and related policies.
Tier 1 — Finished Goods Assemblers	Production units involved in garment and product manufacturing and finishing. All production units are subject to the standards outlined in our Code of Conduct and related supply chain policies and are routinely assessed as part of BESTSELLER's Factory Standards Programme. We refer to them as 'factories'.
Tier 2 — Materials Manufacturers	Fabric, trim, and tanneries. Our supply chain partners include our tier 2 Approved Materials Suppliers that have agreed to uphold our Code of Conduct, and their production facilities pass our fundamental requirements and are covered by the environmental and chemical requirements chapters of the Factory Standards Programme. We are working on increasing transparency for all tier 2 suppliers going forward.
Tier 3—4 Raw Materials Suppliers & fibre processors	Fibre processors and raw materials suppliers. We are working to increase the transparency on the facilities operating in these tiers of our supply chain and collaborate with multi-stakeholder organisations to improve the social and environmental impact in tier 3 and 4.

BESTSELLER'S DUE DILIGENCE APPROACH

Our approach to due diligence is aligned with guidance of international institutions, including the Organisation for Economic Co-operation's (OECD) Development Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, as well as the United Nations Guiding Principles on Business and Human Rights.

OUR APPROACH CONSISTS OF FIVE KEY STEPS:

1. Policies



Establish clear policies outlining expectations for supply chain partners regarding worker treatment and environmental protection.

2. Identify & assess



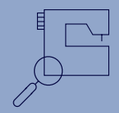
Conduct regular risk assessments of our human rights, environmental, and chemical risks. Use those assessments to inform and update our policies, factory assessment criteria, and methodology, invest resources in risk mitigation, and to guide our remediation processes. In line with UN/OECD guidance we identify and pay special attention to risks where BESTSELLER and our partners can have the most severe adverse impacts.

3. Cease, prevent & mitigate



All BESTSELLER suppliers sign our Supplier Agreement, acknowledging that all facilities involved in BESTSELLER production comply with our Code of Conduct. Prevention through monitoring via the Factory Standards Programme. Incentivising our supply chain partners to improve their environmental management systems.

4. Address & remidiate



Where we are made aware of non-compliance, we work with the supplier or factory on a Corrective Action Plan (CAP). Local colleagues visit the facilities and provide them with guidance and training to make sure the necessary improvements are made and implemented. All cases of critical and zero tolerance issues are reported in our incident log and reported publicly. In the rare case that a factory or supplier is not sufficiently committed to remediating critical issues, we will – as a last resort – offboard the factory and possibly the supplier.

5. Track & transparency



To ensure transparency about our supply chain, we publish a factory list, policies, processes, and related performance data on our website. Our Public Factory List includes a full account of our tier 1 business partners, related tier 0 partners, as well as our Approved Materials Suppliers (tier 2). We publicly communicate these materials on various channels. Regularly review and update business practices based on learnings from performance monitoring, impact initiatives, and industry engagement. This may involve updating supplier requirements, adopting new policies, or developing new support mechanisms to mitigate risks.

DUE DILLIGENCE FOR TIERS 2, 3 & 4



In 2023-24, we published our Supply Chain Due Dilligence Report — an in-depth account of our approach to due diligence in the supply chain. It is designed to satisfy transparency requirements and guidance regarding responsible business conduct. Read the report on our website.

We collaborate with supply chain partners, peers, and multi-stakeholder initiatives to mitigate environmental and human rights risks in the parts of our supply chain where we do not have direct business relations. This includes the production and processing of raw materials, where there has traditionally been limited transparency.

To account for and mitigate for the fashion industry's impact on the environment and society, it is imperative that brands must enhance material transparency and traceability. Not least within the cotton supply chain.

BESTSELLER actively works with solution providers to ensure transparency and traceability of our materials. One such example is our collaboration with Textile Genesis, a pioneering traceability platform custom built for the fashion and textile ecosystem. Our partnership focuses on fibre forward tracing of man-made cellulosic fibres and direct-to-farm cotton. Read more on page 154 and 169.

Another example is our engagement with Better Cotton, a multi-stakeholder initiative, which accounts for more than 20 percent of global cotton production. We actively support Better Cotton's development of a creditable traceability solution for the Better Cotton supply chain. Read more on page 160.

These two examples illustrate our two-pronged approach to our supply chain. This is focused on improving the performance of BESTSELLER's own supply chain and seeking to inspire the entire industry to move towards more transparent and traceable supply chains.

Achieving full transparency and traceability across global supply chains requires collaborative efforts beyond individual brands or even the industry as a whole. Host country specificities, regional regulations, and even geopolitics significantly impact the ability to build responsible supply chains and implement effective due diligence.

BESTSELLER welcomes new regulations aimed at raising the bar and creating a level playing field for responsible business practices. We emphasise the importance of harmonising such legislation across countries, adopting a risk-based approach to due diligence, and aligning with internationally recognised frameworks.

We firmly believe that national and international regulators must acknowledge the challenges and limitations in achieving efficient due diligence and transparency in global supply chains. Addressing these challenges requires active collaboration between affected industries, nation states, and international bodies, along with public and private support, financing, and adequate regulation.

This comprehensive approach ensures that BESTSELLER proactively addresses supply chain risks and drives positive change within its supply chain.

FACTORY STANDARDS PROGRAMME

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

These assessments verify compliance with our Code of Conduct, our human rights supply chain policies, and environmental management requirements.

The Factory Standards Programme is a continuous quality assurance process that involves documentation collection, worker interviews, and on-site visits.

Our local Social & Labour and Chemical & Environment teams in our key sourcing countries (Türkiye, China, Bangladesh, Pakistan, India, and Myanmar), employing approximately 45 full-time colleagues, many of whom are certified assessors.

While our standard assessment cycle is 18 months, key suppliers and factories receive at least one visit per year from our teams. This frequent interaction fosters close dialogue and connection, enabling us to monitor social and environmental performance effectively.

Factory visits can be announced, partially announced, or unannounced, depending on individual needs and circumstances. All visits follow predefined methodologies, protocols, and performance indicators, ensuring consistency across our supply chain.

When issues are identified during routine assessments, we create Corrective Action Plans (CAPs). Developed jointly with factory management, CAPs guide and train factories to implement necessary improvements according to our supply chain policies and local legal requirements.

While the majority of CAPs address non-critical concerns, some address "Critical" or "Zero-Tolerance" concerns. These are issues, such as unsafe working conditions posing direct risk to life or confirmed use of forced labour. We report all critical and zero-tolerance concerns we deal with on an annual basis.

To address all CAPs, we follow a clearly defined escalation protocol. This may involve pausing new orders until the issue is resolved or, as a last resort, off-boarding the factory or supplier.

Increased frequency of visits is applied for factories with outstanding concerns or allegations of misconduct, while unannounced visits are conducted when serious supply chain policy violations are suspected. This approach ensures we can identify and address potential issues promptly.

Data from the Factory Standards Programme forms the foundation of our Supplier Sustainability Evaluation.

SUPPLIER SUSTAINABILITY EVALUATION

Our Supplier Sustainability Evaluation integrates factory-level data on social, labour, and environmental performance with supplier-level data on responsible supply chain management, commitment, ethics, and transparency.

Highly rated suppliers must meet industry best practices in human rights and environmental management, proactively reduce their own impacts, and engage in efforts to reduce the industry's impact in their communities.

Recognising the critical role of suppliers in achieving the ambitious 2025 target, in 2022-23 we implemented further incentives to encourage continued progress. Suppliers that achieve high ratings in both the general Supplier Evaluation (encompassing product delivery and quality evaluations) and the Supplier Sustainability Evaluation receive more favourable financing options, recognising their commitment to sustainable practices alongside operational excellence.

Read more about the evaluation on page 78.

Bangladesh
This year, we joined leading fashion brands in signing the International Accord for Health and Safety in the Textile and Garment Industry in Bangladesh for six more years.



GOAL

By 2025, 75 percent of all product orders will be placed with suppliers that are highly rated in our sustainability evaluation.

PROGRESS

As of the end of 2023-24, 78 percent of product orders were placed with highly rated suppliers. Exceeding our target, this increase demonstrates our commitment to sourcing from suppliers who are committed to sustainability and positive social and environmental impact.

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

2023—24	78%	2022—23	48%

GOING FORWARD

In 2025-26, we will begin reporting our progress to align with the requirements of the European Union's upcoming Corporate Sustainability Due Diligence (CSDD) Directive and the Corporate Sustainability Reporting Directive (CSRD).

While our existing systems largely align with CSDDD and CSRD requirements, we recognise the need for greater transparency for our future reporting process. We are committed to providing stakeholders with clear and easily accessible information regarding our sustainability efforts. This includes updates on our supply chain systems.

We are continuously reviewing and upgrading our supply chain systems to ensure responsible sourcing and production practices. We actively engage with our suppliers to promote sustainable standards and monitor their compliance with our Code of Conduct.

Our dedication to these upcoming EU directives demonstrates our commitment to transparency and accountability. We believe that responsible business practices are essential for long-term success and a sustainable future.



Valued partnerships
Emily Caswell, Reporting & Transparency Specialist at BESTSELLER, and Mahboob Alam, Resident Director of Palmal Group, visiting a Bangladeshi factory with newly installed solar panels as part of our collaboration with SOLshare.



Addressing our environmental impact



Climate change and biodiversity loss, mutually reinforcing, pose a significant threat to nature, livelihoods, and well-being worldwide. We recognise the urgency and the critical need to address both issues simultaneously.

Our Fashion FWD strategy outlines our approach to minimising our environmental impact. We focus on improvements throughout the product lifecycle, from design and production to transportation and use.

In this chapter, we outline our approach, goals, and progress to reducing the impact our business has on the environment. This year, we are broadening our scope to focus on our wider impact on nature as a whole. Here we incorporate climate, water, and land used in producing raw materials, and the impact of our factories, specifically on water and chemical safety.

By taking a holistic approach and working collectively, we strive to reduce our environmental footprint and contribute to a more circular fashion industry.

Climate impact

INTRODUCTION

We are committed to mitigating the environmental impact of our business, including our direct and indirect climate footprint.

We recognise our responsibility to minimise greenhouse gas (GHG) emissions, especially the scope 3 emissions from our supply chain, as this is where our business has the biggest impact.

However, as with other fashion companies, we have a limited direct influence over our supply chain. Many of the countries where supplier factories are located lack the necessary infrastructure to quickly decarbonise their energy mix from fossil fuels to renewables. This presents a big challenge to reaching our ambitious scope 3 reduction target. Solving this challenge requires collaboration across the whole fashion industry.

Our Fashion FWD strategy addresses the challenges by considering design, production, and delivery of our products, as well as the operation of our offices, logistics centres, and retail stores.

APPROACH

Our approach is to track our greenhouse gas (GHG) emissions and progress towards our goals that have been approved by the Science Based Targets Initiative (SBTi), the leading corporate collaboration organisation for climate. Our SBTs are absolute targets, measured against a 2018 baseline year.

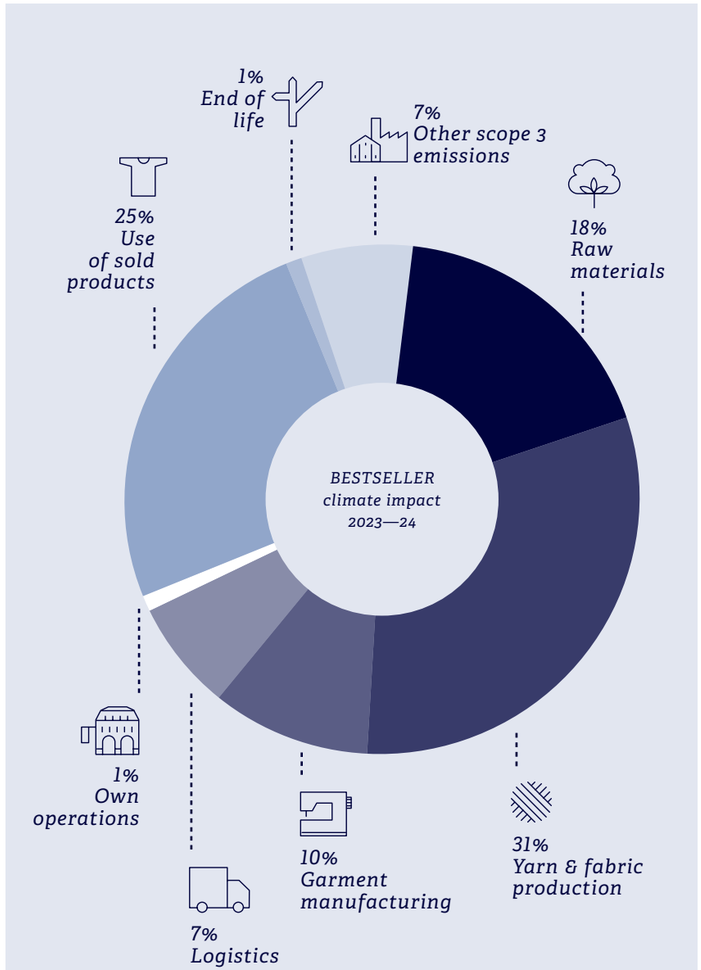
BESTSELLER's total climate footprint across all scopes reached approximately 2 million tonnes GHG emissions in base year 2018.

To reduce our impact, we prioritise efforts within scope 3, the area where we have the largest indirect footprint.

Our GHG emission calculations have been verified by an external verification body.

OUR CLIMATE IMPACT 2023-24

- *Tier 4 – Raw materials*
- *Tier 2 & 3 – Yarn & fabric production*
- *Tier 1 – Garment manufacturing*



Our scope 3 target focuses exclusively on purchased goods and services (Raw materials, yarn & fabric manufacturing) as well as upstream and downstream transportation (Logistics). This excludes consumer use impacts (Use of sold products) as well as End of life and Other scope 3 emissions. This in in line with guidance recommended by the SBTi.

This means that the 2018 baseline for our scope 3 SBTi reduction target, which we use to define our progress against is 1.4 million tonnes CO_2e.

Calculating our emissions

We aim to improve data quality by collecting as much primary data as possible. Primary data is reviewed and checked for quality, and activity data is prioritised over financial data. Where primary data is unavailable, secondary data and literature sources are used in line with industry best practices.

SBT SCOPES

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

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

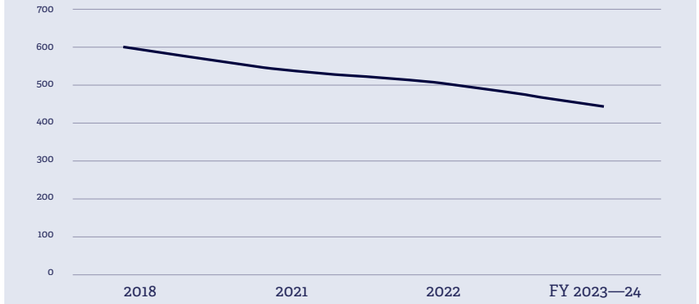
GOALS

By 2030, BESTSELLER commits to:

Reducing absolute scope 1 and 2 GHG emissions by 50 percent from the 2018 baseline.

Reducing absolute scope 3 GHG emissions from purchased goods and services, and upstream and downstream transportation by 30 percent from the 2018 baseline.

TOTAL EMISSIONS IN TONNES CO2e PER MILLION EUR REVENUE



PROGRESS

We are continuously taking steps to integrate our financial performance with our sustainability performance. Traditionally, our sustainability reporting was based on the calendar year.

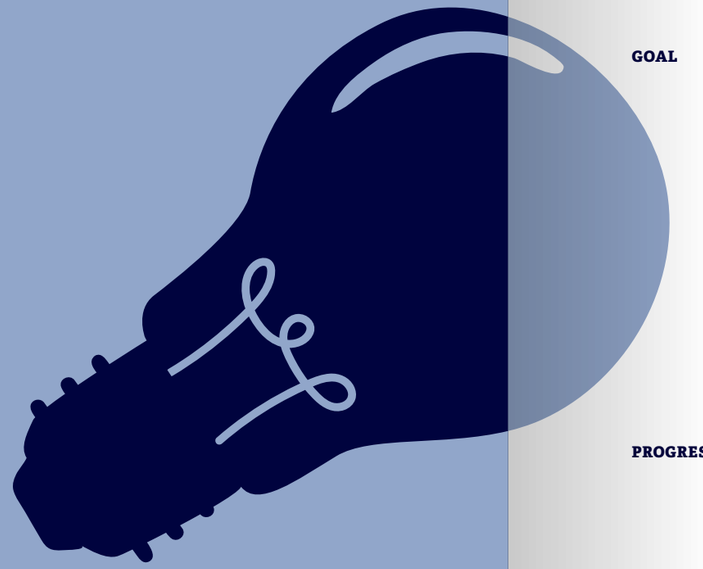
In this report, we document for the first time our climate performance for the financial year instead of the calendar year.

In 2023-24, total SBT GHG emissions fell 17 percent compared to 2022, but remain 2 percent higher than our 2018 baseline. Scope 1 and scope 2 emissions fell by 14 percent, while scope 3 emissions fell by 17 percent compared to 2022. This has mainly been driven by investments in preferred materials and low impact transport.

Comparing the growth in our revenue since our 2018 baseline, we can see that we are beginning to decouple growth from emissions.

Read more about the approach and progress over the following two chapters.

Reducing scope 1 and 2 emissions



INTRODUCTION

We are committed to reducing the climate impact of our own operations. Since launching our Fashion FWD strategy, we have made progress in reducing direct GHG emissions in scopes 1 and 2.

While our direct carbon footprint represents only around 1 percent of total GHG emissions, our owned and operated buildings are symbolically significant due to their visibility and the control we have over these facilities.

APPROACH

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

Through the purchase of Renewable Electricity Certificates (RECs) and a power purchase agreement (PPA), we are sourcing renewable electricity to cover our electricity use globally in line with the RE100 market boundary criteria. This includes a PPA with our parent company, HEARTLAND, who operates a 207-megawatt (MW) solar power plant in Denmark.

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

GOAL

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

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

PROGRESS

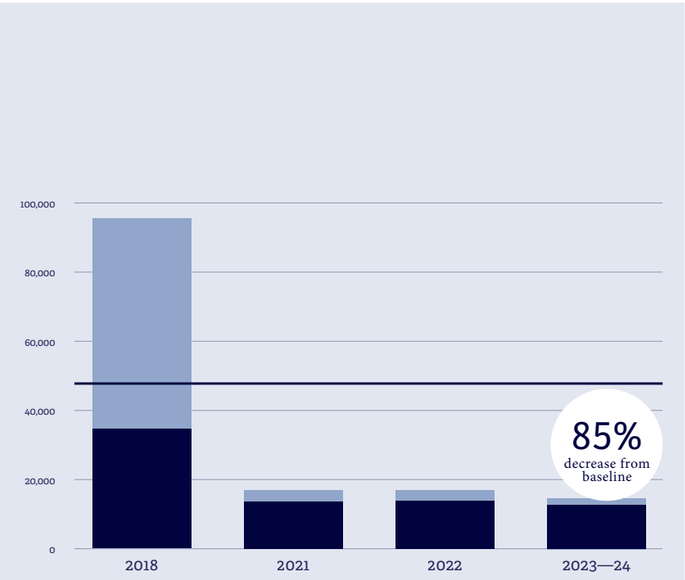
In 2023-24, total scope 1 and 2 emissions were reduced by 14 percent compared to 2022, at 85 percent below the 2018 baseline.

In 2023-24, through a PPA for solar power, we could cover the operations of our owned and operated buildings in Europe with 100 percent renewable electricity. Renewable energy remains the primary driver for reaching 85 percent GHG drop compared to baseline in scope 1 and 2 emissions.

SCIENCE-BASED TARGET SCOPE 1 & 2

(tCO2e)

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



STORES FWD

Compared to our baseline year 2018, we reduced the electricity consumption (kWh) per square metre (sqm) across our own stores by more than 30 percent. This surpassed our projected timeline two years ahead of schedule.

Investments in energy efficiency following the implementation of the Stores FWD programme played a key role in achieving this milestone. We implemented low-wattage LED lighting, energy management systems, energy-efficient heating, cooling, and ventilation systems. Implementing these combined initiatives meant we reduced our energy consumption without compromising store quality.

In 2018, our own stores' estimated electricity consumption was 187 kWh per square metre (m2). Since then, we have consistently reduced our energy usage, reaching 134 kWh m2 in 2022 and 131 kWh m2 in 2023.

BUILDING FWD

The Building FWD policy was launched in 2023, setting clear standards to ensure our buildings meet high sustainability standards.

In 2023-24, we revealed the design of our upcoming logistics centre in the Netherlands, the first new BESTSELLER building designed to comply with Building FWD.

Sustainability was considered from the first design of the building and the surrounding area. Mass timber will be used in the majority of the construction of the building and the material will be sourced from FSC (Forest Stewardship Council) approved supplier. Additionally, the roof of the building will feature more than 23,000 square metres of solar panels.

Read more about the logistics centre on page 50.

GOING FORWARD

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

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









Reducing scope 3 emissions

INTRODUCTION

The vast majority of our climate emissions come from our supply chain. We prioritise our efforts here as this is where we can make the biggest impact in reducing our carbon footprint.

In 2023-24, the production of raw materials such as cotton accounted for 18 percent of total emissions, the processing of yarn & fabric for 31 percent, and garment manufacturing 10 percent. Importantly, the use phase of our products by consumers represents 25 percent of our total impact, although this is not included in our SBT goals.

APPROACH

We are committed to mitigating the climate impact of our supply chain by collaborating with stakeholders across the value chain.

Our impact is most significant in the production of our garments. We therefore focus throughout the supply chain and ensure that our products are made with low-emission raw materials, fibres, and fabrics.

We are increasing the use of low impact materials in our products. Additionally, we are working directly with farmers to transition from conventional to organic cotton, enhancing transparency and enabling more precise information collection of our products' climate impact. You can read more about our materials on page 149.

Across the fashion industry, we face a significant challenge in documenting the total climate impact of materials and supply chain operations, due to the complexity of these supply chains.

We are improving data quality within scope 3 and increasing our use of primary data. However, the impact of initiatives like the FWD>>ENV programme is not yet reflected into our reporting.

We require factories to track all energy sources and establish a baseline for energy use. They are expected to set targets for reducing energy consumption or transitioning to cleaner fuels. This collaboration creates a verifiable record of energy use and drives meaningful change. Progress on these baselines is a key factor in our Supplier Sustainability Evaluation.

Finally, the use phase of our products, notably washing and drying, is a significant part of our total climate impact.

Through our Fashion FWD Strategy, we are committed to engaging consumers to reduce the impact of product use.

We aim to guide purchasing and behaviour decisions by informing consumers about the impact of their purchases and how to care for the products during use phase. Read more on page 180.

GOAL

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

PROGRESS

In 2023-24, SBT scope 3 GHG emissions were 1.4 million tonnes. This was 17 percent lower the 2022 calendar year, although 8 percent higher than the 2018 baseline. We began to see a decoupling of emissions from our growth, as investments in raw material sourcing, increased use of certified and branded materials, and investments in low emission logistics show promising signs of progress. This encourages us to continue focusing on these strategies.

In 2023-24, our parent company, HEARTLAND, together with their partner SOLshare – a cleantech company contributing renewable power to Bangladesh's energy grid – continued to install solar power on factory roofs of partnering suppliers in the country.

Through this initiative, we will indirectly contribute to reducing greenhouse gas emissions in textile factories producing clothes and shoes for the fashion industry. As of 31 July 2024, SOLshare has installed solar power systems at five factories. These systems generated more than 700,000 kWh and saved more than 450 tonnes of carbon emissions. Read more on page 85.

Together with other peers like Gap and H&M, we launched the Future Supplier Initiative. This collaborative effort focuses on financially empowering suppliers to reduce their carbon footprint. Read more on page 84.

Logistics emissions

Emissions from logistics are included in BESTSELLER's Scope 3 climate impact. Logistics emissions cover the transport of products from suppliers, and the transport of products to our wholesale partners, retail stores, and ecommerce shoppers globally.

Logistics accounts for approximately 7 percent of our total GHG emissions. Ocean transport makes up over 80 percent of BESTSELLER's transport solutions, while road transport covers 14 percent and air freight 6 percent. We are committed to reducing our logistics emissions and have taken concrete steps to do this.

For the last three years, we have partnered with Maersk – a leader in global shipping – to use Maersk ECO Delivery, a low-emission biofuel for the majority of our sea freight.

Maersk ECO Delivery is manufactured from hydrotreated vegetable oil. It is certified as a sustainable fuel by the International Sustainability and Carbon Certification (ISCC) body.

In 2022, using biofuel for sea freight was the main driver of logistics emissions falling by 55 percent from the 2018 baseline.

However, between 2022 and 2023-24, emissions from logistics increased by almost 106 percent. Although this remains 13 percent lower than the 2018 baseline.

The increase in logistics-related emissions was largely driven by greater use of airfreight. While our primary method of transportation is ocean shipping for the majority of our products, the disruptions in the Middle East during 2024, which forced shipping companies to avoid the Red Sea, caused considerable delays.

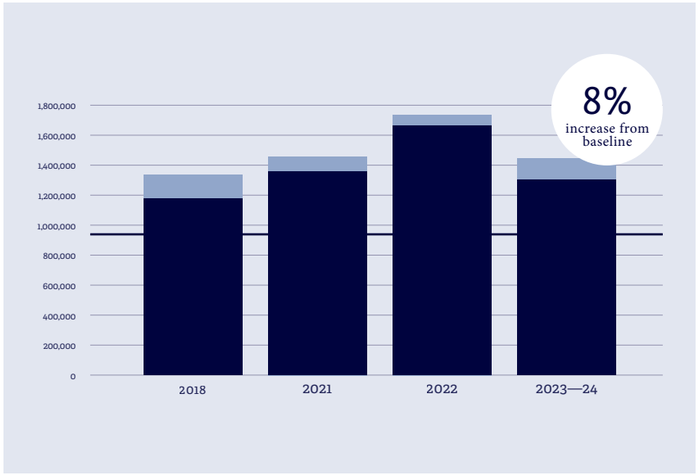
To meet the commercial demands of delivering the right products on time to both our partners and end-consumers, we chose to increase our use of airfreight for some products.

In terms of logistics, we will continue to partner with Maersk on ECO delivery. The next phase of our partnership will include the use of electric trucks to reduce road emissions between ports and our logistics centres in Europe.

SCIENCE-BASED TARGET SCOPE 3

(tCO2e)

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

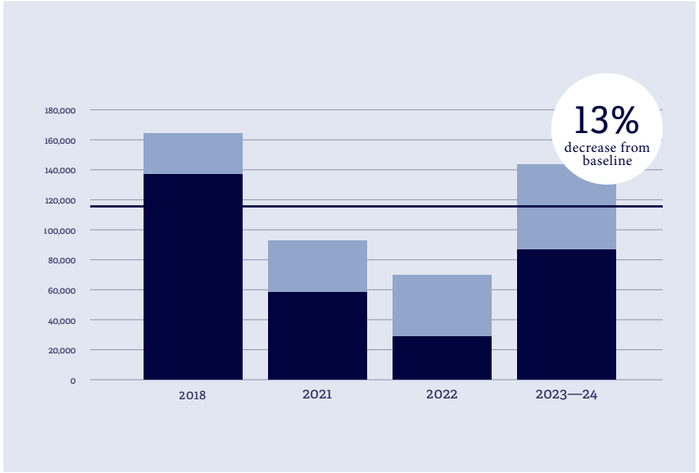


In 2023-24, SBT scope 3 GHG emissions were 1.4 million tonnes. This was 17 percent lower than the 2022 calendar year, although 8 percent higher than the 2018 baseline.

EMISSIONS FROM LOGISTICS

(tCO2e)

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



Between 2022 and 2023-24, emissions from logistics increased by almost 106 percent. Although this remains 13 percent lower than the 2018 baseline.

GOING FORWARD

Despite the progress we made this year, we recognise that it may be difficult to reach our 30 percent SBT absolute reduction target by 2030.

To truly decouple growth from increasing scope 3 emissions, we must intensify our efforts across our value chain and collaborate with industry stakeholders on systemic solutions and policy measures for sourcing countries to transition to renewables.

Despite this, our commitment remains unwavering and our general approach remains unchanged. We will intensify our efforts in three key areas where we can maximise our impact:

1. **DESIGN PRODUCTS MADE FROM MATERIALS WITH LOWER CLIMATE IMPACT**	Continue investing in material innovators and increasing the use of certified and branded materials. Meet our 2025 materials targets, building on the progress made since 2018.
2. **WORK HOLISTICALLY WITH OUR DIRECT SUPPLIERS AND ACROSS OUR SUPPLY CHAIN**	Enhance supply chain emissions transparency by scaling up primary data collection. Increase our work directly with tier 1 factories and collaborate across the industry with tier 2 material suppliers to reduce their climate impact and bring together the industry to create systemic change.
3. **ADDRESSING THE USE PHASE OF OUR PRODUCTS TO EXTEND LIFE CYCLE**	Increase our engagement with consumers to raise awareness of the impact of product use. Continue to invest in increased product quality and durability and advocate for solutions that promote reuse and recycling.

GHG EMISSION	FY data 2023/24 (July 31, 2024)*	Calendar year 2022	Calendar year 2021	Baseline year 2018	% change from baseline year	Goal
TOTAL SCOPE 1 & 2 SCIENCE-BASED TARGETS (SBT)	14,596	16,918	16,904	95,616	-85%	Reduce absolute scope 1 and 2 GHG emissions by 50 percent from the 2018 baseline.
Total scope 1 emissions (tonnes CO2e)	12,874	13,907	13,840	34,691	-63%	
Total scope 2 emissions (tonnes CO2e)	1,722	3,011	3,064	60,925	-97%	
TOTAL SCOPE 3 SCIENCE-BASED TARGETS (SBT)	1,439,791	1,730,559	1,448,426	1,329,812	8%	Reduce absolute scope 3 GHG emissions from purchased goods and services, and upstream and downstream transportation by 30 percent from the 2018 baseline.
Purchased goods and services (tonnes CO2e)	1,295,905	1,660,763	1,355,281	1,165,106	11%	
Logistics (tonnes CO2e)	143,886	69,795	93,145	164,706	-13%	
TOTAL SCOPE 3 CATEGORIES NOT UNDER SCIENCE-BASED TARGETS (SBT)	631,946	760,273	713,646	582,516	8%	
Capital goods; fuel and energy-related activities; waste generated in operations; business travel; employee commuting; end-of-life treatment of sold products	108,910	161,453	60,775	75,674	44%	
Use of sold products	523,036	598,821	652,871	506,842	3%	
Total scope 3 (tonnes CO2e)	2,071,738	2,490,832	2,162,072	1,912,328	8%	

Nature & Biodiversity

INTRODUCTION

Biodiversity refers to the diverse range of living organisms on Earth and is essential for the processes that support all life on Earth. We recognise the interconnectedness of biodiversity and climate, acknowledging that addressing one crisis requires addressing the other.

APPROACH

Protecting and restoring biodiversity is crucial for achieving our material and climate goals, both directly and indirectly. However, unlike climate, there is no single metric that can capture biodiversity's complexity and breadth.

While we continue to explore ways to assess species, diversity, and abundance across our operations and supply chain, we are also taking action to reduce our contribution to the key drivers of biodiversity loss, such as habitat destruction, pollution, climate change, and overexploitation.

We support the Science Based Target Network's Corporate Engagement Programme (SBTN), which promotes industry alignment and provides guidance on assessing, tracking, and monitoring impacts, pressures, and risks related to biodiversity.

PROGRESS

We are working on our Nature strategy to address the risks identified in the materiality assessment which we have conducted previously together with The Biodiversity Consultancy, highlighting our supply chain and especially tier 4 (Material extraction) as where our biggest risk for causing biodiversity loss is.

To support this journey, SBTN have also released their version 2 guidance for land and water. With land use change being the biggest driver of biodiversity loss, we have therefore begun assessing how to address our impacts on land following this guidance. Read more on page 132.

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



In 2023-24, we unveiled the design of our new logistics centre in the Netherlands, prioritising sustainability and biodiversity. Over half the site will be dedicated to wetlands and forests, protecting species and absorbing CO_2. Construction will be surrounded by a wetland, fostering microhabitats for native species. The centre boasts an optimised rainwater system, safeguarding against floods and recycling rainwater. Read more on page 50.

GOING FORWARD

The upcoming adjustment of our Fashion FWD strategy will consider the latest knowledge we have from Science Based Targets for Nature, covering topics including raw material, manufacturing, and landscape restoration. We will set targets to secure the protection and restoration of ecosystems and key species following best practice and recommendations by national and internationally recognised frameworks and guidance.

While our biggest impacts are not within our own facilities, we still prioritise assessing and working with biodiversity to further explore the possibilities current facilities have in improving local biodiversity.

We will continue to support and explore ways to prevent the loss or degradation of ecosystems and support nature restoration.

A bird's-eye view of a direct-to-farm field in India.

Land

INTRODUCTION

Land use change is the number one driver of terrestrial biodiversity loss.

Primary drivers are agricultural expansion due to increasing human demands, consequently compromising soil health, water availability, and pollution, and other ecosystem services, such as pollinators, that are needed for successful crop production.

APPROACH

Our approach to responsible land use focuses on the use of farmland and forests and begins with the materials we source.

We work to source raw materials that do not contribute to the main drivers of land degradation, including land use change, pollution, and overexploitation.

We are committed to sourcing increasing volumes of certified and branded materials. For example, we aim to source all man-made-cellulosic fibres (MMCF) from low-risk fibre suppliers and certified sources. We also work to increase transparency in the MMCF supply chain to trace sources that do not contribute to deforestation. Read more on page 168.

Through our direct-to-farm cotton programme, we gain insights into the impact of cotton growing and implement measures to reduce our impact on soil and surrounding natural habitats. By having a direct link to where we source, we can further investigate the importance of healthy soils and avoid soil depletion and expansion into natural habitat. Read more on page 160.

Sourcing from recycled sources reduces land use pressure by limiting the uptake of virgin raw materials.

PROGRESS

We are working on revising our Forest Protection Policy to address deforestation and land-use change, which are major causes of biodiversity loss. We are now assessing our different materials and creating a strategy on how to approach them, as each have different supply chains that must be addressed in different ways.

We increased the percentage of organic cotton and certified and branded MMC fibres used in the production of styles. Read more on pages 163 and 168.

We are in the process of estimating our land use, which will help us assess risks associated with land use. Unsurprisingly, the highest land use is in tier 4.

India
Organic crops belonging to a farm included in the direct-to-farm programme.



There is an increased attention on regenerative farming practices, despite being a traditional approach by indigenous people. Because regenerative farming is not defined and is more a process than a specific set of dos and don'ts, we have been cautiously assessing the term in which practices are included as well as expected outcomes for land management, soil health, and biodiversity. We define regenerative farming as the continuous improvement of water, soil, and biodiversity by working together with the natural systems and their natural processes, and not a one-size-fits-all checklist of practices.

In 2023-24, we joined regenerative cotton projects in India and Pakistan. The project in Pakistan is with almost 100 farmers, covering 400 hectares of land, while the project in India is together with more than 1,000 farmers, covering 1,900 hectares of land. Both projects use no genetically modified seeds or chemicals in the farming process. The aims for the projects include gaining knowledge about the impact of regenerative farming and local impact data directing from the ground.

GOING FORWARD

Land use will be a key aspect of our Nature Strategy. With the release of the updated guidance on Science Based Targets for Land, we start to explore actions, covering topics including raw material sourcing and landscape restoration. This will help us to set targets to secure the protection and restoration of ecosystems and key species.

Next steps for land use are to understand our biggest pressures, something our partnership with Textile Genesis will support us with. By understanding the country of origin, we will also understand the specific risk associated with land conversion and degradation.

Because regenerative farming is context specific and not a one-size-fits-all, we are going to increase our focus on measuring specific outcomes for those regenerative projects we join and explore expansion of the current projects.

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





Water

INTRODUCTION

Water, climate, and biodiversity are inextricably linked, with ecosystems ensuring water availability and quality. Freshwater ecosystems are among the most degraded and threatened globally.

Water availability is crucial for our business and the fashion industry's supply chain. Water is particularly important for growing cotton. Almost 60 percent of our water consumption is used to grow cotton, which is often produced in water-stressed regions. As cotton is our largest material used by volume, addressing water use is critical for our business.

APPROACH

Our approach to water use is focused on the availability as well as the quality of this available water. As with biodiversity, water is a very localised resource and therefore requires a context specific approach. We work with partners to address the availability of clean water in the locations we operate. We for example strive to increase the use of materials with verified water reductions and reduced pesticide use such as Better Cotton, and collaborate with suppliers to reduce water use in garment production.

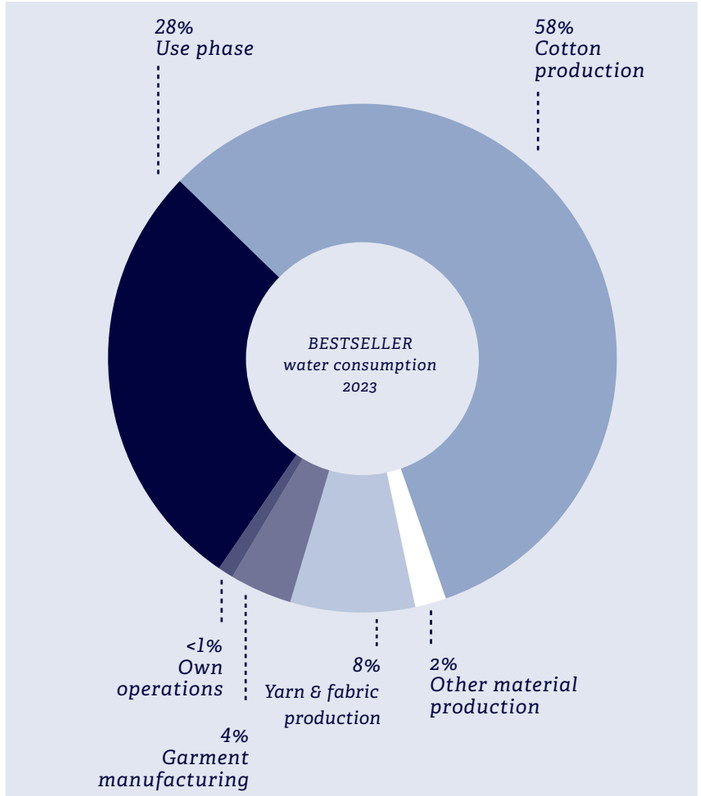
In our efforts we closely follow the development of the Science Based Target for freshwater, to provide industry aligned guidance on assessing, tracking, and monitoring impacts, pressures, and risks related to availability of clean water.

We collect data on suppliers' water usage through our Factory Standards Programme, which is incorporated into the Supplier Sustainability Evaluation. Factories with wet process facilities must track water withdrawal from all sources, establish a baseline for water use, and identify factors contributing to water use. Read more on page 138.

Although we have not set an official water baseline for freshwater consumption, our estimated water footprint from 2023 showed that the sourcing of cotton is responsible for nearly 60 percent of our total water consumption. This presents a risk for the cotton supply chain.

OUR WATER CONSUMPTION 2023

- *Tier 4 – Raw materials (cotton)*
- *Tier 4 – Raw materials (other)*
- *Tier 2 & 3 – Yarn & fabric production*
- *Tier 1 – Garment manufacturing*



PROGRESS

In 2023-24, we sourced 100 percent of our cotton from sources that address and improve availability of clean water in the relevant locations.

We continued our work in the our supply chain with our Factory Standards Programme and FWD>>ENV Programme to reduce water consumption and improve water quality. See more on the next page.

GOING FORWARD

We will continue to increase the use of materials with verified water reductions, such as Better Cotton. In addition, we will increase our focus on measuring specific outcomes for availability of clean water for regenerative projects we join.

In the following chapter we describe the impact of the factories in our supply chain on the environment, specifically on water and chemical safety.

Factory environmental impact



INTRODUCTION

Collaboration with suppliers is essential to reduce our environmental impact and ensure responsible production throughout our supply chain.

The environmental impact of our factories and their suppliers is substantial. Collaboration, training, and incentives for reducing water, chemical, energy, and waste consumption are crucial for the future of our industry.

APPROACH

We focus these efforts on high-impact facilities, using a risk-based approach. These are defined as facilities with over 250 employees, using more than five chemicals in their processes, and discharging more than 15 cubic metres of industrial water per day. These facilities must implement responsible environmental management systems.

Tanneries, which pose a high environmental risk, must have a Leather Working Group Certificate (silver or gold) and share their LWG Scorecard and audit report upon request. Agents and traders dealing in leather must also be LWG certified and disclose their suppliers.

BESTSELLER conducts ongoing risk assessments to identify and anticipate potential adverse impacts on both human rights and the environment in our supply chain. These assessments are conducted regularly by both internal teams and external experts.

The latest environmental impact assessment, conducted in 2022, identified and prioritised environmental risks based on geography and provided recommendations for mitigation and management. The assessment showed our biggest risks are around water, chemicals, and wastewater. These findings inform our ongoing efforts to address identified risks and ensure our policies and procedures are effective.

TACKLING GREENHOUSE GAS EMISSIONS

In addition to these assessments, our regional environment and chemical managers engage regularly with industry platforms and update mitigation programmes accordingly.

We continuously review our policies, assessment methodologies, and mitigation efforts to ensure they align with best practices and address emerging challenges. We recognise the evolving nature of environmental risks, and we commit to regularly reviewing our approach to ensure its effectiveness in mitigating these risks and protecting the environment and people within our supply chain.

To reduce our environmental impact, we have stringent requirements for high-impact facilities regarding greenhouse gas emissions and energy efficiency.

Our Environmental Requirements mandate factories to identity and track their total energy use.

Factories must identify energy-intensive processes and equipment. This includes boilers, compressed air systems and dyeing equipment.

We work with factories to recommend actions to reduce energy consumption. These include setting baseline reduction targets, replacing inefficient equipment that is energy-intensive or generate significant emissions.

We do not onboard new garment suppliers (tier 1) using onsite coal-fired boilers, and we support existing ones to transition to cleaner alternatives. Material suppliers (tier 2) using onsite coal must have a credible phase-out plan with clear milestones and actions in order for them to be onboarded. We regularly monitor progress and provide support through training programmes.

Our goal is to phase out on-site coal as energy source within our garment (tier 1) and material suppliers (tier 2), by 2028. The collaborative approach with our suppliers helps us reduce our environmental footprint and ensure responsible production practices throughout our supply chain.

ENVIRONMENTAL MANAGEMENT

All factories must adhere to our Environmental Management Requirements, which are publicly available on our website.

Factory performance is regularly assessed using clear KPIs and targets for improvement. Supplier performance against these targets is incorporated into the Supplier Sustainability Evaluation.

In addition to our monitoring, suppliers are required to submit data to the Higg Facility Environmental Module (Higg FEM) Index. This tool measures performance in seven impact areas. These are environmental management systems, water use, wastewater, chemical use, waste management, energy use, and greenhouse gas emissions.

WATER MANAGEMENT

To prevent water overuse in garment manufacturing, we have strict requirements for our high-impact facilities.

Our tier 1 and integrated suppliers must track their water use and we recommend strategies for reduction. Wet-processing facilities must identify and track water sources, set baselines, and implement best available technologies for reduction.

Water management performance contributes to supplier ratings. Responsible water use in every facility leads to higher ratings. Additionally, we support suppliers through training programmes and knowledge-sharing seminars. Read more about the supplier evaluation on pages 78 and 109.

To safeguard against environmental damage, we have robust wastewater management requirements for our suppliers in Bangladesh and Pakistan. We conduct third-party testing in high-risk regions and facilities with concerns about treatment or chemicals. Factories must keep internal quarterly and independent yearly test reports for at least 12 months, unless using a Zero Liquid Discharge (ZLD) system.

We go beyond local laws and require treatment of all wastewater from industrial and domestic processes before disposal, either on-site or through approved treatment centres. Untreated wastewater discharge is forbidden and will result in order halts. Wastewater treatment must use physical, chemical, and biological processes.

Non-compliance is monitored, and corrective action plans are agreed upon between the supplier and local BESTSELLER teams. Ultimately, we have a clear escalation protocol for non-performance. For hazardous waste, we ensure proper management and disposal processes are in place. Our Environmental Requirements detail wastewater treatment guidelines, adhering to both local regulations and ZDHC guidelines. Suppliers are monitored by the Factory Standards Programme for compliance.

FWD>>ENV PROGRAMME

30 key Bangladeshi suppliers participate in our FWD>>ENV programme. Through this programme, we collaborate with factories to improve their environmental performance and train their staff to become qualified experts.

Developed in partnership with Bangladeshi consultancy ERI, the programme's curriculum offers comprehensive training in environmental supply chain management, leadership, and our Fashion FWD strategy.

This two-year initiative includes eight capacity-building sessions, four knowledge-sharing sessions, and awareness-raising activities for supervisors and workers. Through seminars and hands-on training, participants gain technical expertise in areas like steam engineering and process improvements, along with essential leadership and communication skills.

The programme emphasises practical case studies. To earn certificates, participants develop and present action plans for addressing specific environmental challenges. This fosters collective learning and idea exchange to overcome hurdles and develop long lasting solutions.

The curriculum encompasses key focus areas: chemical management, water and waste reduction, energy and greenhouse gas emissions reduction, and improved environmental management systems.

Our in-country environmental team works closely with factories during assessments, developing solutions, and implementing changes to minimise their environmental impact.

PROGRESS

Following results of the pilot programme, FWD>>ENV was extended. 28 of the factories initially enrolled in the programme will continue to be involved for another two years.

During 2023, these factories again reduced their environmental impact. This included firstly, reducing 280 million megajoules of energy consumed, an average reduction of 7 percent. Secondly, more than 1.6 million cubic metres water saved, an average reduction of 12 percent. Finally, reducing 29,000 tonnes of CO_2e, an average reduction of 10 percent.

While we work very closely with the participating suppliers, not all their production volume is allocated to BESTSELLER, so the savings are not directly reflected in BESTSELLER's total performance.



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



We have since onboarded 20 additional factories in Bangladesh to the programme. This means the number of suppliers now enrolled in FWD>>ENV covers 78 percent of all volume sourced in the country, or 36 percent of BESTSELLER's total sourcing volume globally.

Working with these factories we are targeting annual savings of, firstly, 293 million megajoules of energy annually, an average reduction of 19 percent. Secondly, 911,000 cubic metres water, an average reduction of 24 percent. Finally, reducing 26,000 tonnes CO2e a year, an average reduction of 23 percent.

In 2023-24, the FWD>>ENV Programme was expanded to Pakistan, engaging 14 factories covering 67 percent of our sourcing volume in the country. Together with suppliers, we are setting reduction targets, which will be implemented in 2024-25.

RTIS DATA

The Resource Tracking Information System (RTIS) provides accurate, timely data on factory environmental performance. RTIS is being used by 71 factories in Bangladesh and Pakistan.

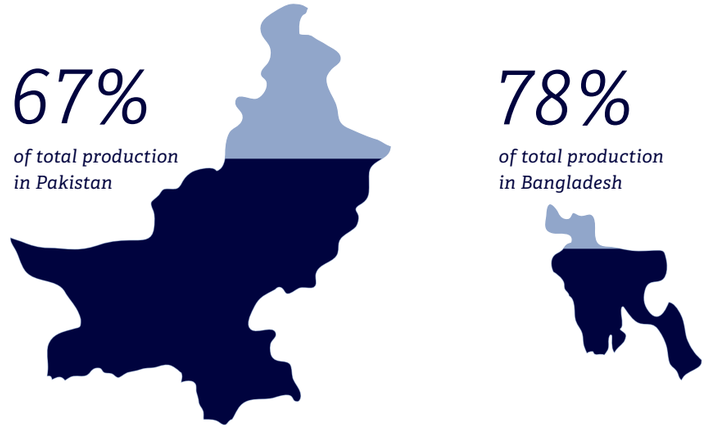
RTIS addresses the limitations of existing tools by providing reliable and timely data on factory impacts. It provides informed decision-making, as this data facilitates effective interventions and accurate measurement of the impact of environmental programmes.

Example of RTIS data from a ready-made-garment factory with a small washing unit in Bangladesh (calendar year 2023).



Footprint KPI	*Total facility footprint*	*BESTSELLER footprint*
GHG	*13,355 tCO2e*	*4,003 tCO2e*
Total energy	*209,288 GJ*	*67,414 GJ*
Thermal	*105,131 GJ*	*33,211 GJ*
Power	*9,904,239 kWh*	*3,053,471 kWh*
Steam generation	*30,660 ton (steam)*	*9,601 ton (steam)*
Water	*611,536 m3*	*193,307 m3*
Wastewater outlet	*367,272 m3*	*115,679 m3*
Chemical	*651,721 kg*	*204,619 kg*
Natural gas	*4,799,816 m3*	*1,509,630 m3*
Diesel	*87,801 l*	*24,310 l*
Jhoot (fabric waste)	*764,445 kg*	*246,176 kg*

COVERAGE OF SUPPLIERS ENROLLED IN FWD>>ENV PROGRAMME



HIGG FEM PERFORMANCE SCORE TABLE

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

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

2023	*2022*	*2021*
61	*66*	*50*
82%	*96%*	*87%*

Our 2023 Higg FEM score fell below our 2022 results due to the adoption of the upgraded Higg FEM 4.0 assessment. This new version raises the bar for environmental responsibility standards compared to the previous Higg FEM 3.0 assessments used by our suppliers.

IPE IN CHINA

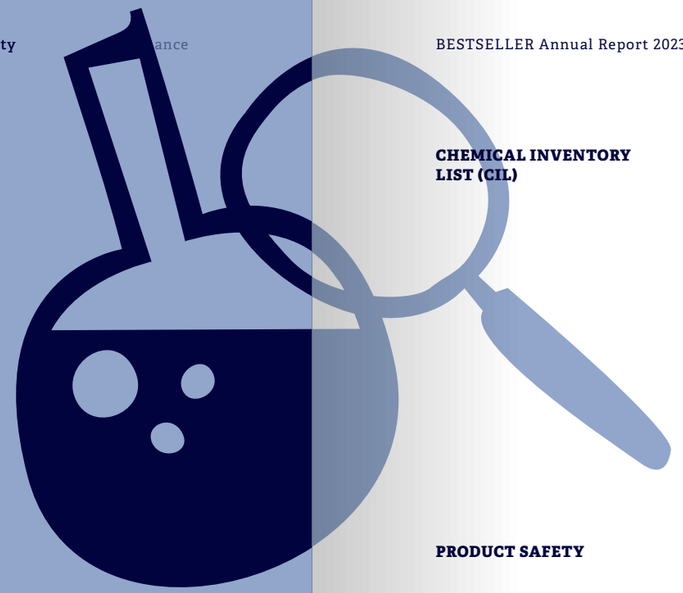
BESTSELLER's rank in IPE's CITI (Corporate Information Transparency Index) Evaluation.

2023	*2022*	*2021*
14/ 700+	*20/ 600+*	*23/ 600+*

GOING FORWARD

We will continue to grow the FWD>>ENV programme, supporting factories in Bangladesh and Pakistan transition to more efficiency. In the coming year, we are onboarding factories in India to the programme.

Chemical safety



INTRODUCTION

We are committed to eliminating harmful chemicals from our manufacturing processes and from our products.

APPROACH

We have invested in phasing out hazardous chemicals and developing non-hazardous alternatives. Understanding the composition of chemicals in the supply chain is essential for suppliers to effectively identify and manage potential risks. This guarantees that our products are safe for both people and the environment.

Our Restricted Substances List (RSL) outlines the chemicals that are prohibited or restricted in our products. This list applies to all suppliers, including subcontractors, materials and accessories suppliers (labels, packaging, etc.), dye-houses, print-houses, tanneries, carriers, and others.

It is the responsibility of our suppliers to ensure that everyone in their production network is aware of and complies with our RSL. This includes having the latest version of the list and educating all partners on meeting its requirements. Suppliers must work only with partners who can comply with these restrictions. Our RSL is updated annually based on legislative changes and industry best practices.

All factories with wet-processing facilities, including tanneries, are assessed through our Factory Standards Programme for chemical management protocols. They must track and report hazardous and non-hazardous waste streams, including volume generated and disposal methods. All waste must be segregated and stored properly.

Our in-country chemical & environmental teams verify that chemical use, storage, and handling precautions are followed and that employees receive appropriate protective equipment and training.

CHEMICAL INVENTORY LIST (CIL)

While all suppliers and factories with wet processes have to provide a Chemical Inventory List (CIL) to BESTSELLER, all CIL's are screened for compliance with BESTSELLER's Manufacturing Restricted Substances List (MRSL). We encourage all factories with wet-processing facilities to submit their CILs via the BHive app, a digital tool for sharing CILs. This app automatically compares CILs with BESTSELLER's MRSL and provides real-time feedback on compliance to both the supplier and BESTSELLER, enabling a proactive approach to responsible chemical management. For Bangladesh and Pakistan, being high-risk countries for chemical management, we sponsor those suppliers' access to the BHive app.

Chemical safety is part of our holistic approach to material transparency across our supply chain. Our material strategy will aim to deliver transparency on a product-by-product level, and our chemical transparency goal will contribute to this strategy. For more information about our approach to materials see page 150.

PRODUCT SAFETY

To mitigate the risk of environmental damage and ensure product safety, we have stringent chemical management requirements for our suppliers.

We systematically test our products and materials at accredited global independent laboratories to ensure compliance with our requirements. Products that do not meet our standards are reworked.

Our testing aligns with our Restricted Substances List (RSL) and Packaging Restricted Substances List (PRSL), which detail banned or restricted chemicals in our products and are both publicly available.

NO TO PFAS

We advocate for the reduction of PFAS (Per- and Poly-Fluorinated chemicals) in apparel manufacturing. PFAS are a group of man-made chemicals and typically used in water repellent coatings. In 2016, BESTSELLER implemented a company-wide ban on the use of all PFAS in all production. Through the industry led 'No to PFAS' campaign, we collaborate with other companies to accelerate legislation on hazardous substances.

We have a strict policy on PFAS, testing each product for traces. If levels exceed 1,000 parts per billion, the product is rejected and returned to the factory for rework. As a safer alternative to PFAS-containing chemicals, we encourage suppliers to use Bionic Eco, a water-repellent finish that is free of harmful fluorocarbons.

GOAL

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

PROGRESS

We are phasing out Chemical Inventory List (CIL) noncompliant chemicals across wet-processing facilities. We are also expanding our list of Approved Material Suppliers required to share their CIL with BESTSELLER.

Bhive Performance Data

	2023	2022	2021
No. of factories	179	174	87
Percentage of chemicals scanned that meet ZDHC standards	83%	85%	78%

In 2023-24, we tested 11,664 styles through our Chemical Testing Programme. 3 percent failed to meet our standards. Belts and footwear had the highest failure rates.

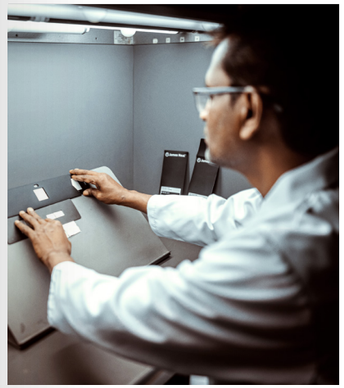
Chemical testing programme

	2023—24	2022—23	2021—22
styles tested	11,664	11,645	10,765
styles failed	3%	4%	5%

BESTSELLER had no product recalls in the reporting period.

GOING FORWARD

We will continue collaborating in forums like the AFIRM, with suppliers, industry specialists, chemical innovators, laboratories, and regulators to ensure that the chemicals in our products comply with not only with forthcoming legislation, but precautionary principles and industry best practice.







Factory lab
Suppliers test for both restricted and prohibited chemicals to verify that products combly with our standards.

Preparing for a circular future



The fashion industry has a significant impact on the world's natural resources. The traditional "take-make-waste" model is based on increasing raw material consumption and product disposal through incineration or landfill. This poses risks to our environment and, consequently, our business.

At BESTSELLER, we are preparing for a circular future by increasing the use of renewable and recycled materials in our products, and working across the industry to find innovative solutions to extend product lifecycles.

For the fashion industry to truly become circular, we must work across the value chain to minimise products ending up in landfills and instead be reused as resources. We also engage consumers to promote product longevity.

In this chapter we introduce our approach to materials and innovation, describe our processes for managing our most important materials, and detail how we work to extend product lifecycles.

Materials

INTRODUCTION

We are committed to using both existing and newly developed materials with a lower environmental footprint.

We design our collections using a diverse range of natural and synthetic materials, including cotton, viscose, and polyester. Moving away from the traditional linear model, we are actively seeking alternatives to conventional materials with a lower environmental impact.

This includes our commitment to sourcing materials that minimise water, energy, and chemical use while upholding ethical and social responsibility throughout the production chain.

Our future business model aims to prioritise efficiency and resource reuse at every level to minimise impacts and keep resources in circulation.

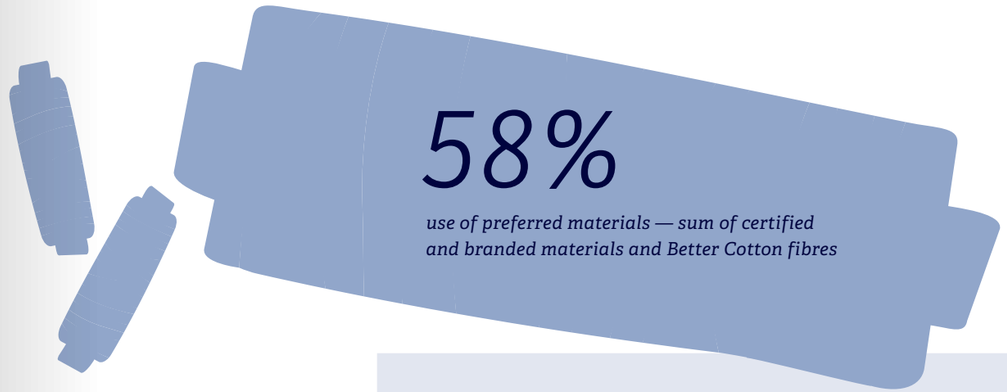
We have invested – and will continue to invest – in expanding our portfolio of products made with organic and recycled materials. Organic materials are grown without harmful pesticides or fertilisers, reducing their environmental impact. We are working to close the loop on fashion by using recycled materials in our products, diverting waste from landfills.

PREFERRED MATERIALS

As part of our Fashion FWD Strategy we are committed to increasing our use of preferred materials year-on-year until all our products are made using materials with a lower environmental impact. For BESTSELLER, we define our total preferred materials as the sum of certified and branded materials, and Better Cotton fibres.

In 2023-24, more than 58 percent of our total product volume by weight was made using preferred materials.

In 2023-24, we continued to invest in certified and branded materials across all brands resulting in 23 percent of all BESTSELLER products were made using certified and branded materials.



58%

use of preferred materials — sum of certified and branded materials and Better Cotton fibres

Certified and branded materials

Certified and branded materials are proven to have less environmental impact than conventional materials, such as through water conservation, using renewable energy, and employing safer chemicals during production.

To ensure transparency and accuracy in our material claims, we have established minimum content requirements for products labelled as certified and branded.

Unless there are quality concerns with a specific fibre, the minimum content of certified and branded material for a product to be labelled as such is 50 percent. This means that at least half of the material composition must be certified and branded.

This requirement ensures that our claims are accurate and reflects our commitment to providing customers and consumers with clear information about the materials used in our products.

BETTER COTTON

Better Cotton is the world's largest cotton sustainability programme. Its mission is to help cotton communities survive and thrive, while protecting and restoring the environment. The more Better Cotton we source, the greater impact we can achieve. Therefore, Better Cotton is a minimum requirement for suppliers, and the volume we source is a key measurement of our preferred materials. Read more about Better Cotton on page 160.

MATERIAL TRANSPARENCY

We are investing in technology and collaborating with our partners to enhance traceability and transparency throughout our entire supply chain.

To promote transparency, we publish a list of tier 2 Approved Materials Suppliers that we recommend our tier 1 suppliers to source materials from. These suppliers have demonstrably upheld our Code of Conduct, maintained production facilities that meet our basic requirements, and complied with the environmental and chemical requirements of the Factory Standards Programme.

This list has grown from 80 suppliers in 2022-24 to 155 suppliers in 2023-24. This contributes to our understanding of the direct impact of tier 2 manufacturing and enables us to set clearer reduction targets.

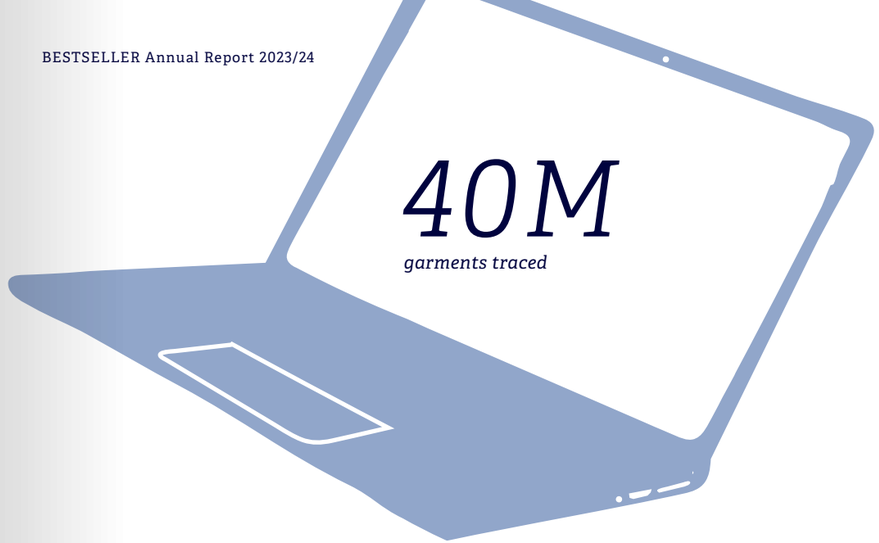
While we strive for full transparency, it is important to note that we do not yet have complete visibility into all tier 2 suppliers within our supply chain. This is an ongoing effort, and we are actively working to map and engage with all our tier 2 suppliers to ensure responsible practices throughout the entire supply chain.

Our data management systems monitor products from order placement through to assembly and logistics. These systems serve as the foundation for a comprehensive approach to material transparency throughout the supply chain, aiming to ensure accurate product labelling and facilitate data-driven consolidation and cost savings in the future.

We are currently implementing a materials mapping project to gain additional visibility into the complexity of our supply chain. Strategic suppliers will be required to disclose their materials suppliers twice annually, along with details such as volumes.

This data will enable us to prioritise visits to key suppliers, evaluating their chemical and environmental performance, quality standards, and technical capabilities. Those meeting the established criteria will be designated as Approved Materials Suppliers, incentivised by a reduction in chemical testing requirements for their materials.

This mapping process is crucial for understanding the diverse needs of different material suppliers, from tanneries to button manufacturers. By integrating the data management system and the materials mapping project, we aim to increase transparency of our supply chain and empower informed decision-making, continuous improvement, and ultimately reach our Fashion FWD ambitions.



TEXTILE GENESIS PARTNERSHIP

We partner with Textile Genesis, a pioneering traceability platform custom built for the fashion & textile ecosystem. Our partnership focuses on fibre forward tracing of man-made cellulosic fibres and direct-to-farm cotton. Since beginning the partnership, we have traced more than 40 million garments through our supply chain.





As part of our fifth consecutive national Olympic and Paralympic partnership, we dressed the Danish athletes during Paris 2024.
The collection was designed and delivered by JACK & JONES and VERO MODA.

Innovation

INTRODUCTION

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

Through partnerships, we can identify and accelerate the development of innovative technology solutions to reduce our climate impact. We work with material innovators and suppliers to increase the volume of products made using materials with a lower climate impact.

By far the biggest challenge is addressing the massive gap that material innovators need to scale up to produce the required volumes to meet the needs of brands.

APPROACH

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

Our long-term innovation strategy focuses on scaling investments from pilots to production. We have two main innovation platforms. BESTSELLER Innovation Lab focuses on pilot collaborations with cutting-edge innovators and entrepreneurs, while Invest FWD seeks to scale innovative ideas through capital investment for BESTSELLER and the global fashion industry.

GOAL

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

PROGRESS

Since 2021, Invest FWD has invested over DKK 150 million in eight innovators. This includes DKK 10 million invested in 2023-24.

Alongside these equity investments, we are currently part of 15 different material innovation projects. Following the launch of our Fashion FWD strategy, we have

released several new designs made from materials developed by our innovation partners. These include both recycled materials and materials from new sources with lower environmental footprints than traditional sources.

EVRNU®

OBJECT and US-based fabric innovator Evrnu launched a capsule collection made with a revolutionary fibre that can be regenerated repeatedly through the same process.

The three styles of the collection promote circularity and waste reduction. They are made with Nucycl, a fibre created from cotton-rich textile waste, replacing virgin tree pulp. Nucycl has a soft, cotton-like feel, while being absorbent, breathable, and durable. It can also be regenerated through the same process multiple times.

Pascal Gilibert
Brand Director
OBJECT

"The garments represent OBJECT's commitment to a more circular future. We are delighted to collaborate with Evrnu and introduce the innovative Nucycl fibre into this collection."





OBJECT x Evrnu®
The capsule collection features three styles made with a revolutionary fibre that can be regenerated repeatedly.

SPINNOVA®

JACK & JONES launched its second product featuring SPINNOVA® textile fibre. This time, it was a t-shirt available in three colours.

This launch marks the next step in JACK & JONES' collaboration with the Finnish innovator, following a pair of trousers featuring SPINNOVA® fibre.

This new t-shirt features a higher percentage of SPINNOVA® fibre (30 percent), alongside cotton, organic cotton and a touch of elastane for comfort and stretch. See more on page 86.

SWITCH2CE

BESTSELLER scaled up traceable textile recycling with suppliers in Bangladesh, capturing high volumes of post-industrial textile waste. Read more on page 178.

READY

BESTSELLER joined the READY project, led by VIA University, which aims to revolutionise textile recycling in Denmark. The project aims to generate new knowledge on recycling used textiles into long-lasting, new ones, develop new production technologies ensuring responsible practices across all stages, and position Denmark as a global leader in sustainable textile production.

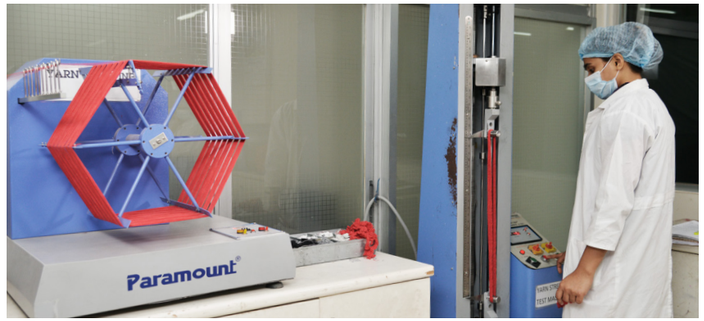
This initiative aligns with the increasing collection of used textiles in Danish households, providing much-needed solutions for their responsible recycling. Project READY is an important step in addressing textile waste and transitioning to a more circular economy in the fashion industry.

GOING FORWARD

Some of the underlying challenges for material innovation include developing a great understanding of the quality and consistency of new materials and the pricing structures and investments needed.

We will continue to invest in developing the Fashion FWD materials of the future. We aim to release even more products made from renewable or recycled sources.

We will maintain our focus on waste and transforming it into future resources. This will provide our customers and consumers with a wider selection of products with reduced environmental impact.





Recycling textile waste
We partner with CYCLO, a Bangladeshi recycled cotton fibre firm that recycles the hundreds of tonnes of cotton fabric discarded daily as cutting waste.





Cotton

INTRODUCTION

Cotton remains a significant fibre for BESTSELLER, accounting for over 45 percent of our total usage. Recognising its environmental and social impact, we prioritise responsible sourcing methods.

BESTSELLER prioritises sourcing cotton from the following categories: organic cotton, recycled cotton, in-conversion cotton, CmiA (Cotton made in Africa), and Better Cotton. Our approach focuses on actively supporting cotton farming practices with proven impact reductions through investments and sourcing policies.

APPROACH

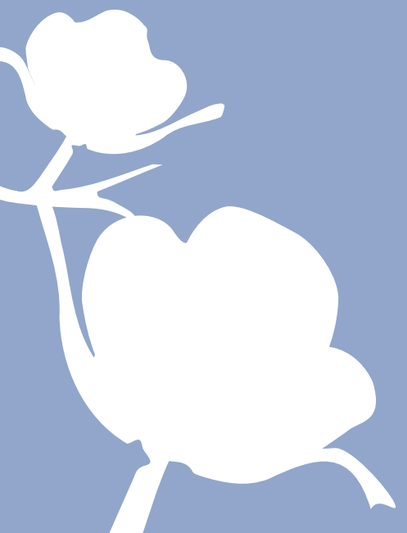
The supply chain in the fashion industry is long and intertwined. Traditionally, we have had very limited insight into the sourcing of raw materials. Direct-to-farm sourcing is one of our methods for supporting the transition from conventionally farmed cotton to the development of transparent and fair production of organic cotton.

Through direct-to-farm we work to shorten the supply chain from the beginning. We engage with individual farmers, either directly or through third parties, and every year we commit to facilitate the off-take of a certain amount of organic cotton from the upcoming harvest. This ensures the flow of the raw material through the value chain for next year's products, and we play a role in supporting the livelihoods of the people and their families growing cotton organically.

At the start of the supply chain, we implemented a direct-to-farm sourcing model to create a secure market and premium payment for organic cotton farmers.

We collaborate closely with the supply chain to increase the volume of preferred cotton in our products. At the top of the supply chain, we work with our tier 0 and tier 1 manufacturers, as well as tier 2 fabric mills and tier 3 spinners to create transparency from fibre to end product.

We are a partner of the Organic Cotton Accelerator (OCA) and a member of Better Cotton. We also support the work of CmiA. The close collaboration with these organisations is a key factor behind our progress and will be crucial to achieving our organic cotton goals.



Responsible sourcing
Through the direct-to-farm programme, we now support more than 18,000 organic cotton farmers.



Direct-to-farm

Organic cotton is a preferred alternative to conventional cotton, but its limited supply (1 percent globally) poses a challenge. We actively support initiatives to increase organic cotton availability.

Compared to conventional cotton, producing organic cotton improves soil health and biodiversity, uses no genetically modified seeds and harmful chemicals, while promoting safer and healthier working conditions for farmers and their communities.

Direct-to-farm is our sourcing model established to a secure market for organic and in-conversion cotton. It ensures transparency in our supply chain and allows us to support farming communities directly.

Using direct-to-farm, we can trace the journey of our cotton from the farm to the finished product, ensuring that our customers can make informed choices.

BESTSELLER facilitates the off-take of organic cotton from farmers and ensures its flow through the value chain. We now support more than 18,000 farmers and secures the supply of genuine organic cotton.

In-conversion cotton farmers are transitioning to organic practices, which can take up to three years. We support these farmers by purchasing their cotton at a premium price, ensuring their compensation during this transition.

These long-term commitments provide farmers with stability and encourage the growth of organic cotton production.

Better cotton

We support Better Cotton's mission to help cotton farming communities survive and thrive, while protecting and restoring the environment. This initiative focuses on training farmers in environmentally friendly practices and ensuring decent working conditions. Licensed Better Cotton farmers account for 23 percent of global cotton production, using techniques that benefit both the environment and workers.

Better Cotton is sourced via a chain of custody model called a mass balance. This means it is not physically traceable to end products. We actively support Better Cotton's shift to physical traceability and transition from the mass balance approach over time.

BESTSELLER's commitment to Better Cotton is reflected in our requirement for all suppliers to source Better Cotton as a minimum for our cotton products . Additionally, we actively contribute to the Better Cotton Growth and Innovation Fund, supporting the initiative's expansion through strategic investments. We aim to increase the amount of traceable cotton sourced from Better Cotton going forward.

A significant fibre
Cotton is one of our most important raw materials, accounting for over 45 percent of our total material consumption.



GOAL

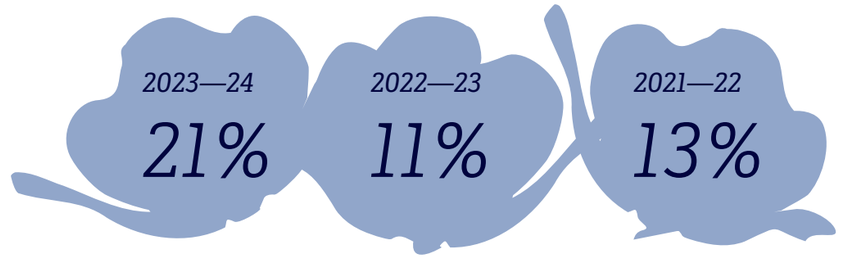
By 2022, we will source 100 percent of our cotton from preferred sources.

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

PROGRESS

We sourced 100 percent cotton from preferred sources. The pre-season commitments made during the last two cotton harvest seasons helped ensure we could increase our share of organic cotton used in products from 11 to 21 percent. This result includes in-conversation cotton which accounts for 4 percent.

Organic cotton and in-conversion cotton in total



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

JACK & JONES	54%
ONLY	13%
NAME IT	10%

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

SELECTED	64%
YAS	63%
MAMALICIOUS	40%

In 2023-24, BESTSELLER supported more than 18,000 cotton farmers, an increase from the 12,000 farmers supported in 2022-23.

Direct-to-farm pre-season commitments for 2024-25 increased by more than 50 percent, underlining our long-term commitment to growing our share of organic cotton sourcing. Read more about Direct-to-farm progress on page 88.

According to industry data, women represent at least 40 percent of the global cotton workforce. Despite their significant involvement in small-scale cotton cultivation, women's contributions are often overlooked and under-rewarded.

In India, where we source a majority of our direct-to-farm cotton, women own less than 2 percent of the farmland. This lack of land ownership and access to resources further disadvantages women in the cotton industry.

To help begin to address this imbalance, in 2023-24 more than 1,700 women farmers joined our direct-to-farm programme. With the income generated from cotton, women farmers are able be become financially independent and the industry will become more equitable.

GOING FORWARD

Due to the efforts made this year in working directly with organic cotton farmers, spinners and fabric and garment manufacturers, we anticipate a further increase in our organic cotton share in 2024-25.

An increase in cotton farmers from

12,000 to 18,000

1,700 WOMEN

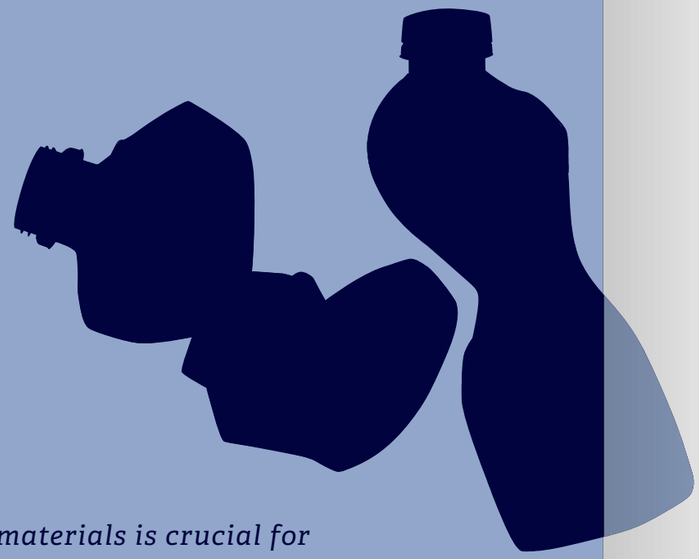
farmers joined direct-to-farm

Organic farming
Compared to conventional cotton, organic cotton improves soil health and biodiversity.





Recycled polyester



INTRODUCTION

Using recycled materials is crucial for decoupling growth from increasing our use of virgin resources and greenhouse gas (GHG) emissions.

BESTSELLER primarily uses recycled polyester, which involves recycling PET plastic bottles commonly used in single-use drink bottles.

APPROACH

We actively participate in innovation focused on textile-to-textile recycling of pre- and post-consumer polyester, as this could be a breakthrough for the fashion industry.

GOAL

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

PROGRESS

In 2023-24, the use of recycled polyester increased from 14 percent to 20 percent.

ONLY is the brand that uses the highest volume of polyester. In 2023-24, the brand converted 70 percent of its most popular and high-volume styles made from virgin polyester, to instead be made from recycled polyester. This resulted in an increase from 9 percent to more than 30 percent of the total volume of recycled polyester used by the brand.

Use of recycled polyester in total

2023—24	*2022—23*	*2021—22*
20%	*14%*	*13%*

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

ONLY	30%
VERO MODA	19%
JACK & JONES	15%

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

SELECTED	65%
OBJECT	55%
MAMALICIOUS	53%

GOING FORWARD

We will continue to invest in and increase the sourcing of recycled fibres across the company, making sure we are well positioned to reach our 2025 target.



Man-made cellulosic fibres

INTRODUCTION

Man-made cellulosic (MMC), such as viscose, lyocell, and modal, are made from dissolved wood pulp. The pulp is processed to create soft and lightweight fibres that can be woven into fabric.

Producing MMC carries the risk of sourcing materials from unsustainably managed forests, including endangered forests and deforestation. Traditional MMC fibre processing methods are also water, energy, and chemical intensive.

APPROACH

We partner with Canopy, an environmental organisation that helps the industry establish a framework for production and wood-sourcing criteria. Our Forest Protection Policy helps us trace wood pulp sources in our supply chain.

As a CanopyStyle partner, we are committed to sourcing all MMC from low-risk pulp suppliers (also known as "Green Shirt Fibre Producers").

Due to challenges with transparency and traceability in the supply chain, only MMC sourced from officially certified and branded MMC suppliers can be verified as coming from Green Shirt Fibre Producers. Other MMC fibres could be sourced from these approved suppliers, but due to the lack of transparency, we do not yet have visibility into all MMC orders.

Therefore, if we cannot trace the material to its source, we cannot claim that the material meets our ambitions.

GOAL

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

PROGRESS

At the end of the 2023-24 financial year, we sourced 44 percent certified and branded MMC fibres from Green Shirt Fibre Producers, a 5 percent increase from 39 percent the previous year.

Through our partnership with Textile Genesis, we tested the viability of on-boarding all supply chain partners on one traceability platform. We worked with 15 key manufacturers across four regions, tracing millions of products back through our supply chain. The partnership increased visibility into our supply chain and provided valuable learnings for ongoing traceability work, developing our further roadmap and ambitions.

Certified and branded MMC Fibres from Green Shirt Fibre Producers

2023—24	*2022—23*	*2021—22*
44%	39%	43%

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

VERO MODA	36%
ONLY	33%

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

MAMALICIOUS	81%
YAS	80%

ONCEMORE®

OBJECT partnered with textile innovator OnceMore® to create a Spring collection featuring two knitted tops made from a blend of recycled textiles and wood from responsibly managed forests.

OnceMore® is part of Södra, Sweden's largest forest owners' association. The company transforms textile waste into valuable materials.

The knitted tops use a blend of at least 20 percent recycled textiles combined with renewable wood cellulose.

GOING FORWARD

Enhancing transparency in our supply chain remains a key priority to enable us to achieve the ambitions of our Fashion FWD strategy. We will continue to partner with Textile Genesis to address the challenges and trace even more garments next year.

OBJECT x OnceMore®
There is more to this knit than meets the eye. It is made from a blend of recycled textiles and wood from responsibly managed forests.





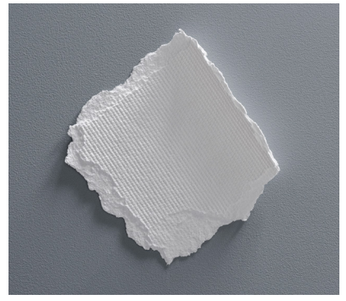
A pioneering process
The OnceMore® process combines post-consumer textile waste with Södra's pulp from responsibly managed forests to produce high-quality textile pulp which then becomes viscose.













Other materials

INTRODUCTION

While cotton, MMC, and polyester constitute the majority of materials used in our styles, several other materials comprise a small percentage of our overall use.

These include animal-based fibres, such as wool, cashmere, alpaca, mohair, and silk. It also includes other natural fibres, such as linen and hemp, as well as non-textile materials, such as leather and down.

APPROACH



Most of the other materials we use are sourced from animals. Livestock can contribute to greenhouse gas emissions, soil degradation, forest loss, and biodiversity loss. Although less than 1 percent of our total material consumption comes from animals, we have an Animal Welfare Policy to outline our commitment to ethical treatment.

The policy outlines that animals must not be harmed for the manufacturing of our products. For more than a decade, BESTSELLER has been a fur-free company.

Through our membership in Textile Exchange, we engage in animal welfare and land management discussions. As members, we have committed to the Responsible Wool and Down Standards. Additionally, we have adopted The Good Cashmere Standard® by the Aid by Trade Foundation (AbTF).

Recycling wool saves natural resources like water and energy. Instead of shipping wool to disposal at landfills, recycling wool helps reduce the amount of textile waste. The recycled wool is reborn and later refashioned into new clothes.

As BESTSELLER we have a goal to source all our wool from responsible sources by 2025 – meaning certified to the Responsible Wool Standard (RWS) or equivalent standards, organic wool or recycled wool. RWS verifies wool, animal welfare, and land management requirements and tracks it from the source to the final product. The RWS is a Textile Exchange standard.

By prioritising RWS-certified wool, we are actively contributing to a future where sheep are treated with respect and care, their welfare safeguarded at every stage of the production process.

GOAL

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

PROGRESS

The percentage of responsibly sourced wool increased from 38 percent in 2022-23 to 45 percent in 2023-24. SELECTED was the brand with the highest percentage of responsibly sourced wool in the brands' collection.

In total use of more responsible wool (including recycled and RWS)

2023—24	*2022—23*	*2021—22*
45%	*38%*	*36%*

GOING FORWARD

In the global market, there is currently only a limited availability and supply of organic and recycled wool in the quality we require. This means that we can already see that it will be difficult to achieve our 2025 target.

We will remain unwavering in our commitment to prioritising the highest standards of animal welfare in all our materials. Despite the challenge we face to meet the 2025 target for RWS certified and recycled wool, we will continue to proactively engage with our suppliers to steadily increase the amount of certified wool within our product portfolio.



Extending product life cycle

INTRODUCTION

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

APPROACH



TEXTILE RECYCLING

Our approach to circularity is twofold: designing products for circular systems and providing consumers with circular business models that extend product life and resource utilisation. By rethinking our approach to waste and product lifecycles, we can keep resources in circulation longer and contribute to an industry operating within planetary boundaries.

Examples of our efforts to extend product life include our Circular Design Guide. This provides designers with guidance and training on creating fashion with circularity in mind. Our Wear & Care Guide supports consumers with tips to extend the life of our products, and the repair station at our e-commerce return centre.

SELECTED offers consumers the opportunity to have their clothes repaired at all the brand's retail stores. Consumers can also visit multiple JACK & JONES retail stores and get their jeans repaired for free or order repair kits to fix their own jeans. However, we must acknowledge the fact that very few consumers today take advantage of those repair opportunities. Fostering a culture of repair and encouraging our consumers to routinely mend their clothes necessitates a systemic effort that extends beyond individual initiatives.

These initiatives help keep returned items in circulation and encourage consumers to care for their garments, extending their usable lifespan.

To prepare for a circular future, we must treat waste as a primary resource for products. We address textile and apparel waste across our entire value chain, from production waste to consumer waste. This commitment is reflected in our waste policy, which governs how we manage our resale and recycling flows.

CYCLO
Textile cutting scraps are given new life through a mechanical recycling process.









We work with manufacturers on best practices for waste segregation and connect them with formal waste handlers or recyclers. Furthermore, we reuse materials and reintroduce these recycled materials back into our garments, closing the loop on textile waste.

BESTSELLER manages damaged unsold goods by sending them to a circular solution provider for responsible recycling.

We engage stakeholders in our biggest markets across the European Union. Here we are anticipating and advocating for more standardised legislation for minimum levels of recycled content in products. As part of our Policy Hub initiatives, we are already preparing for the necessary changes that will be required to operate our business and help us prepare for a circular future.

Partnerships

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

Ambercycle
This collaboration focuses on decarbonising materials and minimising the impact of raw material extraction through molecular regeneration technology, transforming end-of-life textiles into new materials.

ReSuit
This partnership leverages innovative technologies to recycle polyester waste into new fabrics, reducing reliance on virgin materials.

READY
The READY project, led by VIA University, aims to generate new knowledge on recycling of used textiles into long-lasting, new ones, and to develop new production technologies.

Fashion for Good
We collaborate with Fashion for Good to identify and develop new sustainable pilots and collaborative projects such as exploring bio-based polyester alternatives.

Infinited Fiber
This partnership utilises technology to transform textile waste into high-quality new fibres, diverting waste from landfills and incineration.

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

GOAL

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

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

PROGRESS

The previously known BESTSELLER Circular Design Challenge was relaunched as the FFWD Business Challenge 2024. This year, the annual cross-brand collaboration evolved beyond circularity, embracing the full spectrum of product sustainability action.

The initiative encourages colleagues from all brands to identify a specific project aligned with the brand's product sustainability priorities and integrate it into our operations. The aim is to ensure a more holistic approach to product sustainability, maximising learning and impact.

This year's challenge goes beyond simply creating a circular design style. Instead, it focuses on strategising and action planning for comprehensive sustainability implementation.

The kick-off event focused on equipping and motivating participants to prioritise process and people in their implementations. Fostering a collaborative network across brands, similar to previous years, was also a key goal.

RESUIT

For the past three years, we worked with ReSuit to conduct research on consumer shopping and use phase behaviour. ReSuit (Recycling Technologies and Sustainable Textile Product Design) is led by the Danish Technological Institute and supported by the Danish Innovation Fund.

In collaboration with researchers, recycling specialists, behavioural experts, and other textile and fashion companies, ReSuit has developed new technologies to transform textile waste into new fabrics and set new standards for fashion design, emphasising longer lifespans and improved recyclability.

The project is now complete and ReSuit presented positive findings. The project achieved significant breakthroughs in polyester textile recycling and complex clothing waste recycling. The project developed a method to recycle clothing waste previously considered difficult to recycle. This process involves transforming the waste into bio-oil and chemical building blocks for producing new polyester and plastic-based materials.

SWITCH2CE

In 2023-24, BESTSELLER kicked off the Switch to Upstream Circularity Pilot, supported by Global Fashion Agenda (GFA), BGMEA, and Reverse Resources. The project was part of UNIDO's Switch to Circular Economy Value Chains (SWITCH2CE) programme.

With SWITCH2CE's support, BESTSELLER scaled up traceable textile recycling with suppliers in Bangladesh, capturing high volumes of post-industrial textile waste. This provided manufacturers with circular business solutions, reducing dependency on virgin materials and increasing the availability of recycled materials. It is a pilot which will continue until December 2025.

We have onboarded 15 of our key suppliers who are are actively tracing waste on the platform and to this date we have traced over 5,000 tonnes of waste.



Dishan Karunaratne
Chief Representative in Bangladesh & Pakistan
BESTSELLER

"We were excited about our suppliers segregating waste and seeing the business case, as the current system had to improve to meet upcoming legislation. Our role as a global fashion company was to motivate our local partners throughout the transition."

RE:SELECTED

In 2024 we introduced RE:SELECTED, a buy-back pilot initiative empowering consumers to contribute to a more circular fashion industry. Powered by an online recommerce platform, consumers can easily return their SELECTED items in exchange for a gift card. The items are inspected, minor flaws are fixed and then placed for resale on the platform. This way, pre-loved items find new love elsewhere, keeping high quality products in circulation for longer.

Louise Lund
Sustainability Manager
SELECTED

"Through RE:SELECTED, pre-loved pieces embark on a new journey, finding new homes and inspiring fresh looks for seasons to come. This initiative embodies our commitment for a circular future, by extending product lifecycles through reuse and an active recommerce platform."





RESELLING ONLINE RETURNS

The large volume of online returns is a challenge for the fashion industry. At our ecommerce logistics centre in Poland, colleagues handle returned products with great care to ensure the items can be resold in pristine condition for new consumers.

Most of the items – around 98 percent – are simply refolded and sealed in a new protection bag thanks to the carefulness of our consumers. Around 1.5 percent ends up in the salvage department where our colleagues make minor improvements, such as steaming and spot cleaning. The remaining 0.5 percent are sold to outlets. This way, we do our best to minimise waste and give our items a second chance.

GOING FORWARD

We will continue to invest in innovation and engage in partnerships that leads to a circular textile economy.

As a fashion company and as an industry, it is critical that we contribute to national, regional, and global dialogue about collectively addressing challenges such as textile waste.

Product impact communication

INTRODUCTION

We all play an important role in the transition of the fashion industry towards a more circular future. This includes us as a company as well as our consumers.

By engaging with consumers, we can build capacity and enable them to make more informed choices about the products they choose to buy.

If done creditably, communicating product impact can support building stronger relationships with our consumers and stakeholders. Incorrect communication can present a risk to our business and brands.

APPROACH

To communicate product impact effectively and empower consumers to make informed choices, we have a responsibility to provide reliable information in a transparent and understandable way.

The foundation for all communication about impact and progression consists of reliable and comprehensive data. This is why we continuously work on collecting more and better data about our products and our supply chain to make sure we have the framework in place to make any calculation.

When the data is in place, a reliable methodology for making the impact calculations is required. In previous years, communicating methodologies was not a legal requirement. This has changed. Today, when calculating product impact, choosing an objectively correct methodology is a heavily debated topic within the industry and wider society. Because even minor changes in the methodology will favour some and be a disadvantage to others.

This is why we are careful to only communicate impact when there is official agreement on a methodology that can be publicly accepted as basis for product impact claims.

We anticipate that future regulation will set requirements for communicating product impact. This may come in the European Union's (EU) Eco-design for Sustainable Products Regulation (ESPR) or the EU's Green Claims Directive or through the EU Product Environmental Footprint (PEF) initiative in some way.

Also, some individual member states are developing their own methodologies for calculating and communicating product impact claims. Until there is alignment on a methodology, we as a company will focus on preparing and improving our data for such calculations, but will refrain from communicating them. Simply because some may argue that such claims could mislead consumers. We advocate for a standardised and harmonised methodology in the EU, meaning that all products impact claims for a certain product type will be made using the same type of data and calculated using the same methodology and scoring.

GOAL

By 2023, we will provide consumers with information on the environmental impacts of our core products and demonstrate year-on-year improvements.

PROGRESS

The official and public view on product impact communication and legal requirements on this topic are continuously evolving. We are exploring best practices for consumer engagement while assessing current and future requirements in relation to our goal.

GOING FORWARD

We will continue to participate in industry discussions on product impact communication, engage with external stakeholders, and advocate for the development of industry-wide guidance and methodology on product foot printing.



Packaging

INTRODUCTION

BESTSELLER has transitioned to recycled alternatives for plastic and paper-based packaging to support high-quality recycling.

We primarily use plastic packaging for protecting our clothing with polybags, an estimated number of over 250 million annually. We also utilise it for wrapping and presentation purposes. The biggest environmental impact comes from our high consumption of polybags. To address this, we have switched to using recycled polybags, saving an estimated 1,750 metric tonnes of virgin plastic each year. These polybags are made from certified recycled polyethylene (PE).

Our major paper-based packaging usage comes from shipping boxes, approximately 16 million annually, equalling over 7,000 tonnes of material.

APPROACH

Our Paper-Based Packaging and Plastic Packaging policies define our approach to achieving our goals. These policies cover all packaging, including trim and marketing, and aim to reduce consumption, prioritise recycled mono-materials, and support high-quality recycling.

Our policies for packaging material are aligned with the European Union's latest packaging legislation.



GOAL

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

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

PROGRESS

We have increased the volume and quality of recycled packaging. All plastic packaging material, including plastic clips, are now also made from recycled sources and are designed for high quality recycling.

We estimate that over 95 percent of polybags, our largest packaging stream by volume, are now made with certified recycled materials.

All paper-based packaging material, including our cardboard boxes, are Forest Stewardship Council (FSC) certified and are also designed for high quality recycling.

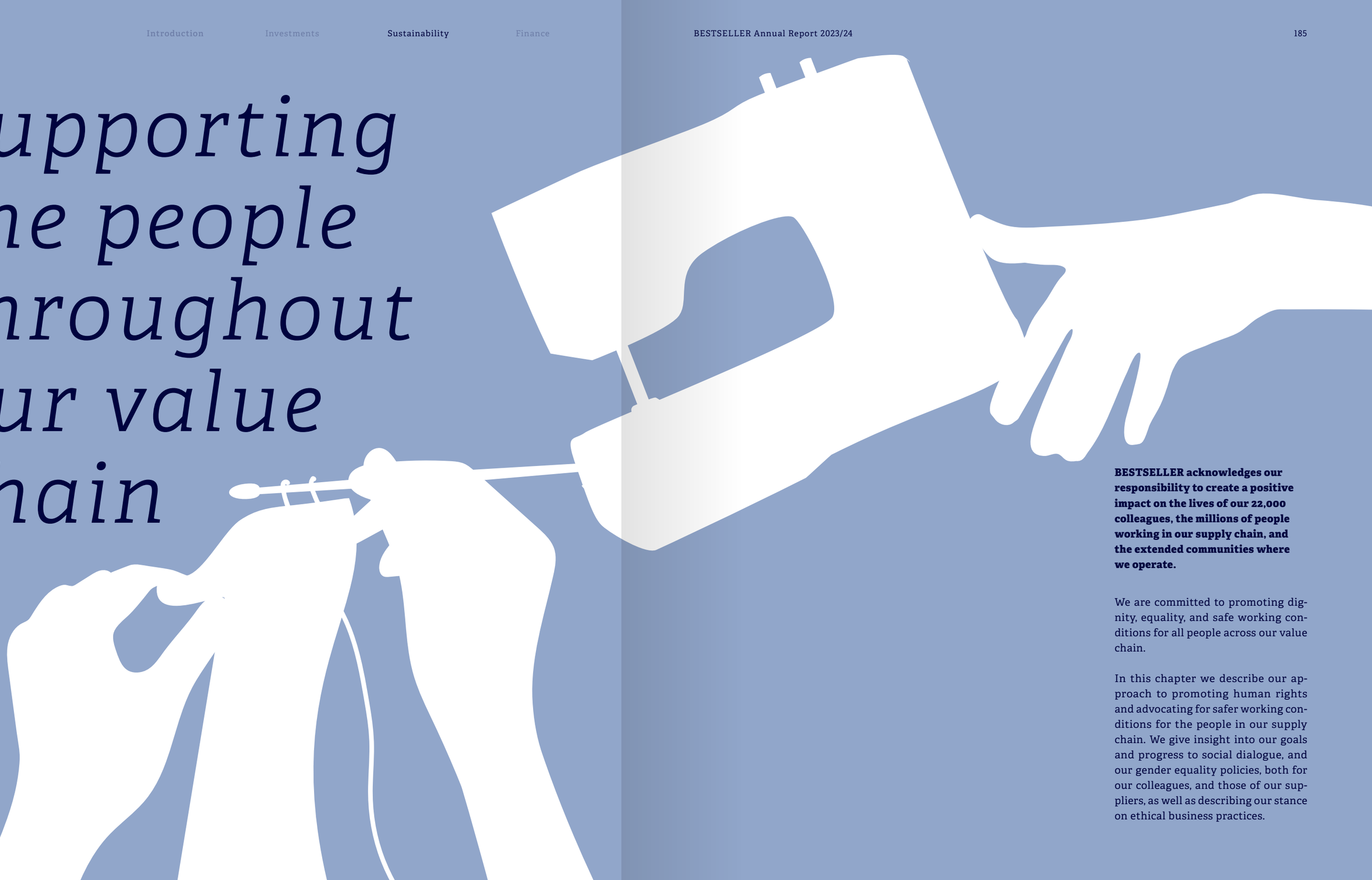
GOING FORWARD

We are monitoring best packaging practices and potential European Union legislation on packaging and deforestation. Following this, we will adjust our plans and policies accordingly. Going forward, we are looking to increase the recycled content in our paper-based packaging materials.

Logistics Centre North
A logistics colleague at LCN, our own operated automated warehouse in Haderslev, Denmark.



Supporting the people throughout our value chain



BESTSELLER acknowledges our responsibility to create a positive impact on the lives of our 22,000 colleagues, the millions of people working in our supply chain, and the extended communities where we operate.

We are committed to promoting dignity, equality, and safe working conditions for all people across our value chain.

In this chapter we describe our approach to promoting human rights and advocating for safer working conditions for the people in our supply chain. We give insight into our goals and progress to social dialogue, and our gender equality policies, both for our colleagues, and those of our suppliers, as well as describing our stance on ethical business practices.

Promoting human rights in our supply chain

INTRODUCTION

Our business relies upon people from all over the world to design, manufacture, transport, and sell our products, as well as on supporting those who do so. We strive to promote, protect, and remedy human rights throughout our value chain.

BESTSELLER commits to respecting 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 the authoritative frameworks for our efforts to respect and promote human rights.

While we consider human rights as being equal and non-discriminatory, universal and inalienable as well as indivisible and interdependent, we pay special attention to specific human rights issues where the risk for adverse impact is highest.

Our supply chain poses significant human rights risks but also offers opportunities to enhance the well-being of those who produce our products.

APPROACH

We adopt a consistent and holistic approach to responsible supply chain management, and prioritises ethical labour practices in our supply chain.

We regularly assess human rights risks and the impact of our mitigation efforts. Salient risks include forced labour, occupational health and safety, gender-based violence, and discrimination, general labour rights, freedom of association, migrant labour, contract workers, wage monitoring, working hours, and high risk & conflict regions.

POLICIES

We have the following policies to address human rights risks and establish mitigation actions:

Code of Conduct	Defines the ethics and behaviour that is expected throughout the supply chain and directed at any supplier and their subcontractors and/or factories, who manufacture products for BESTSELLER.
Child Labour Policy	We firmly reject child labour and will not partner with suppliers who engage in it. We demand robust systems to prevent child labour in all our production facilities.
Forced Labour Policy	Recognising the risk of forced labour, we collaborated with worker representatives to develop a clear policy outlining our expectations and processes to prevent, protect, and mitigate this risk within our supply chain.
Homeworking Policy	We acknowledge homeworkers as legitimate workers and require suppliers to comply with legal requirements when employing them.
Responsible Offboarding Policy	When ending partnerships, our Responsible Offboarding Policy ensures suppliers uphold worker rights and minimise negative impacts on employees.
Unauthorised Subcontracting Policy	To ensure adherence to our Code of Conduct, we require full transparency regarding all factories and subcontractors involved in our product manufacturing. Unauthorised production is strictly prohibited.
Gender Identity-Based Violence Policy	This policy addresses the heightened risk of harassment, abuse, and other forms of violence faced by individuals based on sex, gender identity, or expression.
Migrant Labour Policy	This policy, developed in collaboration with the UN's International Organization for Migration (IOM), outlines BESTSELLER's expectations and requirements for suppliers regarding the treatment of migrant workers.

Find our policies on our website.

We publish an annual statement on Modern Slavery on our website.

BESTSELLER prioritises the most severe human rights risks in our supply chain, focusing on those with the greatest potential for harm and lasting impact. We assess these risks based on three key criteria:

Scale: the gravity and nature of the harm caused, considering whether it constitutes a serious human rights violation. Scope: the number of people affected by the harm and the extent of its reach. Irremediability: the ability to restore those affected to their previous state, considering whether the harm can be effectively addressed and remedied.

We also assess the likelihood of each risk occurring, considering the overall operating context and factors like legal frameworks, systemic discrimination, and informality within the sector. Although severity holds higher priority, likelihood is still factored in to inform our risk management strategy.

We continuously review our policies, assessment methodologies, and capacity to address these risks. We also engage with suppliers and workers, leverage dispute resolution mechanisms, and actively participate in industry initiatives to mitigate impacts and drive positive change.

Our Social & Labour Requirements specifically target the salient risks identified within tiers 0 and 1 of our supply chain. Through dedicated programmes and training, our regional social & labour teams collaborate with diverse stakeholders to equip suppliers with the knowledge and tools to address salient human rights risks within their operations. This multifaceted approach ensures we effectively manage and mitigate risks, promote ethical practices, and protect the well-being of individuals throughout our supply chain.

We address and mitigate human rights risks in our supply chain through the regular assessments conducted during our Factory Standards Programme. See more on page 108.

SUPPLIER SUSTAINABILITY EVALUATION

Our Supplier Sustainability Evaluation incorporates factory-level social & labour and environmental performance data with supplier-level data on responsible supply chain management, commitment, and ethics & transparency. See more on page 109.

SOCIAL IMPACT INITIATIVES

We collaborate with numerous initiatives to address supply chain-related risks and improvement opportunities at the following levels: workers, factory management, industry and our own business practices. Read more about these programmes and their mitigation efforts on the following pages.

PROGRESS

During the 2023-24, we identified and solved hundreds of minor non-compliances at factory level and conducted 97 in-depth investigations into allegations of critical non-compliance with our supply chain requirements.



These cases refer to allegations of critical Code of Conduct non-compliance, as well as escalation procedures for factories that did not meet Corrective Action Plans timelines for less critical Code of Conduct violations.

This financial year, the largest critical case categories which occurred were wages & benefits (28 percent), occupational health and safety (14 percent), and risks related to worker unrest/protests (14 percent).

The case resolution data is as follows: 14 percent of cases investigated were dismissed after the investigation found no evidence of violation. 68 percent of cases had been closed as of 31 July, meaning required action has been taken and remediation is either completed or on track for completion within stakeholder agreed timelines. The remaining cases are in progress (e.g. monitoring CAP progress). Two suppliers were offboarded during the reporting period, one was a case of attempted bribery, and the second related to consistent failure to comply with the Code of Conduct.

The cases were raised via the following channels: 19 percent came from BESTSELLER (through the factory standards programme or colleagues, 18 percent from media, 16 percent from other, 15 percent from the Accord/RSC (please note Accord/RSC can raise non-OHS cases (8 percent of the 15 percent of cases were non-OHS), 9 percent came from international NGOs, 8 percent from local NGOs, unions raised 11 percent of the cases, 2 percent came from 3rd party auditing companies, and 1 case was delivered anonymously in writing to a BESTSELLER sourcing office.

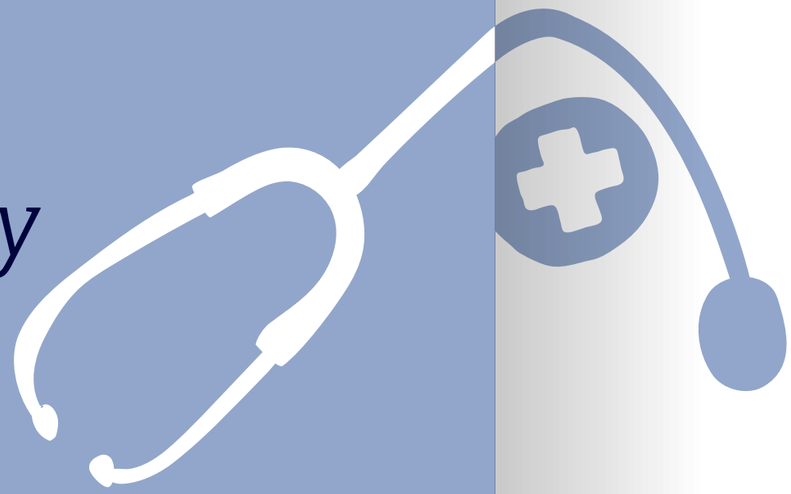
Coordinating with the relevant stakeholders and rightsholders is an essential part of effective due diligence. We coordinate employer associations, labour rights organisations, factory level unions, federation level unions and global unions, ethical trade and human rights consultancy organisations in resolution of these cases.

During the reporting period, BESTSELLER actively participated in shaping two key EU legislations: the Corporate Sustainability Due Diligence Directive and the EU Forced Labour Ban.

GOING FORWARD

We are developing migrant labour risk-focused impact initiatives for regions where this risk is prevalent.

Occupational health & safety



INTRODUCTION

We strive to build a more responsible supply chain that safeguards the welfare of everyone involved in producing our garments.

Occupational Health and Safety (OHS) are fundamental human rights risks in the global apparel industry. OHS rights entail employers' responsibility to identify and mitigate workplace risks, provide necessary training and protective equipment, and establish procedures for reporting and addressing hazards.

OHS also addresses the risk of harassment for workers. The human rights risk associated with Sexual and Gender-Based Violence (SGBV) refers to the potential for physical, psychological, or sexual violence and harassment that disproportionately affects individuals based on their gender identity in the workplace. This includes unwelcome behaviours, acts, or threats that create hostile or unsafe working environments, violate workers' rights to dignity, and hinder their full participation in the workforce.

APPROACH

We advocate for stronger industry mechanisms for supporting safe workplaces in the garment industry, and to mitigate the risk of workplace accidents in our supply chain.

On a factory level, our approach to promoting OHS is enshrined in our supply chain policies, and monitored through the Factory Standards Programme, where we assess workplace health and safety precautions and HR systems to uphold, promote and protect workers rights.

Identifying health and safety risks are a key part of our Social & Labour requirements during on-site visits in the Factory Standards Programme. Unsafe working conditions are a zero-tolerance issue for BESTSELLER.

To address OHS risks on the wider industry level, we are signatory to the International Accord for Health and Safety in the Textile and Garment Industry. This legally binding agreement promotes worker safety through inspections, training, and complaints mechanisms in Bangladesh and Pakistan. As per the Accord agreement, in Bangladesh we work with the RMG Sustianability Council in Bangladesh, and in Pakistan with the Pakistan Accord team to monitor, mitigate, and remediate OHS risks at all our factories in these two countries.

BESTSELLER responds to and addresses all complaints raised at our factories – and any critical or zero-tolerance findings at our factories are reported publicly on the Accord website and in our own reporting on the Incident Log.

Additionally, any concerns raised through the Accord's whistleblowing line that fall out of the remit of the Accord's scope, are addressed by our local Social & Labour team.

Read more about the Factory Standards Programme on page 108.

PROGRESS

This year, we joined leading fashion brands in signing the International Accord for Health and Safety in the Textile and Garment Industry in Bangladesh for six more years.

In 2024, we have an average RSC-verified remediation rate of 88 percent, and 90 percent of factories in Bangladesh have completed safety training.

Factories in Bangladesh

88%	90%
Average RSC-verified remediation rate	*Factories completed safety training*

PAKISTAN ACCORD

Since signing the Pakistan Accord in January 2023, progress has been made in rolling the programme out in country. The Accord team has established an office in Karachi, agreed upon the Pakistan Accord Building Standards (PABS), and initiated factory assessments.

As an Accord signatory, all our suppliers in Pakistan are subject to inspections by the Accord engineers, against the PABS. The Accord covers all cut-make-trim, integrated suppliers, and materials manufacturers.

If Accord engineers discover a concern, a Corrective Action Plan (CAP) process is initiated, engaging suppliers in remediation planning before investments are made. Building on learnings from the Bangladesh Accord, the team has developed a new CAP template that incorporates financial planning to support effective remediation.

Like in the Bangladesh Accord model, the operational costs of inspections and training engineers and factory staff are covered by the Accord's signatory brands, while remediation costs are borne by the factories, with financial assistance available from brands if needed.



Neelofar Saleem
Social & Labour Specialist
BESTSELLER Pakistan

"The rollout of the Accord programme in our supply chain is progressing well. We are closely collaborating with the Accord team in Pakistan, providing all necessary support to facilitate smooth coordination between their team and our suppliers during the scheduling of initial assessments at our factories. I am confident that the Accord will not only improve the overall well-being of the workers in this industry, but also help grow Pakistan's textile and garment industry."

SUPPORTING SOCIAL SECURITY IN BANGLADESH

BESTSELLER is a strong supporter of the ILO's Pilot Employment Injury Scheme (EIS) in Bangladesh. Under the scheme, the Ministry of Labour and Employment, with support from the ILO and GIZ, have developed a system that provides income replacements in line with international standards for all work-related death and disability cases in the ready-made-garment sector through a fast, transparent, and reliable compensation process. BESTSELLER is one of the many brands funding the pilot through a small levy on our orders in Bangladesh.

With the recent inclusion of commuting accidents, we believe the scheme provides effective protection against work-related injuries in the RMG sector and lays a solid foundation for future national institutionalisation. By 2026, the aim is for the Bangladeshi government to adopt a law requiring factories to directly contribute to the EIS, creating a sustainable financing solution.

The Accord's Pakistan team has plans to complete 250 factory inspections and begin boiler inspections by the end of 2024, and we look forward to the formal launch of the Occupational Safety and Health (OSH) related grievance mechanism.

GOING FORWARD

BESTSELLER will continue to collaborate with the Accord team, our suppliers, and factory teams in addressing any concerns discovered by the inspectors, and addressing any concerns raised through the Accord's grievance mechanisms.

We will continue to encourage other brands globally to join the International Accord and support the development of comprehensive safety programmes in the garment and textile industry.

Gender inequity in the supply chain

INTRODUCTION

We are committed to equal opportunities and responsibilities for women at our suppliers worldwide.

While we recognise sourcing countries have varying gender expectations that are reflective of local cultural and legal contexts, we expect our suppliers to treat people fairly and to give everybody access to the same opportunities and protection from discrimination and harassment.

APPROACH

Under our Code of Conduct, we require all suppliers and their factories to ensure that no employees are discriminated against or harassed, and we monitor this through our Factory Standards Programme. In addition to that, we enrol suppliers and their factories in workplace programmes to mitigate the risks of gender-based discrimination and harassment in our supply chain or address wider cultural inequities that exist in our sourcing countries.

We employ a toolbox approach which addresses specific risks and gender concerns in that country through tailored social impact programmes. These programmes are delivered in local language by trained specialists and encompass educational opportunities, engagement initiatives, and the provision of resources to support worker needs (e.g. childcare facilities).

We support RISE (Reimagining Industry to Support Equality), an initiative established by the world's four largest women empowerment programmes to scale impact and accelerate equality for women workers in global garment, footwear, and home furnishings supply chains.

RISE provides country and language-tailored women empowerment programmes on a variety of topics including health, digital tools, financial planning, respect in the workplace, and advancement and leadership.

GOAL

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

PROGRESS

In 2023-24, in recognition of the heightened risk of acts of violence, harassment, and abuse that woman working in our supply chain face, we developed the Gender Identity-Based Violence at the Workplace Policy. Developed in consultation with labour representatives, this policy outlines BESTSELLER's requirements and expectations for our suppliers in mitigating this risk.

In addition to the new policy, BESTSELLER has continued to deploy its toolbox of gender-focused workplace programmes at relevant factories and suppliers. We work with the following partners to deliver tailored programmes: RISE (Bangladesh, Cambodia, China, India, Pakistan), ACEV (Türkiye), Phulki (Bangladesh).

As of 1 August 2024, 83 percent of strategic suppliers have been reached by BESTSELLER's women empowerment initiatives, an increase from 38 percent the year before. In total, our gender-focused programmes have reached over 200,000 women in our supply chain.



RESPONSIVE GENDER EQUITY EFFORTS

In Bangladesh, our local teams noted a decrease in the ratio of women compared to men working on factory sewing lines. Following a dialogue with the wider industry, we discovered that many women are leaving for more flexible workplaces that allow them to care for their children. While, under local law, factories must provide onsite childcare facilities, this is not yet the norm. To address this concern, BESTSELLER is running a pilot with Phulki – a childcare provider, which provides training and monitoring of workplace childcare facilities.



Meghna Vadivel
Ethical Sourcing Specialist
BESTSELLER

"Our definition of empowerment is more than holding a training or workshop once a year, for us empowerment is the continued provision of and access to support and resources. It is our responsibility to bring programmes and initiatives that both addresses the country specific barriers and suits the needs of workers and their employers."

GOING FORWARD

We will continue to enrol strategic suppliers in women empowerment initiatives and collaborate with supply chain partners to address human rights risks.

Knowledge sharing
Colleagues at our Aarhus office in Denmark during an internal seminar about gender equity in our supply chain.





Social dialogue & freedom of association

INTRODUCTION

BESTSELLER firmly believes in and upholds freedom of association (FOA) for all workers in our supply chain.

Strong social dialogue is key to ensuring the opinions of factory workers and factory management to come together in factory decision-making processes. It is a key mechanism for empowering workers to address a wider range of human and labour rights risk including but not limited to discrimination, occupational health and safety, sexual harassment, and gender-based violence, as well as wages and working time.

When FOA is suppressed, workers are denied their fundamental right to organise and advocate for their interests, leading to potential exploitation and unsafe working conditions. Our commitment to FOA aligns with the Universal Declaration of Human Rights, ensuring workers' right to form and join trade unions or worker organisations of their choice.

APPROACH

We monitor factories for indicators of respect for FOA and, given that the majority of the cases and incidents we see at factories often have their root cause in poor social dialogue, we focus heavily in our engagement with factory management teams in fostering healthy social dialogue between workers and their managers.

We work to create greater awareness among workers, supplier management, and brands on the value mechanisms such as collective bargaining agreements and dispute resolution mechanisms bring to the industry via numerous social impact programmes.

For example, to further strengthen worker understanding and protection of their rights, BESTSELLER partners with QuizRR to provide digital training solutions on FOA, collective bargaining, and other related topics. This initiative aims to bridge the knowledge gap and empower workers to effectively advocate for their rights and engage in constructive dialogue with employers. Additionally, programmes such as ACEV and RISE often train female workers on things like how to engage with your manager on wages or conflict with colleagues.

PROGRESS

QuizRR highlight

6 *factories in Bangladesh*	*2* *factories in India*
29,567 *employees participated*	*134,308* *modules completed*

In Myanmar, given the heightened risks faced by workers in the country since the coup by the military junta in 2021, it is vital that workers have safe spaces where they can raise their concerns. That is why we have partnered with Ulula to provide an accessible worker voice platform for a group of factories in Myanmar. Ulula's technology will enable workers with any type of phone to anonymously participate in surveys, log, and track complaints at factory level.

Most importantly, this tool aims to give workers access to an effective, easy-to-use complaints mechanism that they can trust and access through multiple ways.

Complaints and concerns are provided to the suppliers and BESTSELLER, giving us actionable data on worker concerns and grievances, which will be responded to according to our usual escalation processes and procedures.

One key point of this tool is not to replace existing grievance handling systems, or privilege this tool over other social dialogue mechanisms, such as unions or works councils. Our goal here is to provide another option for supporting workers voices, creating transparency on what issues they may be facing, and collective accountability for the supplier and BESTSELLER to address them.

For us, having direct insights from workers in factories about their perceptions of existing risks in the workplace, gives us the opportunity to integrate the voice of rightsholders into our wider salient human rights risk mapping process, and our due diligence processes for Myanmar and beyond.

GOING FORWARD

We will continue to monitor factory capacity to pay workers as per contractual expectations. Additionally, we will invest in training for workers and factory management on effective social dialogue and wage legislation. Furthermore, we will advocate for and support the development of strong factory-level dispute resolution and complaints mechanisms.

Our people

INTRODUCTION

BESTSELLER has grown from a single retail store to 22,000 colleagues, but our culture of family-ownership, trust, and respect remains paramount. Fairness, opportunities, and a sense of responsibility are integral to our vision.

We treat each other as family, valuing diversity and creating an empowering environment for growth. While we prioritise business acumen and results, we recognise the importance of personal development and human connections.

APPROACH

Our people are our greatest asset. We are committed to creating the right conditions for all colleagues to thrive, so that we can continue to be a great workplace while generating value for our stakeholders.

We cultivate a culture that values initiative and responsibility. Everyone at BESTSELLER shares the responsibility of shaping a positive and productive work environment.

We prioritise the development of our talented colleagues, recognising it as a key investment in our future. Our BESTSELLER Academy provides a dedicated space for learning and growth. We offer a variety of training programmes, from entry-level options like the Apprentice and Business Trainee Programmes to specialist and leadership training.

Our training philosophy focuses on empowering colleagues to succeed in their roles. We also support local talent programmes and educational institutions to secure a strong pipeline of future talent.

In our Leadership Pipeline programme, we map the values leaders bring, how they use their time, and the skills they need to support their teams. From this we developed a training programme for colleagues with managerial positions to become even better leaders.

We utilise our digital learning platform, FUSE, to offer training to colleagues in six languages in countries all around the world.

Through our biannual global employee engagement survey, Our People's Voice (OPV), we empower our colleagues to make their voices heard and play a role in shaping their workplace.

A CULTURE OF RESPECT

Fairness, opportunity, and responsibility are at the core of our company. Our founding principles guide everything we do, from how we treat each other to how we conduct business.

As a family-owned company, relationships are our foundation. We base our interactions on trust, respect, honesty, and dignity. We stand together and care for one another.

All colleagues have a right to feel safe and secure at work. Harassment is one of the risks related to employee conditions in our workplace. We do not tolerate any form of harassment, bullying, intimidation, or discrimination. Our Stand Together Against Harassment Policy and Code of Ethics guides our approach here.

PROGRESS

In 2023-24, more than 83 percent of recipients responded to Our People's Voice, which was rolled out to all markets globally. The engagement score for the survey was a satisfactory 78 points, and with responses from more than 10,000 colleagues and 17,000 comments received, colleagues made their voices heard clearly.

During 2023-24, over 2,400 colleagues participated in various training disciplines through a hybrid of online and offline modules offered by BESTSELLER Academy.

SPECIALIST TRAINING

Our success depends on having skilled colleagues who understand how to deliver value and apply the appropriate tools and approaches. Around 90 percent of colleagues globally are specialists without managerial responsibility. To address our need for a development programme for specialists, in 2023 we introduced a new programme with defined specific specialist behaviours for each role (professional, expert, knowledge leader, and knowledge principal).

Leaders play a crucial role in influencing specialists. By helping colleagues develop in their specialist roles and providing a clear direction for their development, we can contribute to retention.

In 2024, we launched a new pilot programme for 25 knowledge leaders across BESTSELLER. Following the programme, participants responded that their ability to achieve work objectives doubled.

IMPROVING ONBOARDING AND OFFBOARDING

We continuously strive to make BESTSELLER an even better place to work. In 2023-24 we began to collect data, both on new colleagues' reasons for joining BESTSELLER and their onboarding experience, but also on the reasons for colleagues leaving us.

This data will help us retain more people, ensure a positive start for new colleagues, and predict and prevent colleague departures through cross-programme analytics.

According to our partner Microsoft Viva Glint, a positive 90-day onboarding experience leads to higher engagement and retention. People with a favourable onboarding experience are more likely to stay with the company. Research shows that onboarding should be an ongoing process lasting up to a year, depending on the role.

By investing in a robust onboarding and offboarding process, we can create a more welcoming and supportive environment for new colleagues, ultimately leading to increased retention and a more positive and productive work environment for everyone.

We will expand the onboarding programme to all countries in BESTSELLER.

GOING FORWARD

The next step in our Specialist Training Programme is creating two new programmes with specific content for Knowledge Expert and Knowledge Leader roles.























Diversity and inclusion

INTRODUCTION

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

Not adequately addressing diversity is also a risk related to employee conditions. We therefore strive to create a workforce that truly reflects the diverse marketplace we operate in. Colleagues from over 32 countries bring a wealth of backgrounds and perspectives, promoting strong values and positive results. We believe in fair opportunities for all.

APPROACH

Our Diversity, Equity and Inclusion Policy (DEI) and Code of Ethics guide our approach. The DEI policy outlines BESTSELLER's commitment to building a more diverse, equitable, and inclusive workplace. Our vision, "One World, One Philosophy, One Family," guides our approach to celebrating individual differences while fostering a sense of belonging for all colleagues.

PROGRESS

During 2023-24, we relaunched our global DEI policy with a action plan that will guide our efforts through 2026. We have committed to focusing on several initiative, these including engaging all colleagues in a conversation on DEI, to foster more knowledge and understanding on the topic, and setting up and working with a DEI Ambassador Network that represents our markets, brands, and functions.

Other initiatives include training our leaders on inclusive leadership practices and providing tools to support inclusive work environments for all, ensuring that hiring, development, and growth processes are fair for all and pay equity is tracked, and tracking progress by monitoring diversity representation and employee feedback through the organisation.

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

DEI was a key focus agenda item during the biennial BESTSELLER Leadership summit. Highlighting the approach and actions for DEI going forward for more than 100 leaders across the company.

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





In 2023-24, we signed the Diversity Pledge of Confederation of Danish Industry, the leading association of businesses in Denmark. This supports a joint mission of a more diverse, equal, and inclusive work environment for everyone on every level in organisations across Denmark and beyond.

To highlight the importance of DEI internally, we launched a new series of stories on MyBESTSELLER, our company intranet, titled SHE/HER/LEADERSHIP. The series featuring interviews with senior women in management positions aims to put a spotlight on female role models and inspire other women for a career in top management.

We have set a target for the gender composition for the top leaders on BESTSELLER group level. It is our ambition that by the end of 2029-2030, 40 percent of all top managers reporting directly to CEO, Anders Holch Povlsen, and CFO, Thomas Børglum Jensen, are women. Overall, there are currently 42 top leaders in the BESTSELLER group including CEO, Anders Holch Povlsen, and CFO, Thomas Børglum Jensen, of which 29 are men and 13 are women. This means 31 percent are women.

Under section 99b of the Danish Financial Statement Act, BESTSELLER A/S, parent company of the BESTSELLER group, is subject to the rules on target figures and policies for the gender composition of management. See next page for more information.

GOING FORWARD

As a next step, we aim to set up the DEI Ambassador Network that represents or markets, brands, and functions. With that, we want to bridge global and local DEI work.

We also set out to launch a new senior policy in Denmark. The policy aims to address the challenge of helping colleagues close to retirement age to stay longer in the workplace.

GENDER COMPOSITION OF MANAGEMENT

Statutory statement regarding the gender composition of management, cf. Section 99b of the Danish Financial Statements Act.

The parent company BESTSELLER A/S is subject to the rules on target figures and policies for the gender composition of management.

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

Other Management Levels
Based on section 139c (4), of the Danish Companies Act, "other management levels" include the two management levels below the Board of Directors.

Level 1:	Executive Board: Anders Holch Povlsen, CEO, and Thomas Børglum Jensen, CFO.
Level 2:	Managers directly reporting to the Executive Board.

At the end of FY 2023-24, the "other management levels" in BESTSELLER A/S consists of five women and 18 men. This means 22 percent are women, and therefore there is currently not an equal gender composition at "the other management levels".

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





To increase the number of women at the "other management levels", BESTSELLER A/S has implemented a Gender Balance Policy. The Gender Balance Policy includes actions, such as having female leaders serve as role models, monthly reporting on the gender diversity to the top management, intensified search for qualified female candidates for open positions on highest management levels, clearly defined leadership standards for all leadership levels, and training on unconscious bias and the effects of them on recruitment and people reviews, etc. All actions listed above have been carried out in the FY 2023-24.

The Gender Balance Policy is supplemented by our general DEI policy and action plan that outline our strong belief in and commitment to having a diverse workforce and inclusive work environment. Read more about our general work on Diversity & Inclusion on page 204.

Once we have reached the target figure of 30 percent, we will re-evaluate and set the next milestone until we have reached an equal gender composition on "other management levels" in BESTSELLER A/S.

OVERVIEW 2023–24

BOARD OF DIRECTORS – BESTSELLER A/S	TOTAL NUMBER 5
Number of women	2
Number of men	3
Gender distribution in % (women/men)	40/60
Target figure in %	N/A (equal representation)
Year of fulfilment of target figure	N/A

OTHER MANAGEMENT LEVELS – BESTSELLER A/S	TOTAL NUMBER 23
Number of women	5
Number of men	18
Gender distribution in % (women/men)	22/78
Target figure in %	30
Year of fulfilment of target figure	2029–30

Female leadership
A new internal interview series titled 'SHE/HER/LEADERSHIP' features female colleagues in top-level management positions.







Ethical business conduct

INTRODUCTION

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

APPROACH

To mitigate against such risks, colleagues receive biannual training on our Code of Ethics. The online training is also included in our onboarding material for new colleagues.

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

Online training provides the most efficient way to ensure all colleagues globally are trained in our Code of Ethics and receive any new guidance. At our headquarters in Denmark, we are developing specialised training for colleagues dealing with suppliers to enhance anti-corruption awareness. Our Sanctions Screening Tool supports our sourcing colleagues identify supplier risks associated with sanctions.

All suppliers of finished products must sign our Supplier Code of Conduct (CoC). We are in close dialogue with our suppliers and their factories to make sure they are compliant with our CoC. Our Factory Standards Programme includes regular assessments of supplier factories to identify potential violations and we provide guidance and assistance to overcome potential challenges.

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

ADDRESSING GRIEVANCES

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.

We recognise the importance of effective grievance mechanisms and provide various avenues for workers to raise concerns related to human rights and environmental risks. Our ecosystem approach to grievance mechanisms acknowledges that no single mechanism addresses all concerns, and we continuously strive to improve their efficacy. We publish data annually in our Incident Log, highlighting the multiple channels available for raising concerns and grievances.

We prohibit retaliation against whistleblowers and users of grievance mechanisms, and this is clearly outlined in our Code of Conduct. We prioritise confidentiality for complainants, but in some cases, identification may be necessary. When identification is required, we guarantee obtaining permission from the relevant rightsholders.

Furthermore, BESTSELLER requires suppliers and production sites involved in manufacturing our products to provide an anonymous method for workers to report workplace grievances. We ensure that policies are in place to protect workers when reporting complaints and grievances in good faith. Production sites are assessed on the availability and efficacy of onsite grievance mechanisms.

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

GRIEVANCE MECHANISMS

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

In Bangladesh, all factories working with BESTSELLER are covered by the International Accord's RSC-managed complaint mechanism. Similarly, in Pakistan, all BESTSELLER-supplying factories, including fabric mills, are covered by the complaint mechanism established by the expanded International Accord.

In Myanmar, BESTSELLER is piloting a worker voice tool developed by software company Ulula. This tool, developed in partnership with Ulula and MICS, allows workers to provide feedback on workplace conditions and employer well-being, contributing to improvements in these areas.

GOAL

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

PROGRESS

In 2024 the new Code of Ethics training was rolled out to all colleagues globally. The new course consists of 12 short videos, each taking colleagues through a specific subject included in our Code of Ethics. The training was split into two separate versions, one for office and warehouse colleagues, and, for the first time, a newly developed version for retail colleagues.



Peter Holm
Manager
Legal Sustainability
BESTSELLER

"We need to make sure that we comply with laws and regulations and that we maintain the highest level of business ethics and personal integrity in everything we do. Therefore, we have formulated BESTSELLER's Code of Ethics, a set of binding guidelines made to help everyone at BESTSELLER understand what is expected of us in terms of ethical behaviour."

The key tool to guide colleagues in compliance with the Code of Ethics is TEFA (Transparency, Effect, Fairness, Advantage). Other topics covered concern bribery, gifts, confidentiality, and harassment. In 2023-24, the use of generative artificial intelligence (GenAI) was included in the training.

See page 186 for more information regarding our approach and progress in terms of identifying and addressing non-compliance with our Code of Conduct in our supply chain.

GOING FORWARD

We will continue to roll out the Code of Ethics training to all new colleagues and are planning a new rollout in 2026.

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 sets out BESTSELLER's data ethics principles, which must be adhered to by all colleagues within our organisation. The data ethics principles have a broad scope and concern various aspects of our business, including data protection, digitalisation, transparency, confidentiality, discrimination, diversity, awareness, etc.

When assessing new business ideas, the protection of personal data has highest priority. We safeguard the personal data that we process and have implemented data protection and IT security policies and guidelines.

The main areas in which BESTSELLER processes data are HR and recruitment, customer-related activities (both B2C and B2B), business development, and finance activities. Each of these areas as well as their sub-areas are covered by separate guidelines, process descriptions, and privacy policies.

We have relevant, practical, and up-to-date awareness campaigns and training programmes. These include GDPR awareness and training of new hires as a part of our onboarding process and Code of Ethics training, as well as ongoing training and awareness towards all colleagues.

BESTSELLER FOUNDATION — investing in entrepreneurs that invest in people and planet



BESTSELLER Foundation

INTRODUCTION

Funded by BESTSELLER, the foundation supports, co-creates, and invests in solutions for an inclusive, circular future in Sub-Saharan Africa and BESTSELLER communities.

Convinced that talent is everywhere, but opportunity is not, the foundation was among the first to believe in the potential of impact investing on the African continent. By 2030, ~50 percent of the world's youth will live in Africa. By 2050, one in four people on the planet will be African. That is why the foundation invests in climate-friendly, fast-growing, local ventures that generate jobs and opportunities.

In 2022-23, the foundation continued to strengthen its footprint in BESTSELLER communities. Among other initiatives, colleagues were invited to nominate a charitable cause close to their hearts for the annual New Year's donation from BESTSELLER Foundation. Six organisations supporting various vulnerable groups were granted a total donation of DKK 3.5 million.

Going forward, the foundation will work more closely with BESTSELLER to support inclusive, circular solutions in BESTSELLER communities and Sub-Saharan Africa.

UNLEASH
Innovation Lab 2023

The foundation was instrumental in bringing the Innovation Lab to the African continent and supported the circular economy track when +1,000 young, global changemakers gathered in Kigali, Rwanda, including 20 BESTSELLER experts and colleagues.



Highlights 2015-2024

The foundation's impact thesis is wrapped around quality job creation, promoting gender equity, and climate-friendly solutions.

+25 *impactful investments*	*+100* *charitable donations*
25 *countries reached*	*+7,000* *total, direct jobs created across the investment portfolio*
47% *female founders in the investment portfolio*	*83%* *employees are youth (<35 years)*

Investee spotlight: Sand Technologies – developing digital leaders across Africa

Sand Technologies creates impactful AI solutions for sectors such as healthcare, telecommunications, utilities, insurance, etc.

At any given time, 250,000 young people are in training at +35 Sand hubs and campuses, getting skilled in AI, data science, data engineering, cloud computing, and more to unlock quality jobs.



Consolidated financial statement

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Group



Income statement 1 August - 31 July

(mDKK)	Note	2023/24	2022/23
Revenue	**1**	**35,651**	**37,013**
Other operating income		187	126
Cost of sales		-16,639	-19,916
Other external costs		-6,878	-6,000
Gross profit		**12,321**	**11,223**
Staff costs	2	-6,066	-5,623
Depreciation, amortisation, and impairment losses	7-8	-956	-810
Profit before net financials		**5,299**	**4,790**
Income from investments in associates		6	6
Financial income	3	193	444
Financial costs	4	-161	-296
Profit before tax		**5,337**	**4,944**
Tax on profit for the year	5	-1,405	-1,031
Profit for the year		**3,932**	**3,913**

DISTRIBUTION OF PROFIT	**6**		
Proposed dividend for the year		3,500	3,100
Minority interests' share of net profit of subsidiaries		221	168
Retained earnings		211	645
Profit for the year		**3,932**	**3,913**



Balance sheet 31 July

Assets (mDKK)	Note	2024	2023
Software		8	8
Goodwill		110	122
Key money/leasehold rights/trademark rights		26	30
Intangible assets	**7**	**144**	**160**
Land and buildings		3,135	2,872
Other fixtures and fittings, tools, and equipment		548	489
Leasehold improvements		1,060	819
Property, plant and equipment in progress		1,264	1,067
Property, plant and equipment	**8**	**6,007**	**5,247**
Investments in associates	9	18	16
Deposits		343	298
Fixed asset investments		**361**	**314**
Total non current assets		**6,512**	**5,721**

Assets (mDKK)	Note	2024	2023
Inventories		**6,332**	**5,557**
Trade receivables		2,859	3,088
Receivables from group enterprises		2,440	3,043
Other receivables		463	474
Deferred tax asset	11	255	234
Corporation tax		105	207
Prepayments	10	286	377
Receivables		**6,408**	**7,423**
Cash and cash equivalents		**2,493**	**2,431**
Total current assets		**15,233**	**15,411**
Total assets		**21,745**	**21,132**

Balance sheet 31 July

Equity and liabilities (mDKK)	Note	2024	2023
Share capital		110	110
Reserve for exchange rate adjustments		-229	-220
Reserve for hedging adjustments		0	-16
Retained earnings		7,939	8,449
Proposed dividend for the year		3,500	3,100
Equity before non controlling interests		**11,320**	**11,423**
Non controlling interests		507	425
Equity		**11,827**	**11,848**
Deferred tax	11	127	46
Other provisions	12	1,697	1,182
Total provisions		**1,824**	**1,228**
Mortgage loans		67	70
Total non current liabilities	**13**	**67**	**70**

Equity and liabilities (mDKK)	Note	2024	2023
Credit institutions		91	2,129
Mortgage loans	13	2	2
Trade payables		4,226	2,669
Payables to group enterprises		93	83
Corporation tax		1,045	994
Other payables		2,499	2,038
Deferred income	14	71	71
Total current liabilities		**8,027**	**7,986**
Total liabilities		**8,094**	**8,056**
Total equity and liabilities		**21,745**	**21,132**

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 2023	**110**	**-220**	**-16**	**8,449**	**3,100**	**11,423**	**425**	**11,848**
Exchange adjustments	0	-9	0	0	0	**-9**	-8	**-17**
Ordinary dividend paid	0	0	0	0	-3,100	**-3,100**	-87	**-3,187**
Purchase of non controlling shares	0	0	0	0	0	**0**	-44	**-44**
Fair value adjustment of hedging instruments	0	0	20	0	0	**20**	0	**20**
Tax on transactions on equity	0	0	-4	0	0	**-4**	0	**-4**
Other equity movements	0	0	0	-721	0	**-721**	0	**-721**
Net profit/loss for the year	0	0	0	211	3,500	**3,711**	221	**3,932**
Equity at 31 July 2024	**110**	**-229**	**0**	**7,939**	**3,500**	**11,320**	**507**	**11,827**

The share capital consists of:	**Nominal Value (mDKK)**
220,000 shares of DKK 500	110

ACCOUNTING POLICY

Reserve for exchange rate adjustments — The reserve for exchange rate adjustment comprises the share of foreign exchange rate differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange rate adjustments of assets and liabilities considered part of the Parent's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange rate adjustments will be included in this equity reserve instead.

Dividends — Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Reserve for hedging transactions — The reserve for hedging transactions includes the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future cash flows and the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging is no longer effective. The reserve does not represent a company law binding and may therefore be negative.

Cash flow statement

(mDKK)	Note	2023/24	2022/23
Net profit for the year		**3,932**	**3,913**
Adjustments	21	2,895	1,513
Change in working capital	22	948	52
Corporation tax paid		-1,195	-1,534
Cash flows from operating activities		**6,580**	**3,944**
Purchase of intangible assets		-19	-136
Purchase of property, plant and equipment		-1,794	-1,779
Purchase of non current investments		0	-14
Sale of property, plant and equipment		83	64
Sale of intangible assets		2	0
Sale of non current investments		0	47
Dividends received from associates		3	2
Deposits		-45	-28
Purchase of minority shares		-99	-3
Cash flows from investing activities		**-1,869**	**-1,847**
Repayment/raising of loans from credit institutions		-2,041	1,772
Changes in receivables/payables to group enterprises		600	-410
Dividend paid		-3,187	-3,125
Cash flows from financing activities		**-4,628**	**-1,763**
Change in cash and cash equivalents		**83**	**334**
Cash and cash equivalents at 1 August 2023		2,431	2,185
Exchange rate adjustment		-21	-88
Cash and cash equivalents at 31 July 2024		**2,493**	**2,431**

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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 share of the profit for the year adjusted for changes in the working capital, paid corporate taxes and non-cash income statement items such as depreciation, amortisation, and impairment losses and provisions made. The working capital comprises current assets less current liabilities – exclusive of the financial statement items included in cash and cash equivelants.

CASH FLOWS FROM INVESTING ACTIVITIES

Cash flows from investing activities comprise cash flows from payments associated with the purchase of sale of companies, activities and financial non-current assets as well as purchase, development, improvement and sale etc. of intangible assets and property, plant, and equipment.

CASH FLOWS FROM FINANCING ACTIVITIES

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at hand and in bank.

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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 2023-24 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's and the parent company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

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 statement from the date of acquisition or the date of establishment respectively. When subsidiaries are sold or liquidated, they cease to be recognised in the consolidated financial statement at the time of transfer or time of liquidation and earnings or losses at the time of sale or liquidation are recognised in the profit and loss account. The comparative figures are not adjusted for acquisitions or disposals.

Gains and losses on the disposal of subsidiaries and associates are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal including any non-amortised goodwill and anticipated disposal costs.

Acquisitions of enterprises are accounted for using the purchase method, according to which the identifiable assets and liabilities acquired are measured at their fair value at the date of acquisition. Costs for restructuring recognised in the acquired entity before the date of acquisition and not an agreed part of the acquisition is part of the acquisition balance sheet and hence the calculation of goodwill. Costs relating to restructuring decided by the acquiring entity must be recognised in the income statement. The tax effect of the restatement of assets and liabilities is considered.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset. Any excess of the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition (badwill), representing an anticipated adverse development in the acquired enterprises is recognised in the income statement at the date of acquisition when the general revenue recognition criteria are met.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed, and equity instruments issued.

Costs incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

RECOGNITION AND MEASUREMENT OF INTRAGROUP BUSINESS COMBINATIONS

The uniting of interests method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, additions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided the combination is considered final at the time of acquisition with restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity are recognised in the equity.

Expenses defrayed in connection with acquisitions are recognised in the income statement in the year in which they are defrayed. If, at the date of acquisition, the identification or measurement of acquired assets, liabilities and/or contingent liabilities or the size of the purchase consideration are associated with uncertainty, initial recognition will be based on preliminarily calculated amounts. If it subsequently turns out that the identification or measurement of the purchase consideration, acquired assets, liabilities and/or contingent liabilities was not correct on initial recognition, the calculation will be adjusted with retrospective effect, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments made will be recognised through the income statement.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the Parent company BESTSELLER A/S and subsidiaries in which the Parent company, directly or indirectly, holds more than 50 percent of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20 percent and 50 percent of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates, cf. the Group chart.

The consolidated annual accounts are prepared as a consolidation of the accounts of the Parent company and the individual subsidiaries. Adjustments are made for intercompany turnover and expenditure, shareholdings, intra-group balances and dividends, as well as unrealised internal income and loss. The accounts used for the consolidation are prepared in accordance with the Group's accounting policies.

Investments in subsidiaries are set off against net assets and liabilities at the balance sheet.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date at which control is obtained. Entities sold during the year are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

NON-CONTROLLING INTERESTS

The annual accounts of the Group's subsidiaries are included 100% in the consolidated figures. The non-controlling interests proportionate share of the profit and loss as well as the equity in subsidiaries not 100% owned by the Group are included as a part of the Group's profit and loss but are disclosed separately.

On initial recognition, non-controlling interest are measured at the fair value of 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)	2023/24	2022/23
Revenue	35,651	37,013
Total Revenue	**35,651**	**37,013**
Denmark	1,943	1,919
Rest of Europe	30,923	31,735
Rest of the world	2,785	3,359
Total revenue	**35,651**	**37,013**

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

§

ACCOUNTING POLICY

Revenue from the sales of goods is recognised in the income statement when delivery is made, and risk has passed to the buyer and that the income can be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted and estimated returns.

NOTE 2

Staff costs

(mDKK)	2023/24	2022/23
Wages and salaries	4,923	4,585
Pensions	249	246
Other social security costs	613	569
Other staff costs	281	223
	6,066	**5,623**
Average number of employees	20,704	20,276

Executive Board received remuneration of mDKK 27 (2022/23: mDKK 30). 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)	2023/24	2022/23
Financial income, group enterprises	0	0
Other financial income	193	444
	193	**444**

NOTE 4

Financial costs

(mDKK)	2023/24	2022/23
Financial costs, group enterprises	0	0
Other financial costs	161	296
	161	**296**

§

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)	2023/24	2022/23
Current tax for the year	1,314	1,058
Change in deferred tax for the year	49	-11
Adjustment of tax concerning previous years	23	-24
Adjustment of deferred tax concerning previous years	19	8
	1,405	**1,031**

§

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)	2023/24	2022/23
Proposed dividend for the year	3,500	3,100
Non-controlling interests	221	168
Retained earnings	211	645
	3,932	**3,913**



NAME IT
Louie, the NAME IT mascot, got a makeover for the brand's 37th birthday earlier this year.



NOTE 7

Intangible assets

(mDKK)	Software	Goodwill	Key money Leasehold rights
Cost at 1 August 2023	**91**	**713**	**242**
Adjustment to opening balance	-11	9	-10
Exchange adjustment	0	5	0
Additions for the year	6	7	6
Disposals for the year	-2	-9	-21
Cost at 31 July 2024	**84**	**725**	**217**
Impairment losses and amortisation 1 August 2023	**83**	**591**	**212**
Adjustment to opening balance	-8	5	-9
Exchange adjustment	0	4	0
Impairment losses for the year	0	0	-1
Amortisation for the year	3	23	9
Reversal of amortisation of sold assets	-2	-8	-20
Impairment losses and amortisation at 31 July 2024	**76**	**615**	**191**
Carrying amount at 31 July 2024	**8**	**110**	**26**

§

ACCOUNTING POLICY

Intangible assets are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Interests are not included in the cost. Where individual components of an item of intangible assets have different useful lives, they are accounted for as separate items, which are depreciated separately. Non-current assets are depreciated on a straight-line basis, based on cost and on the following continually estimated useful lives:

Software is amortised according to the straight-line method over the expected useful life of 3-5 years.

Leasehold rights/key money/trademark rights is amortised according to the straight-line method of the non-terminable leaseterm. In case such term does not exist, the leasehold right/key money/trademark rights is amortised over 5 to 7 years.

Goodwill is amortised over the estimated useful life between 5-20 years. The estimated useful life is determined by management based on their experience within each area of business. The amortisation period is determined based on to what extent the purchase concerns a strategically acquired company with a strong market position and a long-term profitability and to what extent the goodwill includes temporary intangible resources which has not been able to spin off and recognise as individual assets.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs.

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 2023	**3,979**	**2,690**	**3,417**	**1,067**
Adjustment to opening balance	0	58	-18	-7
Exchange adjustment	1	-11	0	1
Additions for the year	96	359	698	641
Disposals for the year	-6	-203	-273	-51
Transfers for the year	277	-246	356	-387
Cost at 31 July 2024	**4,347**	**2,647**	**4,180**	**1,264**
Impairment losses and depreciation at 1 August 2023	**1,107**	**2,201**	**2,598**	**0**
Adjustment to opening balance	4	40	-11	0
Exchange adjustment	1	-9	0	0
Impairment losses and reversals for the year	0	101	179	0
Depreciation for the year	101	222	319	0
Reversal of depreciation of sold assets	0	-173	-249	0
Transfers for the year	-1	-283	284	0
Impairment losses and depreciation at 31 July 2024	**1,212**	**2,099**	**3,120**	**0**
Carrying amount at 31 July 2024	**3,135**	**548**	**1,060**	**1,264**

§

ACCOUNTING POLICY

Property, plant, and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Interests are not included in the cost.

Where individual components of an item of property, plant, and equipment have different useful lives, and the individual component is a significant part of the total cost, the cost is divided into separate components, which are depreciated separately.

Non-current assets are depreciated on a straight-line basis, based on cost and on the following continually estimated useful lifes:

Buildings: 10-50 years
Other fixtures and fittings, tools, and equipment: 3-5 years
Leasehold improvements: 5-10 years

The basis of depreciation is based on the residual value of the asset at the end of its useful life. The depreciation periode and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Property, plant, and equipment are written down to its recoverable amount if this is lower than the carrying amount.

Gains or losses from the disposal of property, plant, and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

NOTE 9

Investments in associates

(mDKK)	2024	2023
Cost at 1 August 2023	**27**	**27**
Adjustment to opening balance	9	0
Cost at 31 July 2024	**36**	**27**
Revaluations at 1 August 2023	**-11**	**-14**
Adjustment to opening balance	-10	0
Exchange adjustment	0	-1
Net profit/loss for the year	6	6
Received dividend	-3	-2
Revaluations at 31 July 2024	**-18**	**-11**
Carrying amount at 31 July 2024	**18**	**16**

For ownership in associates, see group chart on page 297.

§

ACCOUNTING POLICY

INVESTMENTS IN ASSOCIATES
Investments in associates are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the Group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

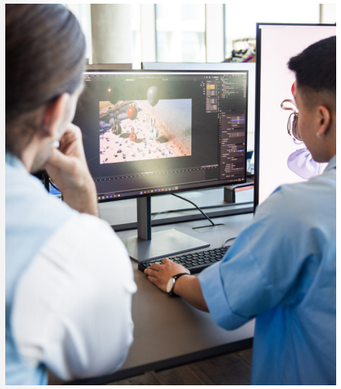
Investments in associates with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

INCOME FROM INVESTMENS IN ASSOCIATES
The proportionate share of the profit/loss for the year of associates is recognised in both the consolidated and the Parent company's income statement after elimination of the proportionate share of intra-group profits/gains and amortisation of goodwill. In situations of sales of associates gains/losses are recognised in the income statement.

NOTE 10

Prepayments

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



PIECES
Tapping into the CGI trend, PIECES used eye-catching 3D design to launch its Balloon Bag.



NOTE 11

Deferred tax

(mDKK)	2024	2023
Deferred tax at 1 August 2023	**188**	**95**
Exchange adjustment	-3	-4
Adjustment of deferred tax for the year	-49	11
Deferred tax recognised on equity	-4	109
Other movements on deferred tax	15	-15
Deferred tax concerning previous years	-19	-8
Deferred tax at 31 July 2024	**128**	**188**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	255	234
Deferred tax liabilities	-127	-46
	128	**188**

We have unrecognised tax losses carried forward in India amounting to mDKK 391.

§

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.







VERO MODA
A botanical setting at a VIP event in the Palmenhaus in Vienna.

NOTE 12

Other provisions

(mDKK)	2024	2023
Balance at beginning of year	1,182	1,445
Exchange adjustment	-1	-8
Provision in year	712	273
Applied in the year	-196	-528
	1,697	**1,182**
The expected due dates of other provisions are:		
Within one year	568	388
Between 1 and 5 years	1,003	700
Over 5 years	126	94
	1,697	**1,182**

§

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)	2024	2023
After 5 years	56	60
Between 1 and 5 years	11	10
Non current portion	**67**	**70**
Within 1 year	2	2
Current portion	**2**	**2**
Mortage loans at 31 July 2024	**69**	**72**

§

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. Etc. 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)	2024	2023
Within 1 year	1,854	1,809
Between 1 and 5 years	3,508	3,837
After 5 years	523	613
	5,885	**6,259**

NOTE 17

Contingent liabilities

GUARANTEE COMMITMENTS

The Group has issued guarantee commitments for mDKK 432.

OTHER CONTINGENT LIABILITIES

The Group has other obligations amounting to a total of mDKK 51.

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 69 (2022/23: mDKK 72) which is secured by land and buildings, with a carrying amount of mDKK 130 (2022/23: mDKK 130).

CONTINGENT LIABILITIES

The Danish group participates in a joint Danish taxation arrangement with HEARTLAND A/S serving as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Group is therefore secondarily liable for income taxes etc. for the jointly taxed entities as well as for the withholding of tax on interest, royalties, and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

NOTE 18

Financial instruments

Group BESTSELLER seeks to reduce foreign currency risks by hedging currency exposure on purchase of goods and selling goods. At 31 July 2024, Group BESTSELLER has entered into foreign exchange forward contracts relating to future purchase transactions in foreign currency of mUSD 176 with a value of mDKK 1 before tax. Furthermore, we have also entered into foreign exchange forward contracts relating to future purchase transactions in foreign currency of contracts of mCNY 344 with a value of mDKK 1 before tax. Lastly, we have entered into foreign exchange forward contracts relating to future sales transactions in foreign currency of contracts of mGBP 22 with a value of mDKK -2 before tax. All are recognised on other receivables and equity.

All transactions is to be realised within the next financial year 2024/25.

Group BESTSELLER has also entered into foreign currency options. The market value amounts to mDKK 8 at 31 July 2024.

As the agreements is made with the company's core banking partners, as the counterparties, it is our assement that there is no payment risk associated with these counterparties.

(mDKK)	Derivate financial instruments
Fair value, at 31 july 2024	8
Value adjustments in the income statement	7
Changes recognised in the reserve for hedging transactions	20

NOTE 19

Related parties and ownership structure

CONTROLLING INTEREST:

BESTSELLER United A/S, Fredskovvej 5,
7330 Brande (Majority owner)

TRANSACTIONS (MDKK)

Sale of goods to related parties	140
Sale of services to related parties	2
Purchase of goods from related parties	6
Purchase of services from related parties	606
Interest income from related parties	0
Interest costs to related parties	0
Paid dividend	3,100
Receivables from related parties	2,440
Payables to related parties	-93

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	2023/24	2022/23
Fees regarding statutory audit	11	10
Other assurance engagement	1	1
Tax assistance	0	0
Other assistance	0	0
	12	**11**

(mDKK) Other auditors	2023/24	2022/23
Fees regarding statutory audit	1	1
Other assurance engagement	0	0
Tax assistance	0	0
Other assistance	0	0
	1	**1**

NOTE 21

Cash flow statement: adjustments

(mDKK)	2023/24	2022/23
Gain from sale of assets	28	-10
Unrealised exchange rate adjustment	-3	-286
Depreciation, amortisation, and impairment losses	956	810
Income from investments in associates	-6	-6
Tax on profit for the year	1,405	1,031
Change in other provisions	515	-26
	2,895	**1,513**

NOTE 22

Cash flow statement: change in working capital

(mDKK)	2023/24	2022/23
Change in inventories	-775	2,498
Change in receivables	324	-23
Change in trade payables, etc.	1,399	-2,423
	948	**52**

Financial statement

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Parent



Income statement 1 August - 31 July

(mDKK)	Note	2023/24	2022/23
Revenue	1	**19,609**	**21,148**
Other operating income		164	147
Cost of sales		-13,215	-15,061
Other external costs		-1,570	-1,936
Gross profit		**4,988**	**4,298**
Staff costs	2	-1,549	-1,427
Depreciation, amortisation, and impairment losses	7	-145	-155
Profit before net financials		**3,294**	**2,716**
Income from investments in subsidiaries		1,379	1,575
Financial income	3	235	365
Financial costs	4	-502	-347
Profit before tax		**4,406**	**4,309**
Tax on profit for the year	5	-695	-565
Profit for the year		**3,711**	**3,744**
DISTRIBUTION OF PROFIT	6		
Proposed dividend for the year		3,500	3,100
Retained earnings		211	644
Profit for the year		**3,711**	**3,744**





MAMALICIOUS
To offer an authentic experience that resonates with the modern mother, the brand launched a new visual identity.



Balance sheet 31 July

Assets (mDKK)	Note	2024	2023
Land and buildings		2,043	2,055
Other fixtures and fittings, tools, and equipment		190	147
Leasehold improvements		10	15
Property, plant, and equipment in progress		287	173
Property, plant, and equipment	**7**	**2,530**	**2,390**
Investments in subsidiaries	8	7,916	9,035
Deposits		1	2
Fixed asset investments		**7,917**	**9,037**
Total non current assets		**10,447**	**11,427**
Inventories		**4,404**	**3,737**
Trade receivables		13	41
Receivables from group enterprises		6,204	6,684
Other receivables		10	1
Prepayments	9	148	165
Receivables		**6,375**	**6,891**
Cash at hand and in bank		**382**	**485**
Total current assets		**11,161**	**11,113**
Total assets		**21,608**	**22,540**

Equity and liabilities (mDKK)	Note	2024	2023
Share capital		110	110
Reserve for hedging adjustments		0	-16
Retained earnings		8,360	8,229
Proposed dividend for the year		3,500	3,100
Equity		**11,970**	**11,423**
Deferred tax	10	61	2
Provisions relating to investments in group entities		0	8
Other provisions	11	155	132
Total provisions		**216**	**142**
Credit institutions		91	2,128
Trade payables		956	549
Payables to group enterprises		7,491	7,222
Corporation tax		528	463
Other payables		356	613
Total current liabilities		**9,422**	**10,975**
Total liabilities		**9,422**	**10,975**
Total equity and liabilities		**21,608**	**22,540**

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 2023	**110**	**-16**	**8,229**	**3,100**	**11,423**
Ordinary dividend paid	0	0	0	-3,100	**-3,100**
Exchange adjustments	0	0	-8	0	**-8**
Fair value adjustment of hedging instruments	0	20	0	0	**20**
Tax on transactions on equity	0	-4	0	0	**-4**
Other equity movements	0	0	-72	0	**-72**
Net profit/loss for the year	0	0	211	3,500	**3,711**
Equity at 31 July 2024	**110**	**0**	**8,360**	**3,500**	**11,970**

The share capital consists of:	Nominal Value (mDKK)
220,000 shares of DKK 500	110

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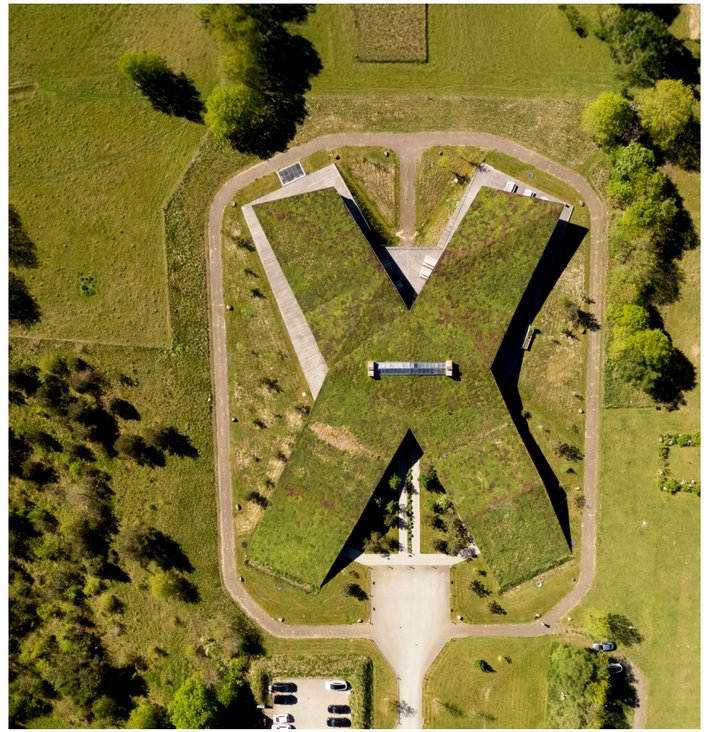
ACCOUNTING POLICY

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 xpected to be realised or if the hedging is no longer effective. The reserve does not represent a company law binding and may therefore be negative.







CAMPUS
Located a few kilometers from our offices in Brande, Denmark, these educational facilities offer peaceful surroundings in nature – perfect for training and development.

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ACCOUNTING POLICY

For a summary of the general accounting policies please refer to page 232 in the notes to the consolidated financial statements.

NOTE 1

Revenue

(mDKK)	2023/24	2022/23
Revenue	19,609	21,148
Total Revenue	**19,609**	**21,148**
Denmark	837	1,321
Rest of Europe	18,644	19,624
Rest of the World	128	203
Total revenue	**19,609**	**21,148**

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)	2023/24	2022/23
Wages and salaries	1,323	1,235
Pensions	115	110
Other social security costs	20	20
Other staff costs	91	62
	1,549	**1,427**
Average number of employees	2,379	2,408

Executive Board received remuneration of mDKK 27 (2022/23: mDKK 30). 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)	2023/24	2022/23
Financial income, group	148	101
Other financial income	87	264
	235	**365**

NOTE 4

Financial costs

(mDKK)	2023/24	2022/23
Financial costs, group	375	194
Other financial costs	127	153
	502	**347**

§

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)	2023/24	2022/23
Current tax for the year	639	529
Adjustment of tax concerning previous years	1	-35
Adjustment of deferred tax concerning previous years	0	-1
Change in deferred tax for the year	55	72
	695	**565**

§

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)	2023/24	2022/23
Proposed dividend for the year	3,500	3,100
Retained earnings	211	644
	3,711	**3,744**





YAS
Earlier this year, YAS celebrated its ten year anniversary.



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 2023	**3,074**	**616**	**54**	**173**
Additions for the year	67	49	0	169
Disposals for the year	0	-4	0	0
Transfers for the year	7	48	0	-55
Cost at 31 July 2024	**3,148**	**709**	**54**	**287**
Impairment losses and depreciation at 1 August 2023	**1,019**	**469**	**39**	**0**
Depreciation for the year	87	53	5	0
Reversal of impairment and depreciation of sold assets	0	-4	0	0
Transfer for the year	-1	1	0	0
Impairment losses and Depreciation at 31 July 2024	**1,105**	**519**	**44**	**0**
Carrying amount at 31 July 2024	**2,043**	**190**	**10**	**287**

§

ACCOUNTING POLICY

Property, plant, and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Interests are not included in the cost.

Where individual components of an item of property, plant, and equipment have different useful lives, and the individual component is a significant part of the total cost, the cost is divided into separate components, which are depreciated separately.

Non-current assets are depreciated on a straight-line basis, based on cost and on the following continually estimated useful lifes:

Buildings: 10-50 years
Other fixtures and fittings, tools, and equipment: 3-5 years
Leasehold improvements: 5-10 years

The basis of depreciation is based on the residual value of the asset at the end of its useful life. The depreciation periode and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Property, plant, and equipment are written down to its recoverable amount if this is lower than the carrying amount.

Gains or losses from the disposal of property, plant, and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

NOTE 8

Investments in subsidiaries

(mDKK)	2024	2023
Cost at 1 August 2023	**8,839**	**8,665**
Additions for the year	229	179
Disposals for the year	0	-5
Cost at 31 July 2024	**9,068**	**8,839**
Revaluations at 1 August 2023	**-395**	**-1,048**
Disposals for the year	0	-4
Exchange adjustment	-8	-415
Net profit for the year	1,379	1,691
Received dividend	-2,575	-500
Other equity movements, net	-17	-3
Extraordinary amortization of goodwill	0	-116
Revaluations at 31 July 2024	**-1,616**	**-395**
Net value at 31 July 2024	**7,452**	**8,444**
Reconciliation to the book value		
Booked value of investment in subsidiaries at 31 July 2024	**7,916**	**9,035**
Provisions relating to investments in group entities	0	-8
Netting of intercompany balances from enterprises with negative equity	-464	-583
Net value at 31 July 2024	**7,452**	**8,444**
Remaining positive difference included in the above carrying amount at 31 July 2024	**59**	**64**

§

ACCOUNTING POLICY

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the Group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

Investments in subsidiaries, with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. As an accounting policy choice, the consolidation method has been applied.

INCOME FROM INVESTMENS IN SUBSIDIARIES

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





OBJECT
All proceeds from the sale of the "Acts of Kindness" collection go directly to Blue Cross Denmark and TUBA – two organisations supporting young people affected by alcohol misuse within their families.

NOTE 9

Prepayments

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

NOTE 10

Deferred tax

(mDKK)	2024	2023
Deferred tax at 1 August 2023	**-2**	**-40**
Adjustment of deferred tax for the year	-55	-72
Deferred tax recognised on equity	-4	109
Deferred tax concerning previous years	0	1
Deferred tax at 31 July 2024	**-61**	**-2**

§

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)	2024	2023
Balance at beginning of year	132	526
Provision for the year	58	0
Applied for the year	-35	-394
	155	**132**
The expected due dates of other provisions are:		
Within one year	61	62
Between 1 and 5 years	94	70
Over 5 years	0	0
	155	**132**

Other provisions primarily compromise pending disputes, donations, and other liabilities, etc.

§

ACCOUNTING POLICY

Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled far into the future the obligation is measured at fair value. Provisions comprise anticipated costs for losses on returned goods, obligations concerning leases and other contractual liabilities. Provisions are recognised when the Group has a legal or constructive obligation at the balance sheet date and there is a probability of an outflow of resources required to settle the obligation.

NOTE 12

Rent and lease contractual obligations

(mDKK)	2024	2023
Within 1 year	145	93
Between 1 and 5 years	299	160
After 5 years	0	0
	444	**253**

Fulfilment Centre East
Logistics colleagues in Poland check returned online items with great care to ensure pristine condition for new customers.







NOTE 13

Contingent liabilities

GUARANTEE COMMITMENTS

The Parent company has issued guarantee commitments for mDKK 35.

OTHER CONTINGENT LIABILITIES

The Group is party to a number of pending disputes that are not deemed to have any material effect on coming financial years.

The Parent company has issued letters of support for subsidiaries. Furthermore the Parent company has issued a guarantee of payment for the liabilities of a number of subsidiaries totalling mDKK 524 at 31 July 2024.

The Parent has, through a Letter of Intent, pledged mDKK 700 towards the Renewable Energy Initiative (REI) offshore wind project in Bangladesh.

CONTINGENT LIABILITIES

The Company participates in a joint Danish taxation arrangement with HEARTLAND A/S serving as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore secondarily liable for income taxes etc for the jointly taxed entities as well as to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

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 exposure on purchase of goods and selling goods. At 31 July 2024, BESTSELLER A/S has entered into foreign exchange forward contracts relating to future purchase transactions in foreign currency of mUSD 176 with a value of mDKK 1 before tax. Furthermore, we have also entered into foreign exchange forward contracts relating to future purchase transactions in foreign currency of contracts of mCNY 344 with a value of mDKK 1 before tax. Lastly, we have entered into foreign exchange forward contracts relating to future sales transactions in foreign currency of contracts of mGBP 22 with a value of mDKK -2 before tax. All are recognised on other receivables and equity.

All transactions is to be realised within the next financial year 2024/25.

BESTSELLER A/S has also entereed into foreign currency options. The market value amounts to mDKK 8 at 31 July 2024.

As the agreements is made with the company's core banking partners, as the counterparties, it is our assement that there is no payment risk associated with these counterparties.

(mDKK)	Derivate financial instruments
Fair value, at 31 july 2024	8
Value adjustments in the income statement	7
Changes recognised in the reserve for hedging transactions	20

NOTE 16

Related parties and ownership structure

CONTROLLING INTEREST:

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

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

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

Transactions (mDKK)	
Sale of goods to subsidiaries	19,487
Sale of services to subsidiaries	382
Sale of goods to other related parties	1
Sale of services to other related parties	9
Purchase of services from subsidiaries	671
Purchase of services from other related parties	108
Interest income from subsidiaries	148
Interest income from other related parties	0
Interest cost to subsidiaries	375
Capital contribution	287
Dividend received	2,575
Dividend paid	3,100
Receivables from group companies	3,776
Payables to group enterprises	7,451
Receivables from other related parties	2,428
Payables to other related parties	40

Management statement

Independent auditor's report
Company details
Group chart



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 2023 – 31 July 2024.

AARHUS,
7 OCTOBER 2024

The annual report is prepared in accordance with the Danish Financial Statements Act. In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the company and the group financial position at 31 July 2024, and of the results of the group and the company operations and consolidated cash flows for the financial year 1 August 2023 – 31 July 2024.

In our opinion, the management's review of the annual report provides a fair view of the developments of BESTSELLER's financial results for the year, as well as a description of the most significant risks and uncertainties that may affect the group and the parent company.

BOARD OF DIRECTORS AND MANAGEMENT

Chair of the Board — Merete Bech Povlsen
Member of the Board and Chief Executive Officer — Anders Holch Povlsen
Member of the Board — Troels Holch Povlsen
Member of the Board — Finn Poulsen
Member of the Board — Lise Kaae
Chief Financial Officer — Thomas Børglum Jensen



Denmark
The modern architecture of our Aarhus office features different levels connected by a series of outdoor spaces.

Independent Auditor's Report

To the shareholder of BESTSELLER A/S

OPINION

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 July 2024, 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 2023 - 31 July 2024 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 2023 - 31 July 2024, 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 cash flow statements ("financial statements").

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

STATEMENT ON MANAGEMENT'S REVIEW

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge 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 Financials 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 Statement 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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS
CONTINUED

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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AARHUS,
7 OCTOBER 2024

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
Thomas Børglum Jensen

Board of Directors



CHAIR OF THE BOARD
Merete Bech Povlsen



MEMBER OF THE BOARD
Troels Holch Povlsen



MEMBER OF THE BOARD
Anders 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 2023 - 31 July 2024
Domicile: Ikast-Brande

BOARD OF DIRECTORS

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

EXECUTIVE BOARD

Anders Holch Povlsen
Thomas Børglum Jensen

AUDITORS

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Jens Chr. Skous Vej 1
8000 Aarhus C

GROUP CHART SYMBOL OVERVIEW

•	Subsidiary
••	Subsidiary of subsidiary
•••	Subsidiary of subsidiary of subsidary
*	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 pink are 100% owned subsidiaries of BESTSELLER A/S.

Group chart

COMPANY	LOCATION	OWNERSHIP
BESTSELLER A/S	**Brande, Denmark**	
AHPK GmbH 1	Hamburg, Germany	100%
24.5.2011 US Corporation	Wilmington, Delaware, USA	100%
• BESTSELLER Wholesale US LLC	Wilmington, Delaware, USA	100%
BESTSELLER AS	Olso, Norway	100%
BESTSELLER Logistics A/S	Brande, Denmark	100%
BESTSELLER Australia PTY Ltd.	Mosman, Australia	100%
BESTSELLER Birlesik Tekstil Ltd.	Istanbul, Türkiye	90%
BESTSELLER Commerce B.V.	Amsterdam, Netherlands	100%
• BESTSELLER Handels B.V.	Amsterdam, Netherlands	100%
• BESTSELLER Service B.V.	Amsterdam, Netherlands	100%
BESTSELLER Commerce Poland Sp. z O.O.	Lozienica, Poland	100%
BESTSELLER Handels Portugal, Unispessoal LDA	Lisbon, Portugal	100%
BESTSELLER Italy SpA	Castel San Pietro Terme, Italy	100%
• BESTSELLER Stores Italy SpA	Castel San Pietro Terme, Italy	100%
BESTSELLER Stores Austria GmbH	Vienna, Austria	100%
• BESTSELLER Handels GmbH	Vienna, Austria	100%
• BESTSELLER MENA GmbH	Vienna, Austria	100%
BESTSELLER Retail Europe A/S	Brande, Denmark	75%
• BESTSELLER Retail Benelux B.V.	Leusden, Netherlands	100%
• BESTSELLER Retail Sp. z O.O.	Warsaw, Poland	100%
• ONLY Stores Austria GmbH	Vienna, Austria	100%
• Grønhaug Retail AS*	Bergen, Norway	50%

• ONLY Stores A/S	Brande, Denmark	100%
• • ONLY Stores Italy SRL	Castel San Pietro Terme, Italy	100%
• • ONLY Stores Belgium BVBA	Antwerp, Belgium	100%
• • ONLY Stores Czech s.r.o.	Prague, Czech Republic	100%
• • ONLY Stores Denmark A/S	Brande, Denmark	100%
• • ONLY Stores Finland OY	Espoo, Finland	100%
• • ONLY Stores France SaS	Paris, France	100%
• • ONLY Stores Germany GmbH 1	Viersen, Germany	100%
• • ONLY Stores Ireland Ltd.	Dublin, Ireland	100%
• • ONLY Stores Holland B.V.	Leusden, Netherlands	100%
• • ONLY Stores Luxembourg S.a.r.l.	Luxembourg, Luxembourg	100%
• • ONLY Stores Norway AS	Bergen, Norway	100%
• • ONLY Stores Sweden AB	Solna, Sweden	100%
• • ONLY Stores Switzerland AG	St. Gallen, Switzerland	100%
• • Retail-Fabrikken A/S *	Haderslev, Denmark	50%
BESTSELLER Retail Ireland Limited	Dublin, Ireland	100%
BESTSELLER Retail UK Ltd.	Birmingham, England	100%
BESTSELLER (Schweiz) AG	Glattbrugg, Switzerland	100%
BESTSELLER Stores Belgium BVBA	Antwerp, Belgium	100%
• Belalan Meir Leasehold SRL	Antwerp, Belgium	100%
BESTSELLER Stores Denmark A/S	Brande, Denmark	100%
BESTSELLER Stores Finland OY	Helsinki, Finland	100%
BESTSELLER Stores Germany GmbH 1	Hamburg, Germany	64%
BESTSELLER trgovina SLO d.o.o.	Ljubljana, Slovenia	100%
BESTSELLER Fashion India Pvt. Ltd.	Mumbai, India	12%
BESTSELLER Stores Netherlands B.V.	Amstelveen, Netherlands	100%
• BESTSELLER Wholesale Benelux B.V.	Amstelveen, Netherlands	100%
• BESTSELLER United NL B.V.	Amstelveen, Netherlands	100%
• • Indifusion Apparels India Pvt. Ltd.	New Delhi, India	100%
• • BESTSELLER Fashion India Pvt. Ltd.	Mumbai, India	88%
• • • BESTSELLER Wholesale India Pvt. Ltd.	Mumbai, India	17%
• • • VERO MODA Retail Pvt. Ltd	Mumbai, India	14%
• • • BEST United India Comforts Pvt. Ltd	Mumbai, India	19%
BESTSELLER Stores Luxembourg Sarl	Luxembourg, Luxembourg	100%
BESTSELLER Stores Norway AS	Bergen, Norway	100%
BESTSELLER Stores Sverige AB	Solna, Sweden	100%
BESTSELLER Stores Switzerland AG	Glattbrugg, Switzerland	100%
BESTSELLER Sverige AB	Solna, Sweden	100%
• Hagamagasinet AB	Solna, Sweden	100%
BESTSELLER Textilhandels GmbH 1	Hamburg, Germany	100%
BESTSELLER United China Ltd.	Kowloon, Hong Kong	100%
BESTSELLER United Singapore Pte. Ltd.	Singapore, Singapore	100%
• BESTSELLER Wholesale India Pvt. Ltd.	Mumbai, India	83%
• BEST United India Comforts Pvt. Ltd.	Mumbai, India	81%
• ONLY Retail Pvt. Ltd.	Mumbai, India	100%
• SELECTED Retail Private Limited	Mumbai, India	100%
• VERO MODA Retail Pvt. Ltd.	Mumbai, India	86%
BESTSELLER Wholesale A/S	Brande, Denmark	100%
BESTSELLER Wholesale Belgium BVBA	Antwerp, Belgium	100%
BESTSELLER Wholesale Canada Inc.	Montréal, Canada	100%
• BESTSELLER Retail Canada Inc.	Montréal, Canada	100%
BESTSELLER Wholesale Finland OY	Helsinki, Finland	100%
BESTSELLER Wholesale France SaS	Paris, France	100%
• BESTSELLER Stores France SaS	Paris, France	100%
• 9/9 - 49 France Sarl	Paris, France	100%
• Paris Property SASU	Paris, France	100%

BESTSELLER Wholesale (Ireland) Ltd.	Dublin, Ireland	100%
BESTSELLER Wholesale Spain S.L.U.	Churriana, Spain	100%
• BESTSELLER Tekstil Ltd.	Istanbul, Türkiye	100%
• BESTSELLER Stores Spain S.L.U.	Churriana, Spain	100%
• BS Company of 14.12.2014 Sociedad Limitada	Churriana, Spain	100%
• • BESTSELLER Latam ZF S.A.	Montevideo, Uruguay	100%
• • BESTSELLER Textil Mexico S.A. de C.V.	Ciudad de México, Mexico	100%
• • BESTSELLER Textil Whs Uruguay S.A.	Montevideo, Uruguay	100%
• • BESTSELLER Wholesale Chile SpA	Santiago Chile	100%
• • BESTSELLER Wholesale Mexico S.A. C.V.	Ciudad de México, Mexico	100%
BESTSELLER Wholesale UK Ltd.	London, England	100%
Best Whs Clothing Greece LLC	Athens, Greece	100%
Bluetide Ltd.	Dubai, United Arab Emirates	100%
Braveheart International Limited.	London, England	100%
BRN Best Retail Norge AS	Namsos, Norway	51%
Toast (Mail Order) Limited	London, United Kingdom	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 Stores 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, United Kingdom	100%
• VILA Finland Oy	Espoo, Finland	100%
• VILA France SaS	Paris, France	100%
• VILA Italy S.R.L.	Caste San Pietro Terme, Italy	100%
• VILA Norge AS	Oslo, Norway	100%
• VILA Spain S.L.U.	Torremolinos, Spain	100%
• BESTSELLER Stores Germany GmbH	Hamburg, Germany	36%
• • VILA GmbH 1	Hamburg, Germany	100%
• VILA Sweden AB	Solna, Sweden	100%
• VILA Wholesale A/S	Skanderborg, Denmark	100%