



2022 ESG REPORT



CONTENT

1

INTRODUCTION

2

ABOUT RE-ZIP

- Circular packaging for a responsible e-commerce 4
- The RE-ZIP loop 5
- Board of directors 6

3

SUSTAINABILITY POLICY

- Sustainable development goals 7
- B Corp 8

4

IMPACT

- How we measure 9
- Data overview 10
- Environmental figures 11

5

VALUE CHAIN

- Reuse before recycle 12
- The system boundary of RE-ZIP packaging 13
- Mapping of value chain 14

6

TARGETED ESG IMPROVEMENTS

- Environmental goal 17
- Social goal 18
- Governance goal 19



INTRODUCTION

This report represents the corporate report on environmental, social and governance matters of RE-ZIP ApS. By publishing this report, we aim to enhance transparency regarding our contribution to the green transition and our approach to social responsibility. The year 2022 was an exciting year for us, where investments in our IT platform, and our uncompromising focus on building both financial and environmental viable solutions, has gained the interest from large-scale operators, which enables us to build partnerships with potential for major environmental impact in the years to come.

To fully embrace our new partnerships, RE-ZIP operations will be split into different partner areas. This division has required an update of the CO₂ baseline, which is to be done in 2023 and then updated in this report.

Our highest impact on environmental figures, both in relation to emissions and avoidance of the same, will relate to operations at our customers and Partners, which also reflects in the focus of this report. Both upstream and downstream activities are considered to ensure a holistic focus, where some are more documented than others, and as we continue to gather data, the report will be updated accordingly.

Besides a constant focus on optimizing our products and services we will set 3 key improvement goals every year. For 2023, we have set the goals of minimizing the environmental impact per circulation, elevating the environmental and social standards of our suppliers, and ensuring commitment from all partners on shared social and environmental aspects

I invite you to read more about our work on the following pages and hope you will enjoy reading the report.

Best regards

Bo Bach Boddum, RE-ZIP CEO.

ABOUT RE-ZIP

- Circular packaging for a responsible e-commerce



RE-ZIP enables logistical providers and other suppliers to the E-commerce industry, to utilize their existing resources and infrastructures, to sell circular packaging and/or efficiently reclaim the same. The aim is to transform the e-commerce industry away from using single-use packaging, simply by making it possible to reclaim packaging, and in time, to do this at a price below the productions cost of single use packaging.



As part of our mission statement, RE-ZIP is committed to create a significant positive impact on society and the environment, in our business and operations.



Our policy is guided by international standards for social and sustainable development, with a focus on minimizing any negative impact on the environment and society. Our approach encompasses ethical considerations in all areas of our business, from production to partnerships and governance.



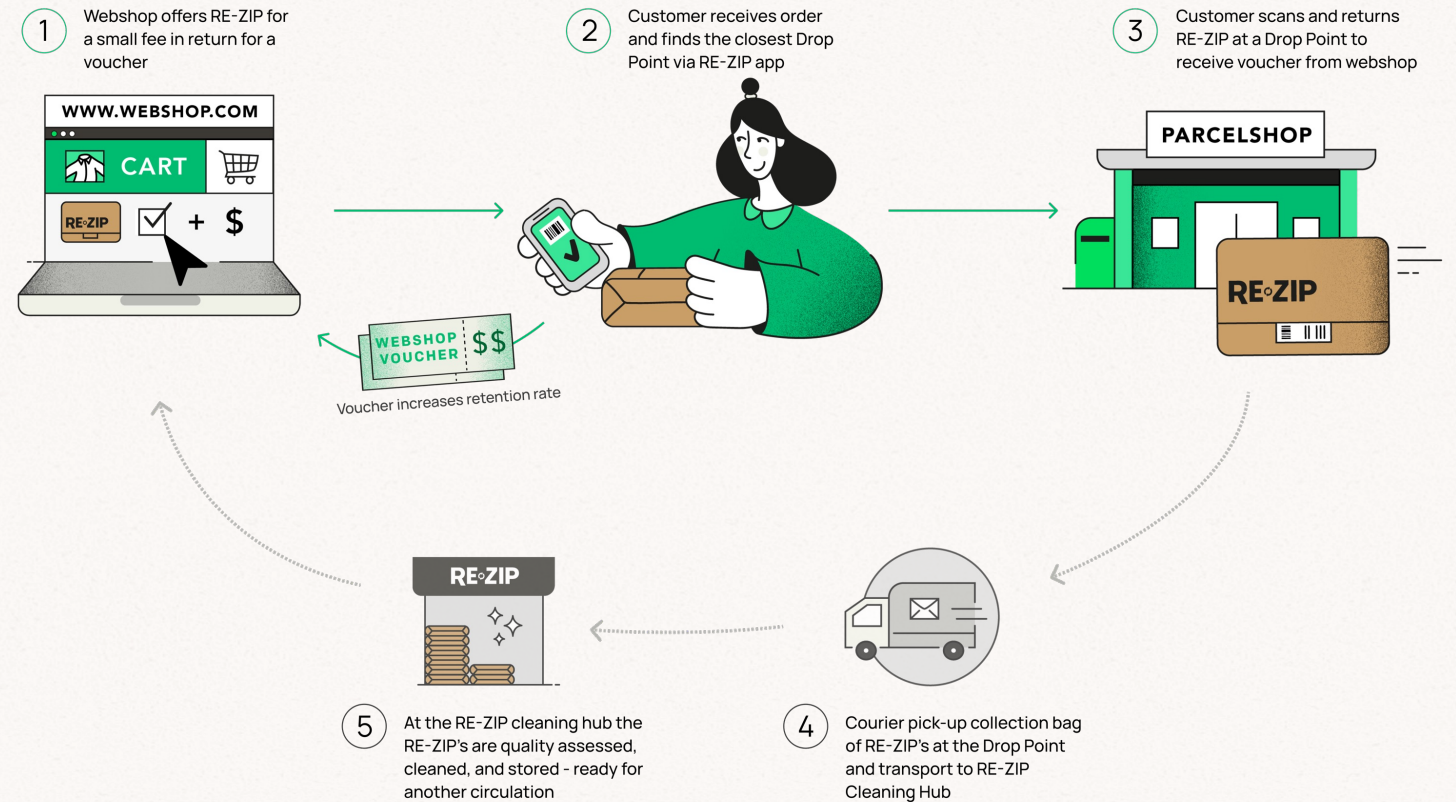
ABOUT RE-ZIP

- THE RE-ZIP LOOP

The RE-ZIP loop is created based on the core fundamental of being value adding for all parties involved. The loop is initiated when online customers choose circular packaging at checkout. After delivery, the packaging is collapsed to a convenient return format, and the nearest Drop Point is easily located using the RE-ZIP app.

As soon as the customer scans the RE-ZIP at a Drop Point a voucher will be issued, which both serves as a reward for the customer and as a method of retention for the webshop.

The RE-ZIP infrastructure ensures any returned packing will be guided via existing couriers to a cleaning hub, where it will be prepared for the next shipment, so it can be used again and again.



ABOUT RE-ZIP

- Board of directors

The Board of Directors plays a crucial role in ensuring that RE-ZIP operates in a socially and environmentally responsible manner. In addition to their standard responsibilities, the BOD Rules of procedure also details obligations to:

Ensure that social or environmental performance is a part of the management decision-making over time, regardless of company according to the Company mission as well as articles of association as well as ensure that management consider all stakeholders in it's decision making, including:

- Employees, subsidiaries and suppliers,
- Customers and customers interest and part of having a positive impact on environment and society,
- Local communities and society in general where subsidiaries and suppliers operate,
- Local and global environment,
- The company short as well as long term interest.



Thomas Høgenhaven
Mng. Director, PI Ventures



Heidi Schütt Larsen
VP, Dansk Retursystem



Brian Gøbel
Director SCM, Matas



Astrid Haug
Owner, Astrid Haug



Martin Møller
Board member & investor



Rünno Allikivi*
Venture Partner, Vækstfonden

SUSTAINABILITY STRATEGY

- Sustainable development goals

SUSTAINABLE DEVELOPMENT GOALS

RE-ZIP is committed to contributing to the United Nations' Sustainable Development Goals (SDG's). The SDGs are a set of 17 global goals set by the United Nations to achieve a better and more sustainable future for all. We have at RE-ZIP identified two of these goals as particularly important and focused our efforts on contributing to them.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



RE-ZIP has rethought the way we handle and think about packaging. Rather than using the traditional linear model where we use a product to throw it away again, RE-ZIP has developed a circular system of recycling supported by an infrastructure and an IT system developed by RE-ZIP. In addition, it is easy and economically accessible, so that small as well as large companies have the opportunity to offer their customers a more sustainable and circular shipment.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Consumption in the world is increasing day by day. From the start, RE-ZIP's primary purpose has been to create a more sustainable e-commerce by reducing disposable products. This is expressed by the fact that RE-ZIP has created an alternative to single-use packaging, where the packaging does not have to go through a CO₂-heavy process to be recycled, but instead the RE-ZIP packaging is reused again and again until it has done its job and is recycled.

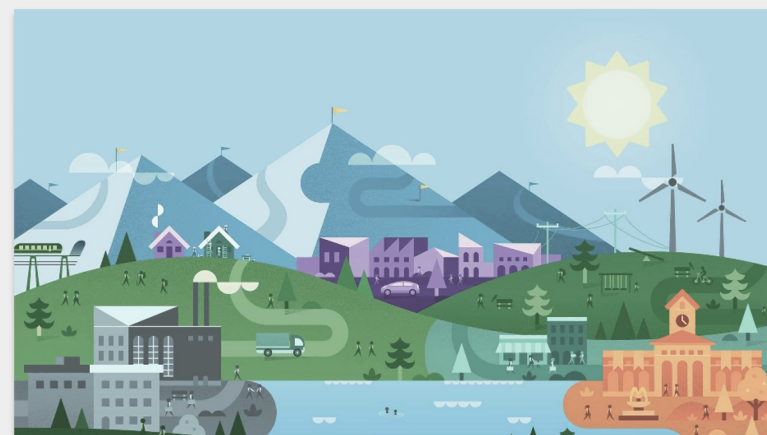
SUSTAINABILITY STRATEGY

- B Corp

To ensure a ratification of our dedication to being a sustainable, socially responsible and transparent business, we have initiated the process of applying for a B Corp certification. B Corp Certification is a third-party certification that assesses a company's impact on all stakeholders and establishes a framework for companies to enhance their social and environmental impact. Its ultimate objective is to promote accountability and enable businesses to create a positive impact in the world.

We completed the self-assessment in February 2022 with an overall score of 136.4. The minimum score for B-corp certification is 80. The evaluation is currently ongoing.

As a certified B Corp company, we will be held to a high standard of ethical business practices and will have a clear framework for improving our social and environmental impact. We believe that this certification will not only benefit our company, but also our customers, employees, community, and the environment. We are excited to be a part of this global movement and look forward to contributing to a more sustainable and equitable future.



B Impact Assessment

OVERALL	COMPLETION	
136.4	100%	
OPERATIONS	IBM	N/A
71.6	56.2	8.5

[VIEW REPORT](#)

[VIEW](#)

IMPACT

- How we measure

Deloitte has conducted comparable LCAs (Life Cycle Assessments) on all RE-ZIP packing to document their environmental impact compared to single-use packaging. At the packaging level, each RE-ZIP Box or Bag has the potential to replace many single-use boxes or bags, but only if they are returned by the customer. The patented foldable design of the RE-ZIP packaging makes it easy to handle during the return process. Moreover, it is very comparable to most e-commerce packaging on the market, both in the way webshops use the packaging and in the environmental footprint of producing each packaging.

Therefore, the positive impact of the RE-ZIP packaging does not rely solely on its packaging design, but also on the ability to reclaim used packaging from end customers so that it can be used again and again. That is why we measure our impact not in the number of reuses per packaging, but in the numbers of reclaimed and reused packaging.

Reclaiming packing for reuse, without using extensive resources to produce extraordinary durable packaging, is the true challenge in creating a more sustainable e-commerce industry.



IMPACT

- Data overview*



RECLAIMED PACKAGING

2020:	943
-------	-----

2021:	2.839
-------	-------

2022:	11.053
-------	--------



DISCARD RATE

2020:	6%
-------	----

2021:	5%
-------	----

2022:	5%
-------	----



REUSED PACKAGING

2020:	884
-------	-----

2021:	2.685
-------	-------

2022:	10.509
-------	--------



Between 2020 and 2022, there was a significant increase in the number of reclaimed packaging, rising from 943 to 11,053.

Similarly, the number of reused packaging also increased, from 884 in 2020 to 10,509 in 2022. The overall reuse rate across the three years was 94-95%, indicating that the durability of the packaging is right where it needs to be.

From 2020 to 2022, our initiatives have expanded beyond Denmark which have had a positive impact on the e-commerce sector.

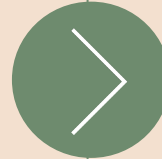
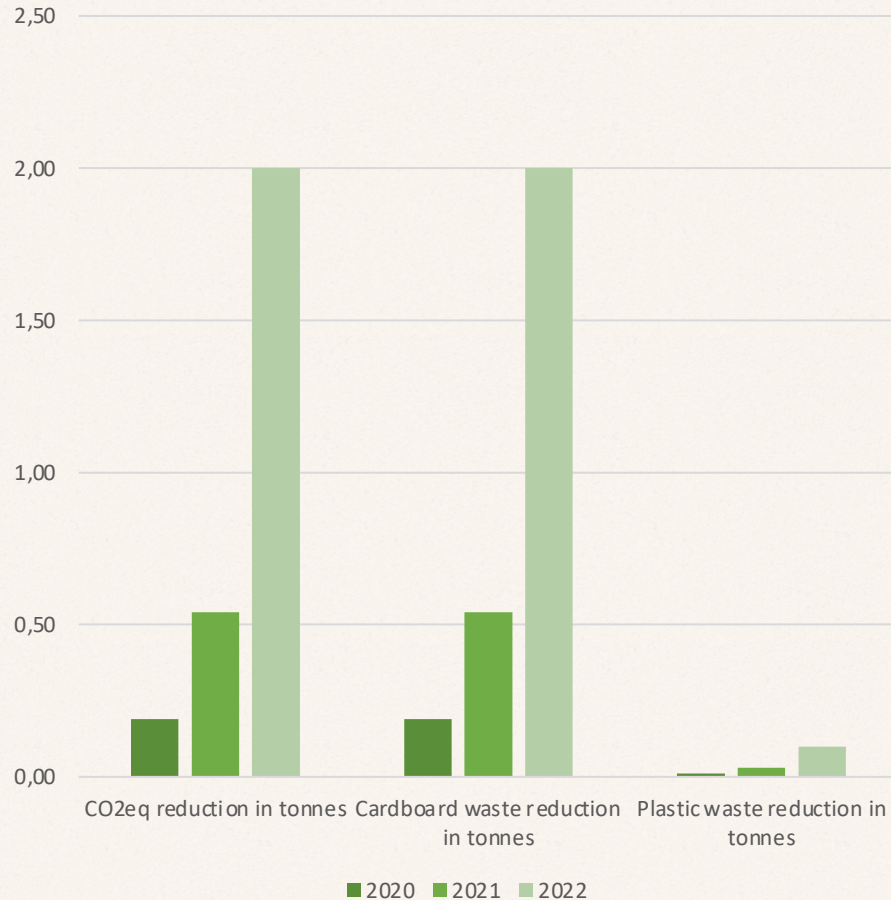
In 2021, we initiated a pilot project with Austria Post, which was followed by the completion of the pilot project and initiation of a new pilot project with INPOST in Poland in 2022 as well as a partnership in UK.

As a result of our efforts, there has been a greater emphasis on circular packaging and waste reduction, and we expect that all of the pilot projects will results in full scale operations, giving good expectations for years to come.

IMPACT

- Environmental figures

Impact on the e-commerce sector



Our commitment to sustainability and reducing the environmental impact in the e-commerce sector is reflected in the data we have collected on the reduction of CO₂e emissions, cardboard, and plastic waste.

There was a total CO₂e reduction of 2,73 tonnes² over the three-year period, highlighting the positive impact of our circular economy model. In addition to our CO₂e reductions, we have also made significant strides in reducing cardboard and plastic waste.

The reductions in waste are calculated on the basis of official figures from the The Danish Environmental Protection Agency (EPA)

There was a total amount of cardboard waste reduction of 2,73 tonnes over the three-year period. These calculations are based on an average of 212g of cardboard per package³.

The total amount of plastic waste reduction over the three-year period is 0.22 tonnes. These calculations are based on an average of 16g plastic involved per package³.

Our focus on waste reduction and CO₂e emissions is a key aspect of our sustainability efforts, and we are proud to report significant progress in these areas. We will continue to explore new ways to reduce our environmental impact and promote sustainability throughout our business operations.

2) Calculation based on the historical data of reclaimed packaging with the assumption is that our packaging is reused on average four times. Going forward, this data will be exact and fully documented.

3) The Danish Environmental Protection Agency report is found [here](#)

5 VALUE CHAIN

- Reuse before recycle



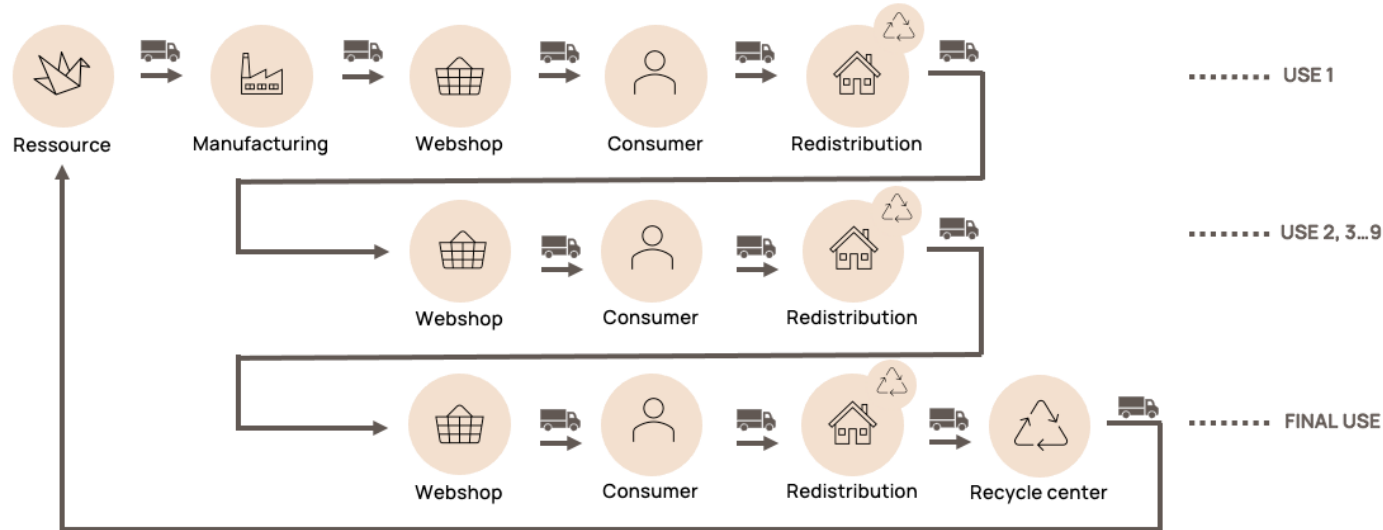
We have designed our value chain based on circularity and to prioritize sustainability. The circular model of the value chain ensures that packaging is reused before it is recycled, reducing waste and promoting a more sustainable approach to packaging. To illustrate this, we have provided a comparison between the circular value chain of RE-ZIP and the traditional recycling process for single-use packaging.

The traditional recycling process for single-use packaging relies on waste management services to collect and transport packaging materials to recycling facilities, which results in a loss of materials and energy. In contrast, RE-ZIP's circular value chain reduces waste and promotes a more sustainable approach to packaging by reusing packaging.

The following sections provide an in-depth explanation of RE-ZIP's value chain, detailing each step of the circular process.

VALUE CHAIN

- The system boundary of RE-ZIP packaging



RE-ZIP's value chain for circular packaging starts with sourcing resources for the different types of packaging, which can be explored further on the following pages. The manufacturing process varies depending on the type of packaging.

Once the packaging is manufactured, it is sent to the RE-ZIP Hub where it is bundled and stored. Once a webshop orders the packaging, it is sent to them and thereafter shipped out to consumers who have selected RE-ZIP as their packaging option. Afterwards, the consumer returns the packaging to a Drop Point where it is collected and stored until there is enough packaging to be sent back to the RE-ZIP Hub. At the RE-ZIP Hub, the packaging is sorted and prepared for redistribution back to another webshop, where the circular cycle continues again and again. This system ensures that RE-ZIP's packaging is reused and thereafter recycled, reducing waste and ensuring effective usage of nature's resources.

The information used to map out RE-ZIP's value chain is derived from life cycle assessments (LCA) reports conducted by Deloitte. The LCA reports include comparative analysis of RE-ZIP's packaging against conventional single-use packaging. More detailed information on this comparison can be found in RE-ZIP's LCA reports, which are available on RE-ZIP's homepage [here](#).

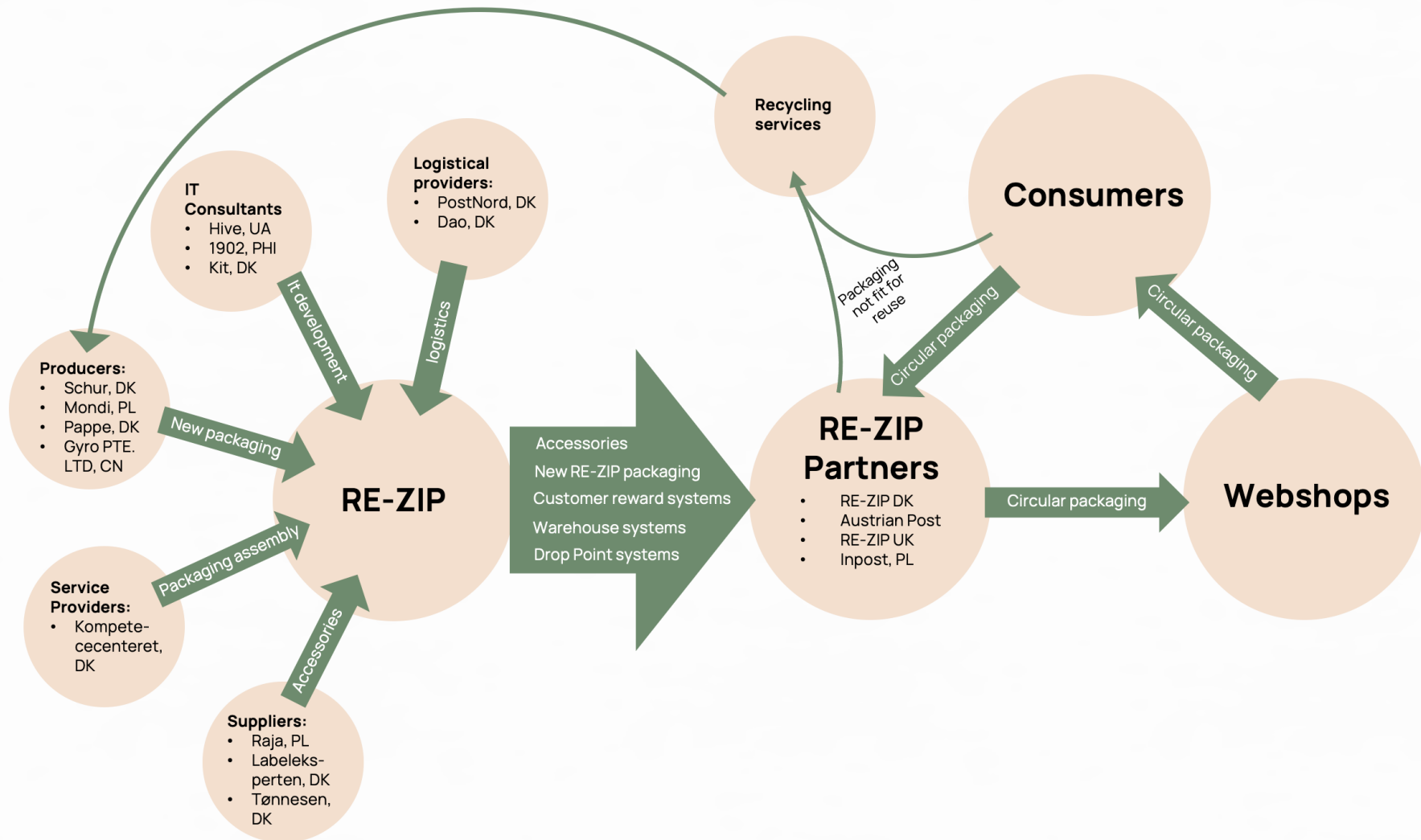
VALUE CHAIN

- Mapping of value chain

RE-ZIP is supplying a full circular packaging concept, which includes a wide range of sub-suppliers delivering their part in creating the full concept from packaging solutions to IT infrastructures. The following page features a diagram that showcases the entire value chain for delivering a full circular packaging concept. By mapping out the complete value chain, we can ensure transparency and identify areas where we can

make improvements. This mapping led us to formulate our three ESG goals that are all closely aligned with our commitment to creating a more sustainable and responsible business. Our goals include reducing production outside the EU, minimizing the use of non-recyclable materials, and promoting fair and ethical working conditions throughout our value chain. We believe that these goals will not only reduce

our environmental impact but also enhance transparency and accountability throughout our value chain, leading to positive change and making a meaningful difference. As we move forward, we will continue to work towards these goals and seek new ways to improve and make a positive impact on society and the environment, and strive to make a positive difference every day.



This diagram illustrates the complete value chain required for RE-ZIP to deliver a full circular packaging concept. The circular packaging is reused in a loop between the partner, webshop, and consumer until it is worn down, reaches the end of its lifecycle, and is recycled into raw materials used to produce new packaging. By prioritizing reuse before recycle, this approach ensures that natural resources are utilized in the most efficient way.

TARGETED ESG IMPROVEMENTS

- 2023 goals



Environmental

Minimize the amount of non-recyclable materials used in the production of RE-ZIP packaging



Social

Reduce production of packaging outside the EU borders and ensure that all our suppliers adhere to international labour standards and agreements



Governance

Develop and implement a Partner Code of Business Ethics to ensure our partners uphold high ethical standards

TARGETED ESG IMPROVEMENTS

- Environmental goal

Goal

At least 90% of produced RE-ZIP packaging must be recyclable when no longer fit to be reused.

Definition of goal

We must ensure that the vast majority of RE-ZIP packaging is recyclable after they have served their purpose and undergone several reuses. To ensure this, the materials used to produce the packaging must be easily recyclable.

Measures to achieve goal

As part of our efforts towards sustainability, we have in 2022 developed a new recyclable RE-ZIP Bag packaging that will ensure a

higher recycling rate of our used packaging. Furthermore, in order to prioritize sustainability and reduce waste, we have at RE-ZIP made a shift in our packaging strategy. Our previous “RE-ZIP Bag” was made of a more durable material that was not recyclable and required more resources to produce. In response, we have introduced a new model called the “RE-ZIP Bag”, which can easily be recycled. To encourage customers to choose this option, we have rebranded the previous model as the “Premium Bag” and increased its price. Our goal is for the new “RE-ZIP Bag” to become the standard bag packaging. Furthermore, we have altered our communication approach to emphasize that that longevity of

the packaging is not an indicator of sustainability – and that RE-ZIP packaging therefore is designed to match the expected rate of reuse (4 times). While the introduction of the new recyclable RE-ZIP Bag has ensured a higher level of recycling and a lower environmental impact than the previous bag packaging, we are committed to continually improving our packaging design to meet our customers’ needs without ever compromising sustainability. By making these changes, we aim to increase the recycling rate of our used packaging and contribute to a more sustainable future.



Environmental improvement

Minimize the amount of non-recyclable materials used in the production of RE-ZIP packaging

TARGETED ESG IMPROVEMENTS

- Social goal

Goal

At least 75% of new packaging is produced within the EU.

Definition of goal

Our Social Goal is to phase out the production of packaging outside the EU borders and ensure that all our suppliers adhere to international labour standards and agreements. We are committed to promoting transparency and responsible working conditions in our supply chain. Our decision to limit production to the EU region is aimed at increasing visibility into our supply chain and ensuring that all involved parties adhere to the highest standards of human rights and labour rights. We believe that it is essential to prioritize social responsibility in all our business practices. To achieve

this goal, we will work with our suppliers to ensure that they adhere to ethical standards and follow the Ten Principles of the UN Global Compact in their business operations. Furthermore, the Premium Bag is currently produced in China, but as sales of this product is expected to decline with the introduction of the new RE-ZIP Bag, we expect that the production of the Premium Bag will also be phased out over time.

Measures to achieve goal

To ensure that all our suppliers adhere to international labour standards and agreements, we will require all suppliers to sign a contract committing them to following the Ten Principles of the UN Global Compact in their business operations.

This contract will serve as a formal commitment to responsible and ethical production practices and will help to ensure that our packaging is produced in a way that meets our goals and aligns with our values. By taking this approach, we can work to build a strong and sustainable relationship with our suppliers and help to drive positive change throughout the entire supply chain. Although signing a contract with our suppliers is a crucial measure to ensure their compliance with international labour standards and agreements, it alone cannot guarantee adherence. Therefore, we are committed to developing procedures and protocols that will ensure our suppliers comply with our social goals and the terms of the agreement.



Social improvement

Reduce production of packaging outside the EU borders and ensure that all our suppliers adhere to international labour standards and agreements

TARGETED ESG IMPROVEMENTS

- Governance goal

Goal

All RE-ZIP partners must sign a Code of Business Ethics.

Definition of goal

RE-ZIP is actively expanding its business beyond Danish borders through partnerships. As part of this work, it's important to ensure that our partners adhere to the same high ethical standards we expect of our internal employees. Therefore, we must develop and implement a Partner Code of Business Ethics to ensure that our partners understand and follow the ethical guidelines relevant to the company. This Code of Business Ethics will also enable us to effectively manage

and prevent any potential corruption cases that may arise in our business relationships with partners.

Measures to achieve goal

To achieve this goal, we will take several measures that will ensure our partners are committed to following the code and adhering to its guidelines. The first step towards achieving this goal is to formulate a Partner Code of Business Ethics that clearly outlines the guidelines and principles that all our partners must follow. We will ensure that the code reflects our commitment to promoting transparency and responsible working conditions, and upholding fundamental human rights and labour rights.

Once formulated, we will send it to all our partners and require them to sign it, committing to following its guidelines. We will also conduct regular audits of our partners to ensure they are adhering to the code and identify areas for improvement. Additionally, we have provided an anonymous reporting (whistleblower) function to enable employees and partners to report any suspected violations of the code. By ensuring that our partners are committed to ethical standards, we can contribute to a fairer and more equitable society for all. Through the implementation of this goal, we aim to demonstrate our unwavering commitment to promoting sustainable and responsible business practices.



Governance improvement

Develop and implement a Partner Code of Business Ethics to ensure our partners uphold high ethical standards and prevent corruption in all our business dealings

Feedback

We welcome views on our ESG efforts and feedback on this report from all stakeholders.

Please send your feedback to info@re-zip.com



RE-ZIP ApS
P.O. Pedersens Vej 9
8200 Aarhus N
CVR 41385014

Info@re-zip.com
+ 45 39 39 30 20