

REZIP

ESG Report 2023

Version 1.1



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ESG Report

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Words from RE-ZIP CEO

” 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.

Thank you for reading this,

The year of 2023 was largely defined by our international activities. Several international partnerships were established, we onboarded international investors and launched the LIFE_RE-ZIP Project, all with the purpose of making circular packaging the new standard.

To make sure that we continue to have a significant positive impact on both society and environment, we have in 2023 obtained the B-Corp certification. This was a major milestone for us, and a great way to ensure the right level of governance as our business expands. We had three improvement goals set for the year, which I am very happy to say that we have archived, and naturally we have now defined three new goals for 2024.

Above all, I would like to mention the talented and committed team we have managed to build, and which I am very grateful for. The achievements of 2023 is due to their hard work and dedication. I hope you will enjoy reading more about it, and that you will support our efforts in driving this change.

Best regards

Bo Bach Boddum
RE-ZIP CEO



RE-ZIP

RE-ZIP

The company



The waste problem and the circular solution

In the present day, the constant production of new materials and goods leads to a significant environmental issue: heaps of single-use packaging destined for the bin. With approximately 200 billion parcels shipped globally each year, the impact is undeniable. At RE-ZIP, we are tackling this problem head-on.

The solution is simple: instead of discarding packaging after one use, why not reuse it? That's our mission. By encouraging the reuse of packaging, we are not just reducing waste; we're redefining the very essence of packaging and striving to make circular packaging the new standard.

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 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.

The **waste** problem



The **circular** solution



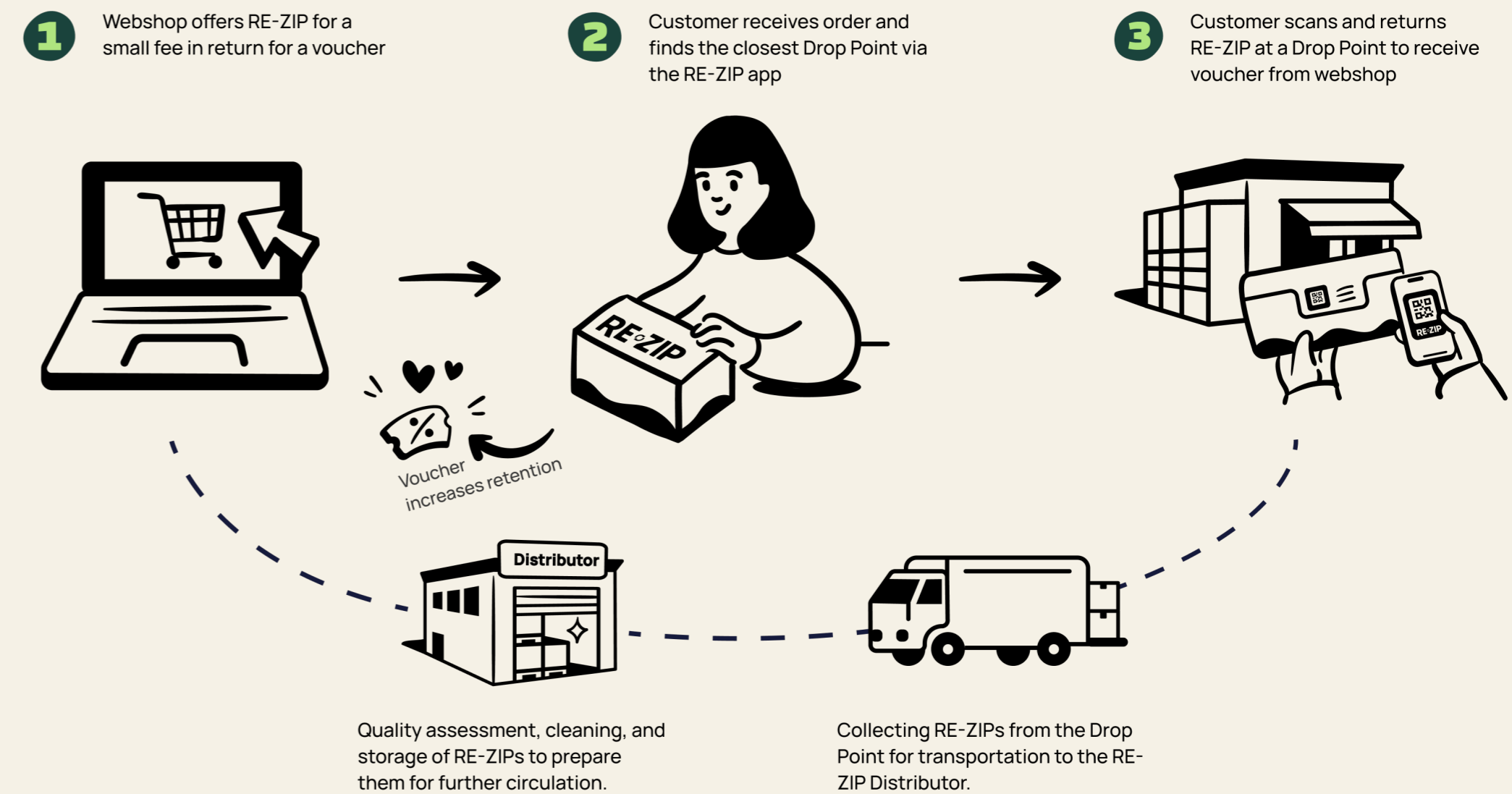
The RE-ZIP loop

The RE -ZIP loop is created based on the core fundamental of being value adding for all parties involved.

The loop can be initiated in two ways: either when consumer actively chooses RE-ZIP packaging during checkout or when webshops exclusively ship in RE-ZIP, leaving consumers without a single-use alternative. Upon delivery, the packaging is collapsed to a convenient return format by the consumer, and the nearest Drop Point is easily located using the RE-ZIP app.

Once the consumer scans the RE-ZIP packaging at a Drop Point, a voucher will be issued. This voucher serves both as a reward for the consumer and as a method of retention for the webshop. The Drop Point will receive a payment as for usual packaging handling each time they receive a RE-ZIP.

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

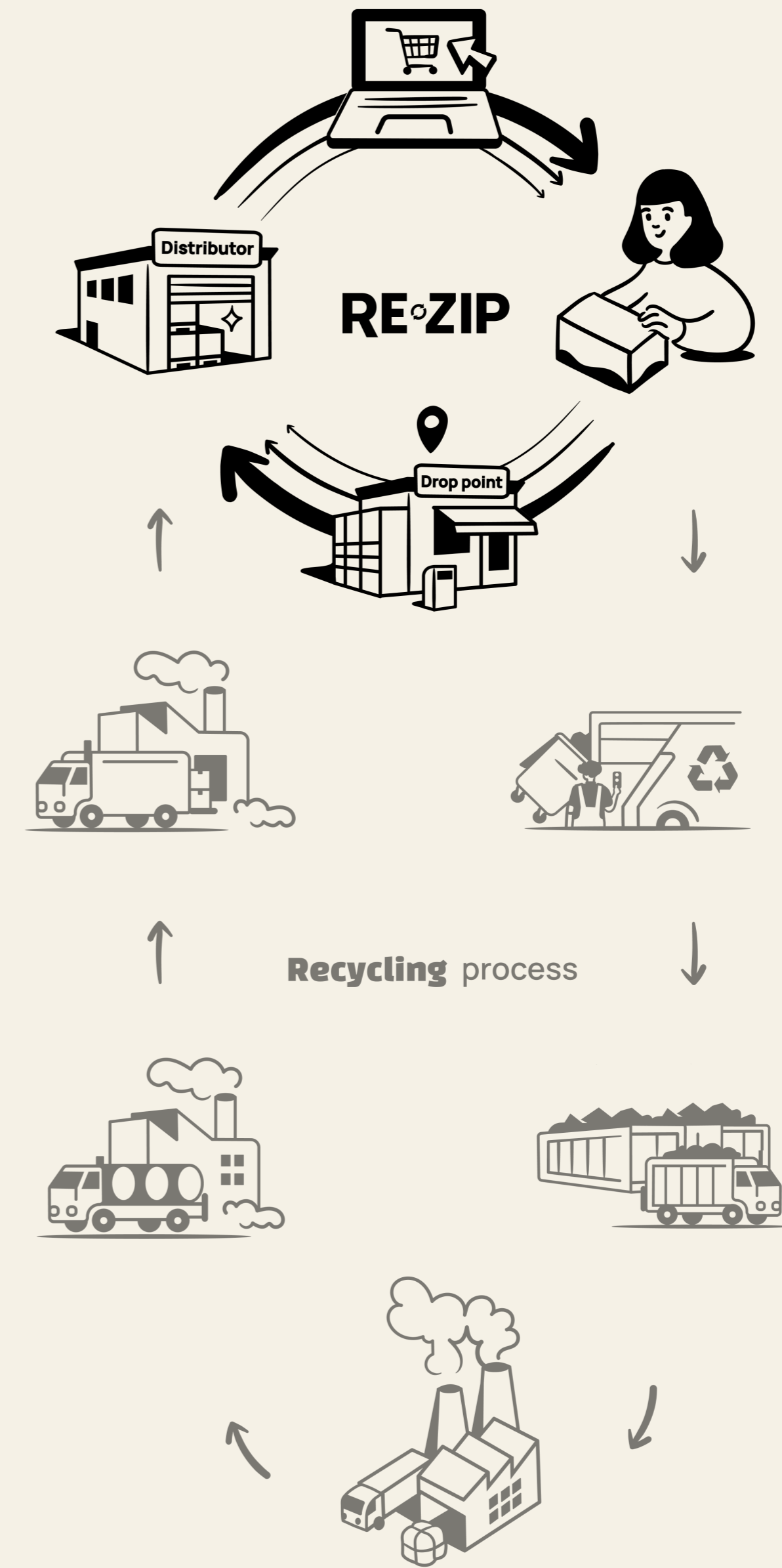


Reuse before recycle

The circular model of RE-ZIP ensures that packaging is reused several times before it undergoes recycling. To illustrate this, please see the provided comparison between the circular loop of RE-ZIP packaging and the traditional recycling process for single-use packaging.

The traditional recycling process for single-use packaging involves waste collection, followed by transportation to a recycling facility, where materials are sorted and processed into recycled pulp. This pulp is then distributed to cardboard manufacturers who use it to produce new packaging. Finally, the packaging manufacturer creates new single-use packaging from the recycled materials.

In contrast, RE-ZIP's circular value chain reduces waste and promotes a more resource efficient approach to packaging. This reduces the need for transportation, raw materials, CO2 emissions, energy, and water consumption associated with the traditional recycling process.



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 detail obligations to ensure that social and environmental performance is integrated into management decision making over time, aligning with the Company's mission and articles of association. Furthermore, they ensure that management considers all stakeholders in its decision-making processes, including:

- Employees, subsidiaries and suppliers
- Partners, customers (webshops), and consumers (end-users)
- Local communities and society in general where subsidiaries and suppliers operate
- Local and global environment
- The company's short as well as long term interest.



Martin Møller
Board Member (Chair)



Brian Gøbel
Director SCM, Matas



Rünno Allikivi
Venture Partner, EIFO



Astrid Haug
Owner, Astrid Haug



Thomas Høgenhaven
Mng. Director, PI Ventures



Mariana Gonzalez
Collateral Good Ventures



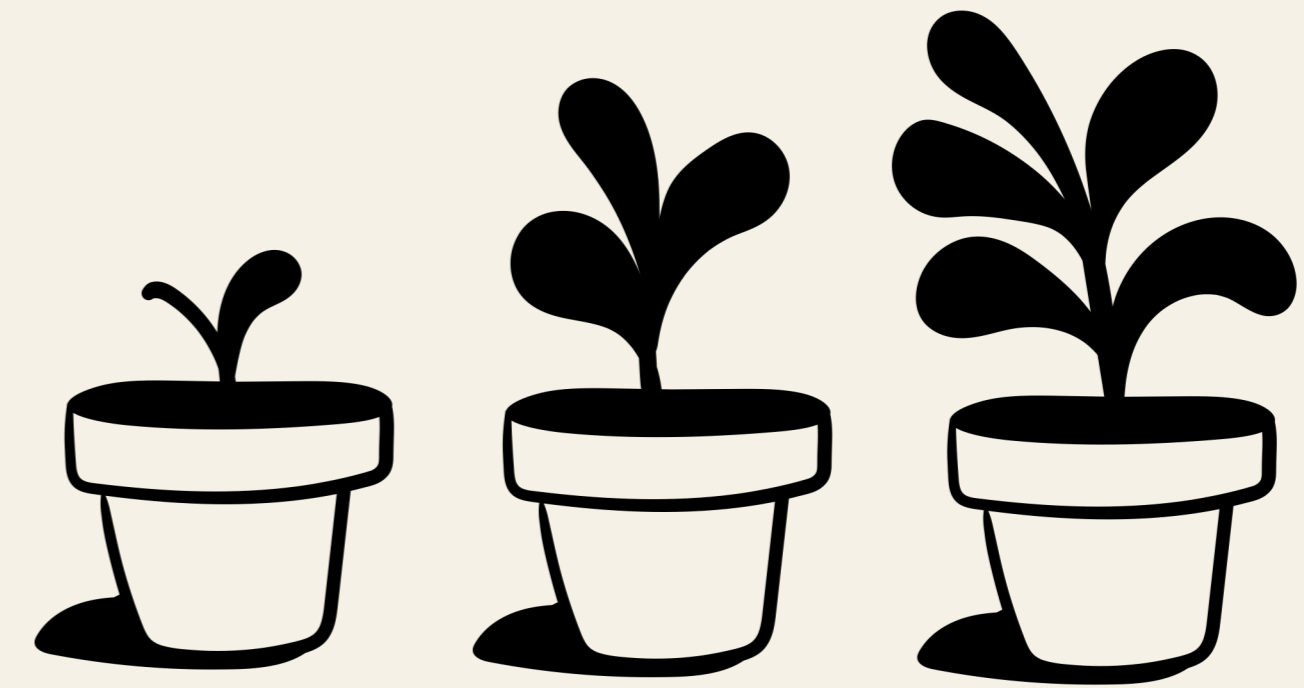
Piotr Pietrzak
Tangent Line Ventures

The organisation & work culture

At RE-ZIP, we firmly believe that happy employees are the cornerstone of a thriving workplace. We are committed to creating a working environment that is inclusive and inspiring. Our mantra is simple: We work together to make a difference. There are no fixed hierarchies or departments; instead, we always help each other to achieve our goals. We believe that different perspectives and inputs lead to better results, which is why we encourage collaboration across traditional boundaries.

Strong collegiality is essential. Our culture is built on the principle that all employees share responsibility for maintaining a positive work environment and fostering strong teamwork. We believe that it is more enjoyable to come to work when there is freedom to adapt working hours to life rather than adjusting life to working hours, which is why flexibility of remote work and flexible schedules is an essential part of the work culture.

In 2023, we established a Culture Committee comprising of a rotating pair of two employees per month. The purpose of this committee is to ensure that all employees have a say in how RE-ZIP operates and evolves as a workplace, and to provide opportunities to test various initiatives that may impact both the work culture and social atmosphere.



REZIP

Highlights & initiatives



LIFE RE-ZIP Project

In 2023, we achieved significant support from the EU LIFE program, marking a pivotal milestone in the efforts to establish a comprehensive international infrastructure for circular packaging. The project 'EU Circular Packaging Infrastructure project' will extend until 2026, and we look forward to the exciting journey ahead of us.

The LIFE program is the European Union's funding instrument for environmental and climate action. The program aims to contribute to the transition to a clean, circular, energy efficient, climate neutral, and climate resilient economy by supporting innovative projects and the commercialization of new solutions in line with nature, environmental, and climate related policies in Europe.

The goal of the 'EU Circular Packaging Infrastructure' project* is to test and validate a circular packaging concept for the e-commerce industry as an alternative to single-use packaging. In collaboration with strategic partners, RE-ZIP aims to create a more circular e-commerce landscape by introducing a circular packaging concept in multiple countries. The objective is to establish an efficient return infrastructure that, over time, will be capable of circulating e-commerce packaging at a lower cost than the production of single-use packaging today. This will transform the entire e-commerce industry away from single-use packaging.

The collaboration with our Partners has played a crucial role in this journey. Together, a common goal of implementing RE-ZIP's circular packaging concept in new countries and continuing the development of products with a focus on combating the use of single-use packaging in e-commerce is shared.

InPost: As a market leader in Poland and with operations in several other European countries, InPost will test and validate RE-ZIP's concept as a full-service partner.

Raja: As a European leader in the distribution of supplies and equipment to businesses, Raja will test and validate the partnership model in the Benelux markets.

Boozt: As the leading Nordic department store, Boozt will collaborate to develop and test the perfect circular bag for fashion, sports, beauty, and home.

Labels: As a pioneer in urban logistics, Labels will participate in testing and validating various city infrastructure setups.

Mily Tech: Will provide valuable support by assisting in the design and development of a location management and optimization system that enhances PUDO locations and pickup routes.

*Project: 101113962 – LIFE22-ENV-DK-LIFE RE-ZIP – LIFE-2022-SAP-ENV



B Corp

Our commitment to sustainability and social responsibility has always been at the forefront of our mission. To ensure that our practices align with this commitment throughout our value chain, we have chosen one of the highest social and environmental criteria: becoming a certified B Corp.

As of May 2023, we have completed our certification process with a score of 124.5, well above the minimum 80 points required. We are proud to be a member of the global B Corp movement, fighting for a better tomorrow for people and the planet. Our certification represents our commitment to using business as a force for good and operating at high standards of social and environmental responsibility.

Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. B Corps are accelerating a global culture shift to redefine success in business and build a more inclusive and sustainable economy.

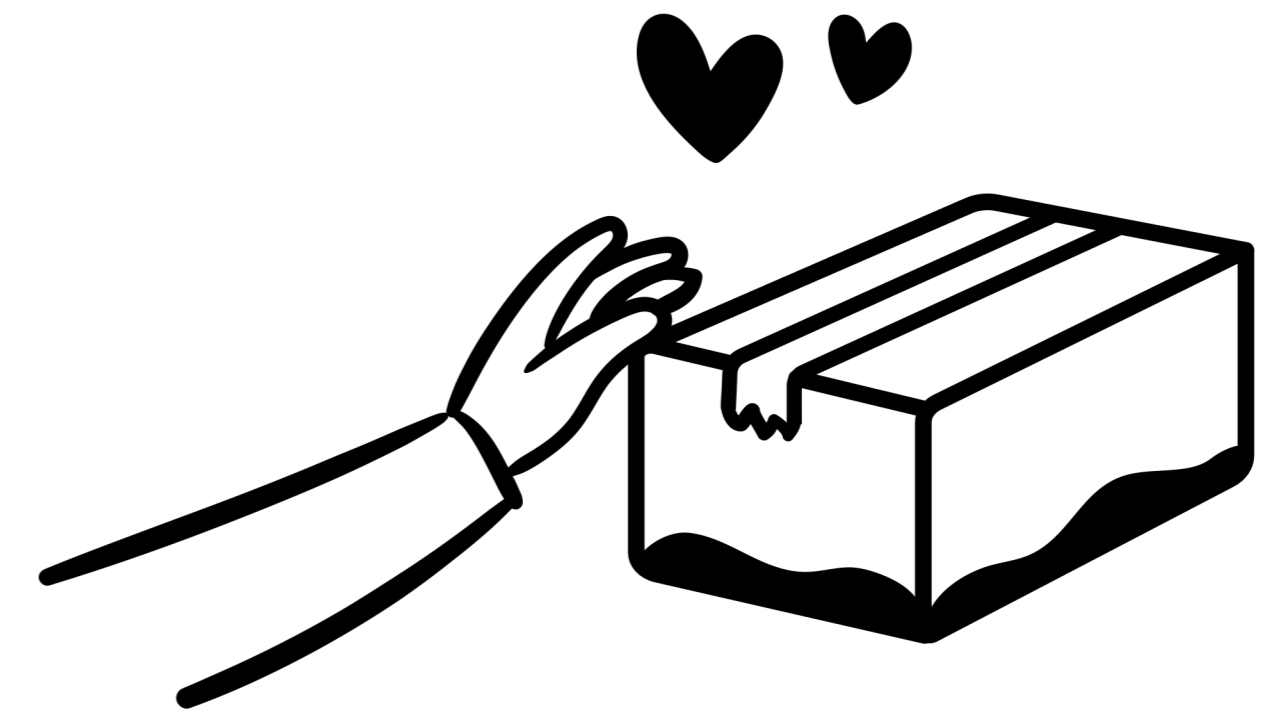
We are proud to fulfil the many requirements needed to achieve the globally recognized certification, considering our team, clients, suppliers, community, and the environment in everything we do. Through our work with B Corp, we hope to inspire others to use their businesses for good and join this change-making community.

We look forward to continuing to grow and improve as a responsible business.



REZIP

Sustainability policies



Sustainable development goals

RE-ZIP is dedicated to contributing to the United Nations' Sustainable Development Goals (SDGs). We prioritize all 17 SDGs, and we work with them to the greatest extent feasible. Nonetheless, we have opted to concentrate our efforts on two specific goals that hold particular significance for us. These goals resonate closely with our values, and we believe we can achieve the most substantial positive influence in the world by directing our focus toward them.



At RE-ZIP, we rethink packaging by utilizing existing infrastructure and smart technologies to minimize environmental impact. Rather than disposing of packaging, we collect it via established channels like mailboxes and post offices, facilitating a circular system of reuse. By making circular shipping accessible and cost-effective, RE-ZIP empowers businesses of all sizes to contribute to a sustainable future.



Consumption in the world is increasing day by day. From the start, RE-ZIP's primary purpose has been to decrease the environmental footprint of 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.





At RE-ZIP we are not only dedicated to saving packaging from the bin but also to promoting responsible resource usage. We believe that a crucial part of this is promoting responsible forest management, which is why we are pleased to offer FSC-certified packaging to our customers.

The FSC certification is an important part of our efforts to ensure the protection of forests and the communities that depend on them. FSC, an international, non-governmental organization founded in 1994, is dedicated to promoting responsible management of the world's forests.

FSC's certification system enables businesses and consumers to choose wood, paper, and other forest products made with materials that support responsible forestry. We take pride in our contribution to preserving our natural resources, and we will continue to strive for more responsible production. Please ask for our FSC-certified products.



Product Material

As our material of choice, we have chosen **fibre-based** as it's a direct replacement of single-use packaging.

By producing packaging in fibre-based material we:

- Do not require additional resources for production compared to single-use packaging,
- Reduce CO₂e, waste and water already at the very first reuse compared to single-use packaging,
- Are price competitive compared to single-use packaging making our reusable products commercially viable and by that the concept scalable.

For us, it's all about selecting materials and designs that reflect real-world usage patterns and ensure a positive environmental impact right from the start. After several years of product development, we have achieved a product assortment which is environmentally, financially and commercially viable.



How we measure our impact

Switching from single-use packaging to reusable RE-ZIP packaging reduces CO₂e emissions, waste and water usage. At RE-ZIP we enable our customers to track and report on these reductions.

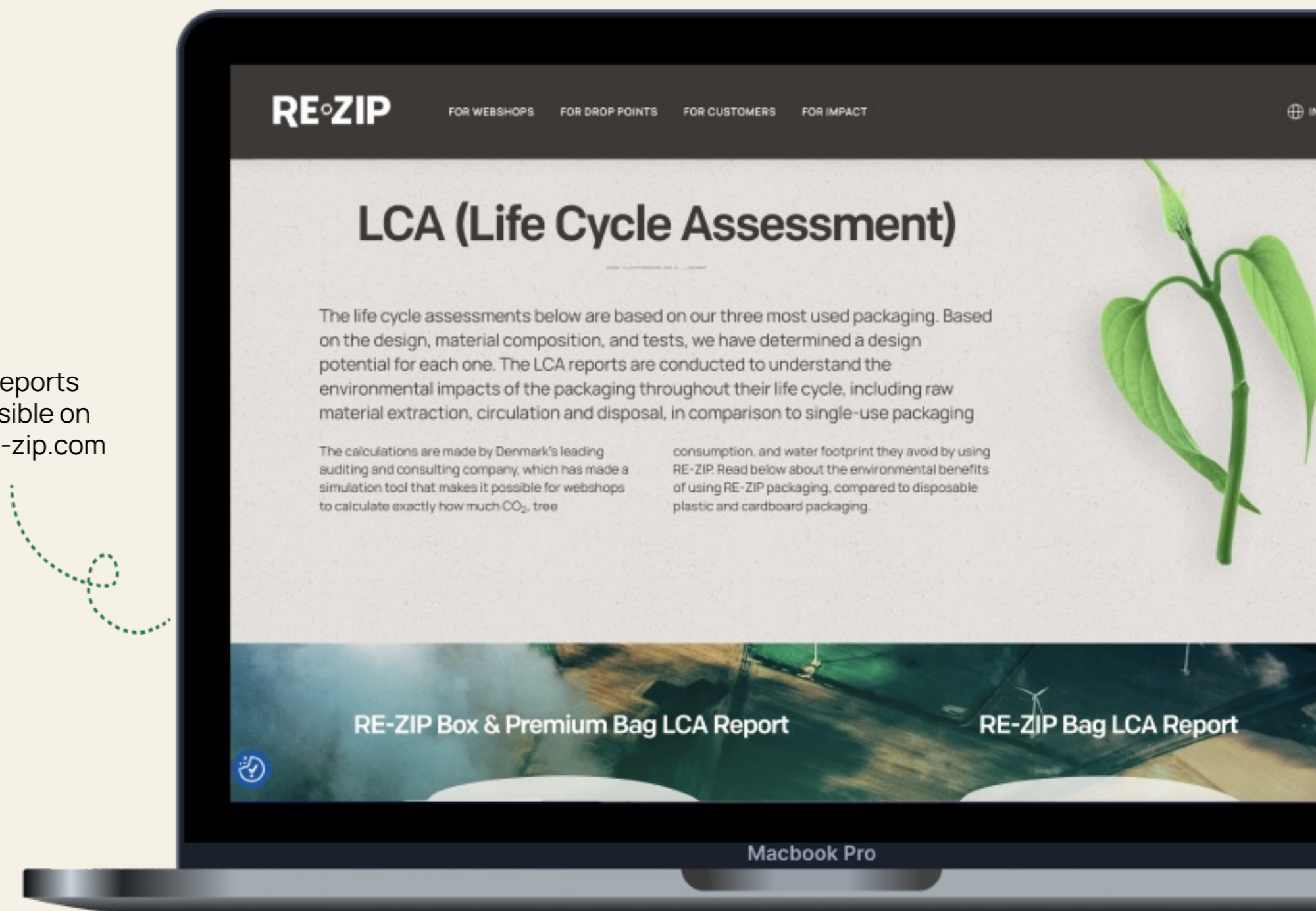
The data foundation for claiming these reductions stems from comparable Life Cycle Assessments (LCA's), conducted by Deloitte. The LCAs reveal the environmental footprint of the RE-ZIP packaging compared to single-use packaging assuming a number of circulations.

In 2023 we have developed a reporting tool based on data from actual circulations of packaging. By that we can now measure, in real time instead of retrospective, how much CO₂e, waste, and water are reduced by using RE-ZIP instead of single-use packaging.

The shift from using assumptions and historical data to real time and actual data is a significant improvement of the quality of our reporting on environmental impact figures.

Furthermore, we track the reuse quality rate of RE-ZIP reusable packaging, which is the durability of our bags and boxes. Basically, we are counting how many of the returned packaging are discarded for recycling due to not living up to the quality assurance procedures.

LCA reports
accessible on
www.re-zip.com



RE-ZIP

2023 in numbers



Key Environmental figures

RE-ZIP emission timeline in tonnes CO2e

| | 2021 | 2022 | 2023 |
|--------------|------|------|------|
| Scope | | | |
| Scope 1 | 0 | 0 | 0 |
| Scope 2 | 0,6 | 1,6 | 7,2 |
| Scope 3 | 32 | 69 | 208 |

As more people turn to reusable packaging, RE-ZIP has grown over the years. This has caused an increase in our CO₂e footprint. The emissions must be understood and viewed in the light of our impact figures on the next page.

Scope 1: Direct emissions derived from company owned vehicles or own production facilities.

Scope 2: Indirect emissions. E.g., electricity for running the coffee machine and district heating for keeping our employees warm and cozy.

Scope 3: Any emissions originating from sources beyond our operations, yet for which we still bear the responsibility, which include purchasing our reusable packaging from our suppliers.

Savings from the use of RE-ZIP packaging

| | 2021 | 2022 | 2023 |
|-------------------------|-------|-------|--------|
| Category | | | |
| CO ₂ e (kg) | 23 | 2.022 | 6.558 |
| Waste (kg) | 1.966 | 2.705 | 10.503 |
| Water (m ³) | 8 | 28 | 115 |
| Reuse quality rate* | 95% | 95% | 96% |

Savings are calculated by comparing the CO₂e emissions, waste and water usage derived from a RE-ZIP loop relative to a single-use packaging scenario where the packaging ends up being recycled.

*The reuse quality rate reflects the durability of the RE-ZIP packaging, i.e., how many of the returned packaging bags and boxes makes it through the quality assurance process ready for another circulation.

Key Social and Governance figures

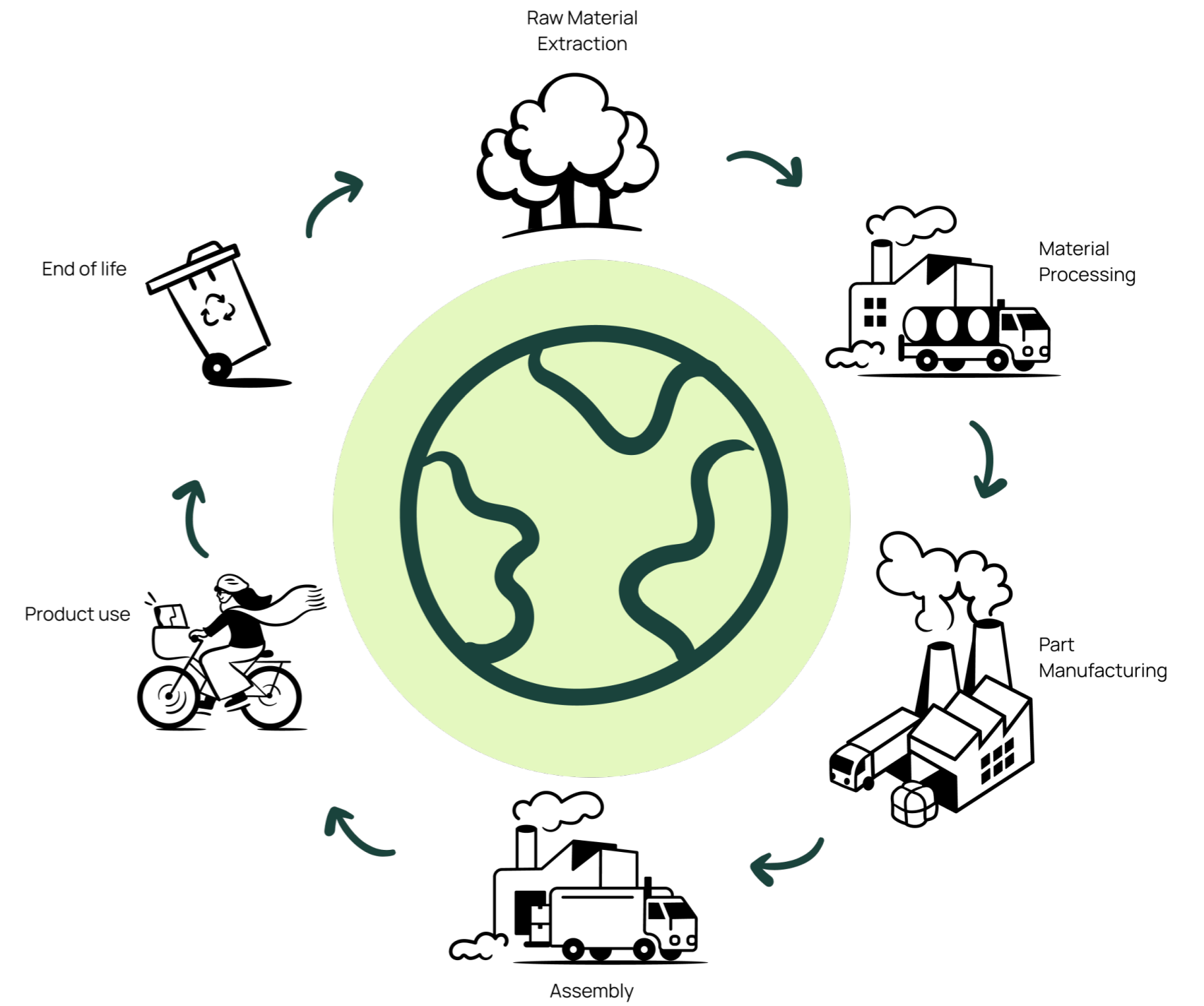
| | Unit | 2023 |
|---|------|------|
| Social | | |
| Full-time Workforce | FTE | 10 |
| Proportion of women among full-time employees | % | 33 |
| Unadjusted gender wage gap* | % | 36 |
| Governance | | |
| Number of women on the board of directors | | 2 |
| Number of men on the board of directors | | 5 |
| Attendance at board meetings | % | 98 |

*The "unadjusted gender wage gap" measures the overall difference in average earnings between men and women across the company, expressed as a ratio, without adjusting for factors such as role and seniority. This metric stands at 36%, indicating that men earn on average 36% more than women.

This gap is due to the higher concentration of men in senior management and director roles rather than a gap in pay for similar roles across genders. This figure is utilized to provide a baseline representation of earnings disparities and to help management identify areas for further analysis and action in achieving gender parity.



Value chain

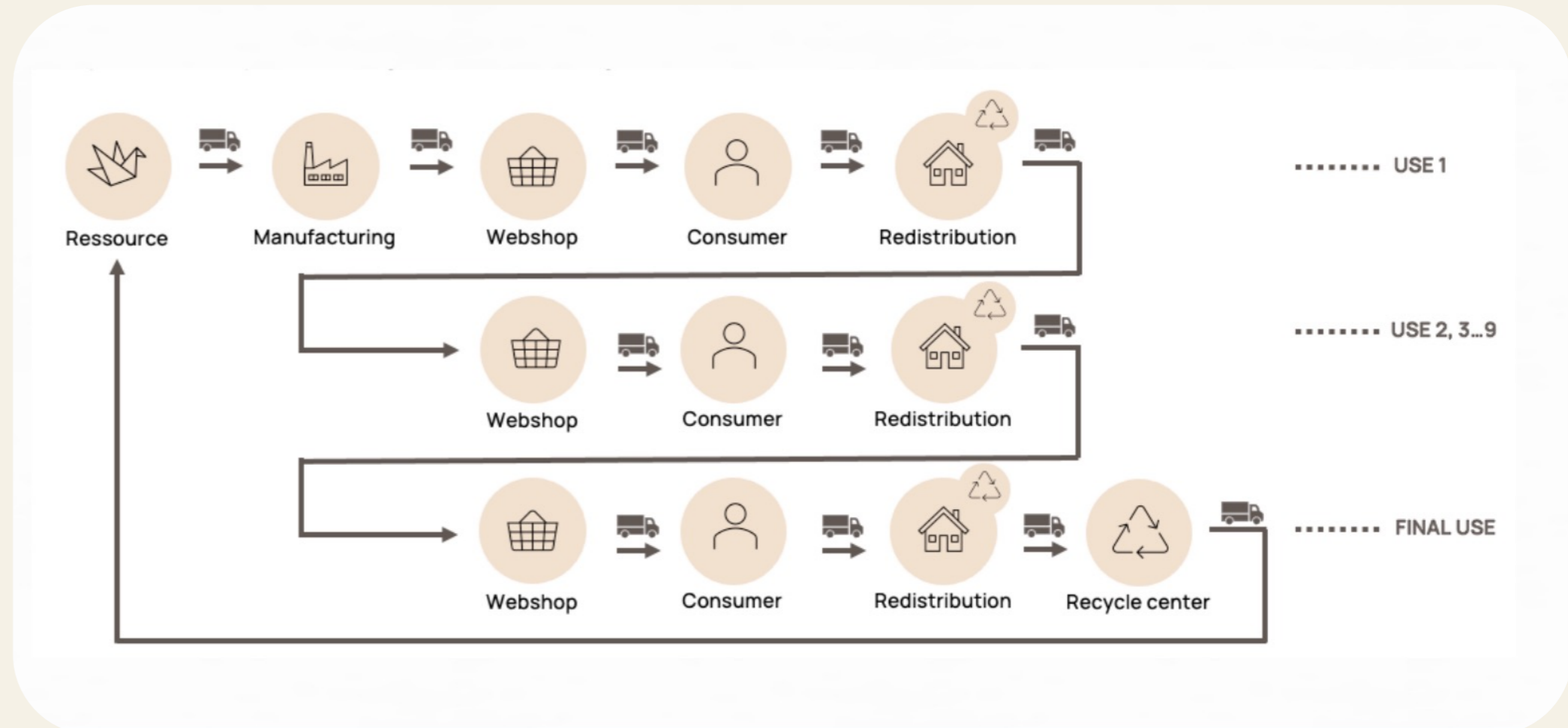


Circle of RE-ZIP packaging life

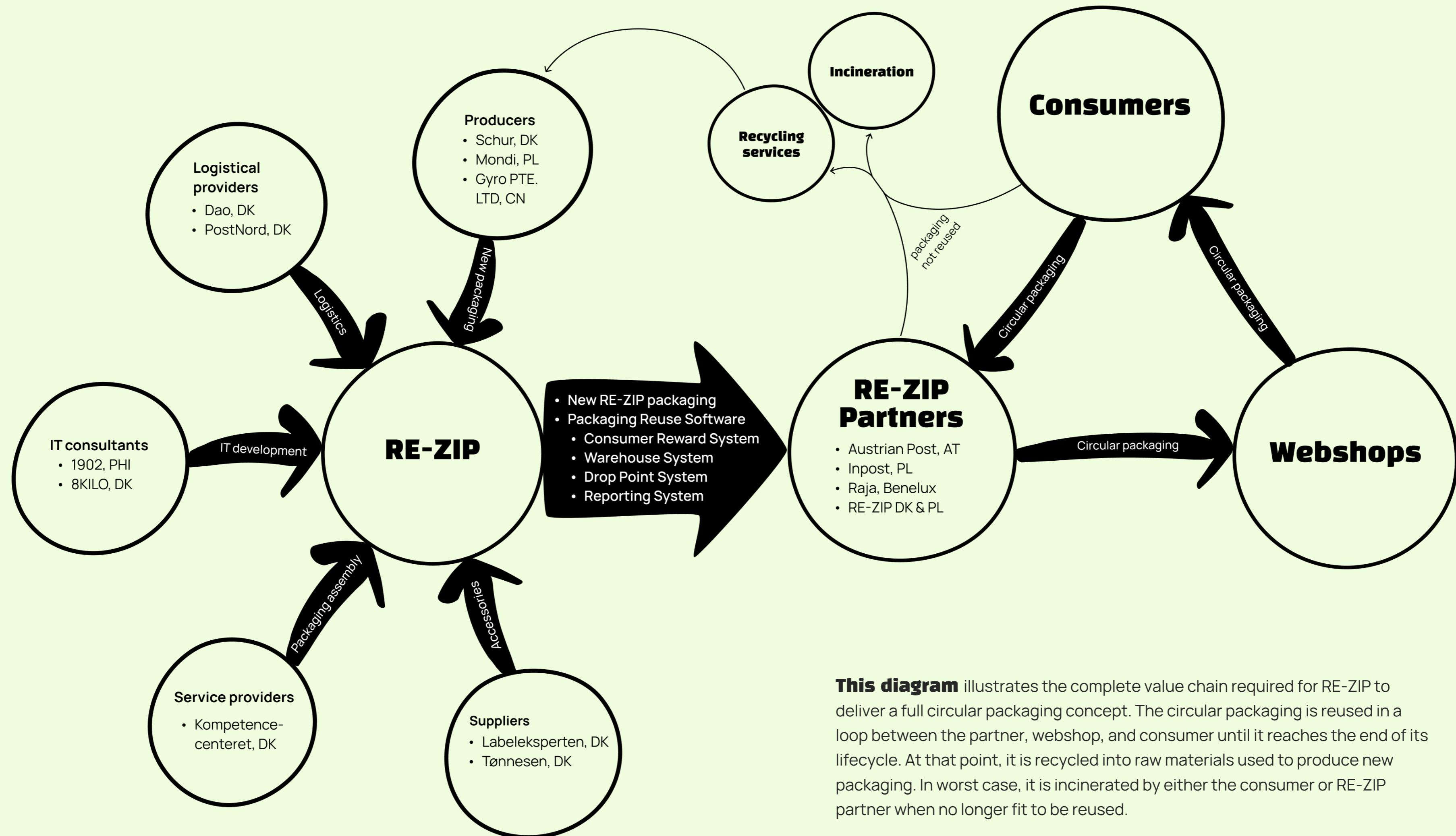
RE-ZIP's circular packaging journey begins by sourcing materials for our various packaging options. Each type of packaging undergoes a distinct manufacturing process.

After production, the packaging is transported to the RE-ZIP Distributor for storage. When ordered by a webshop, it's promptly dispatched to them and subsequently delivered to consumers.

Consumers then return the packaging to a Drop Point for collection after which it is sent to the RE-ZIP Hub where the Distributor sorts and prepares it for re-entry into commerce, creating a circular loop. This model ensures RE-ZIP packaging is continuously reused and ultimately recycled, minimizing both waste and the use of resources.

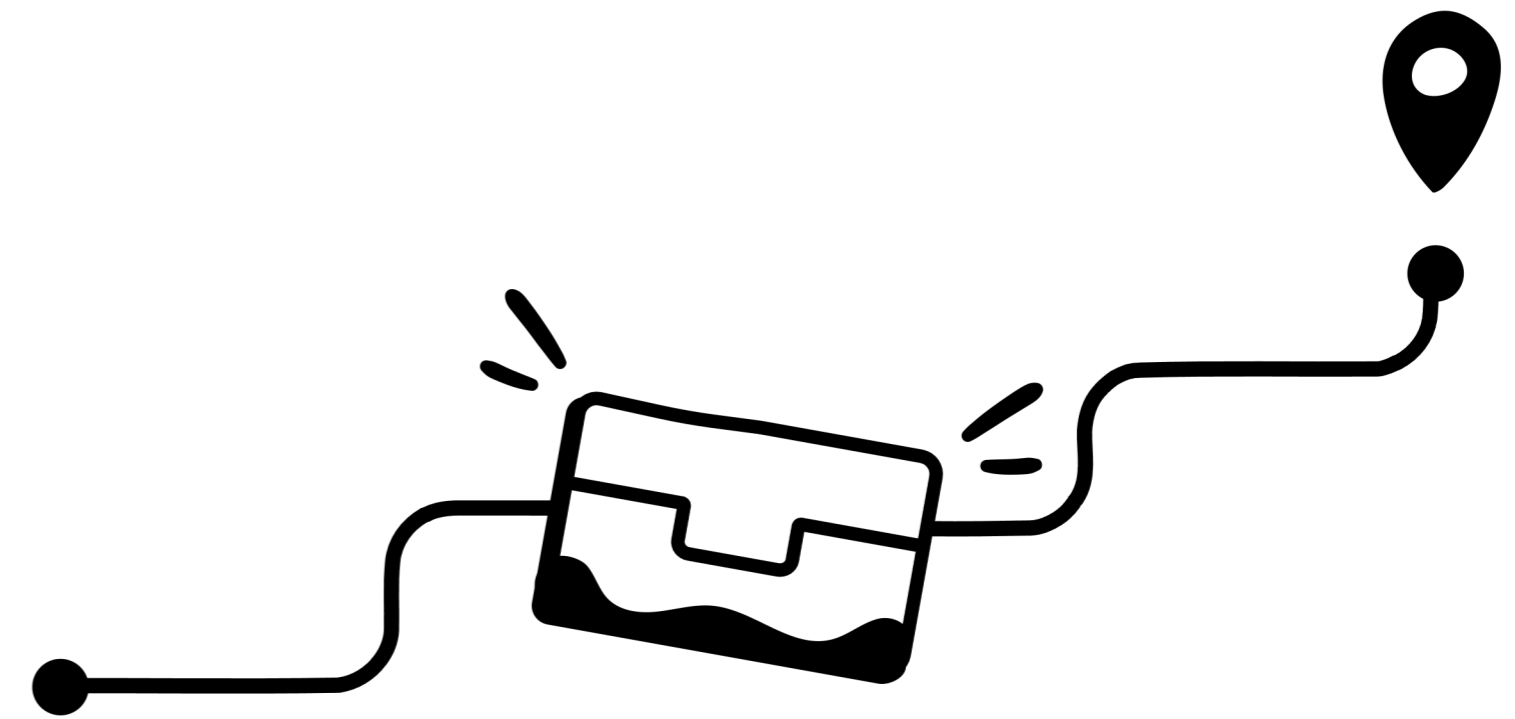


Value chain of RE-ZIP packaging



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 reaches the end of its lifecycle. At that point, it is recycled into raw materials used to produce new packaging. In worst case, it is incinerated by either the consumer or RE-ZIP partner when no longer fit to be reused.

Goals & results for 2023



Goals in 2023

We set new goals continually to always improve and getting better at what we do. In our 2022 ESG report, we set ourselves three goals – each representing the three letters in ESG.

The **'E'** represents Environmental responsibility. We implemented initiatives to reduce our carbon footprint, minimize waste, and enhance resource efficiency.

'S' is for Social considerations. We prioritized fair labour practices, ensuring the well-being and rights of workers throughout our value chain.

Lastly, **'G'** signifies Governance. We strengthened governance frameworks and ethical standards.

Throughout the year, we focused on these three areas and made efforts to improve them. The following pages outlines our strategies for achieving these goals



2023 environmental objective: Minimize the number of nonrecyclable materials used in the production of RE-ZIP packaging.

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



2023 social objective: Reduce production of packaging outside the EU borders and ensure that all our suppliers adhere to international labour standards and agreements.

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



2023 governance objective: Develop and implement a Partner Code of Business Ethics to ensure our partners uphold high ethical standards.

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

Goals and achievements in 2023

What we did:

Environmental

We have intensified our efforts to ensure that all our packaging is recyclable once it is no longer suitable for reuse. While the RE-ZIP Box and Bag are made of easily recyclable cardboard, the Premium Bag is crafted from a more durable yet non-recyclable material. To reduce the volume of the Premium Bag, we have enhanced the appeal of the RE-ZIP Bag e.g. through price adjustments and reduced exposure. Our focus has, however, been on enhancing the attractiveness of the RE-ZIP Bag, collaborating with various partners in the fashion and packaging sectors to enhance its quality. Together, we have developed a prototype for a new version of the RE-ZIP Bag, scheduled for testing in 2024.

Social

Our commitment to reduce non-EU packaging production has been strengthened, emphasizing supplier adherence to global labor standards. Focusing production within the EU enhances transparency and upholds human and labour rights. We have furthermore required our main suppliers that are laid out in our supply chain to sign a contract committing them to following the Ten Principles of the UN Global Compact in their business operations.

Governance

At RE-ZIP, we are expanding globally through partnerships. To ensure ethical standards, we have developed a Partner Code of Business Ethics, outlining guidelines for partners. We have required all partners to sign a Code of Partner Business Ethics contract committing them following principles of transparency, human rights and environmental conscious practices. All partners have either signed or already have a Code of Business Ethics in place. We have furthermore introduced an anonymous reporting function for employees and partners to report code violations.



2023 environmental objective: Minimize the number of nonrecyclable materials used in the production of RE-ZIP packaging.

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

Achievement: 94% of produced RE-ZIP packaging was in 2023 recyclable when no longer fit to be reused.



2023 social objective: Reduce production of packaging outside the EU borders and ensure that all our suppliers adhere to international labour standards and agreements.

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

Achievement: 94% of RE-ZIP packaging was in 2023 produced within the EU.



2023 governance objective: Develop and implement a Partner Code of Business Ethics to ensure our partners uphold high ethical standards.

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

Achievement: All partners have either signed a Code of Business Ethics or already have contracts in place adhering to the outlined principles.

Goals for 2024

Environmental

Our 2024 environmental objective is to ensure a focus on local sourcing of our packaging products. Our goal is to procure at least 90% of our packaging from European suppliers to our customers, who then distribute these products to their customers. Our strategic focus is to have packaging production nearer to our RE-ZIP partners aiming to reduce emissions derived from transportation.

Social

Our 2024 social objective emphasizes a renewed commitment to enhancing worker satisfaction within our organization. We will establish clear policies and procedures aimed at addressing employee concerns and fostering a positive work environment. Additionally, we will conduct surveys to gauge employee satisfaction and identify areas for improvement. Through targeted initiatives and increased focus on worker satisfaction, we aim to cultivate a supportive and fulfilling workplace culture.

Governance

Our 2024 governance objective focuses on fortifying our commitment to diversity, equity, and inclusion (DEI) within our organization. We will develop and implement policies to promote DEI across all aspects of our operations. This includes conducting thorough analyses of our job description language and requirements to ensure they are inclusive and equitable, removing any barriers to entry and advancement for underrepresented groups. Furthermore, we will prioritize DEI training for employees, equipping them with the knowledge and tools necessary to foster a culture of inclusion and respect in the workplace.



2024 environmental objective: Increasing local sourcing of packaging products.

Goal: Ensure that over 90% of our produced packaging is sourced within Europe.



2024 social objective: Strengthening focus on worker satisfaction.

Goal: Develop policies and procedures and prioritize initiatives to monitoring worker satisfaction; Surveying and Benchmarking Engagement and Attrition.



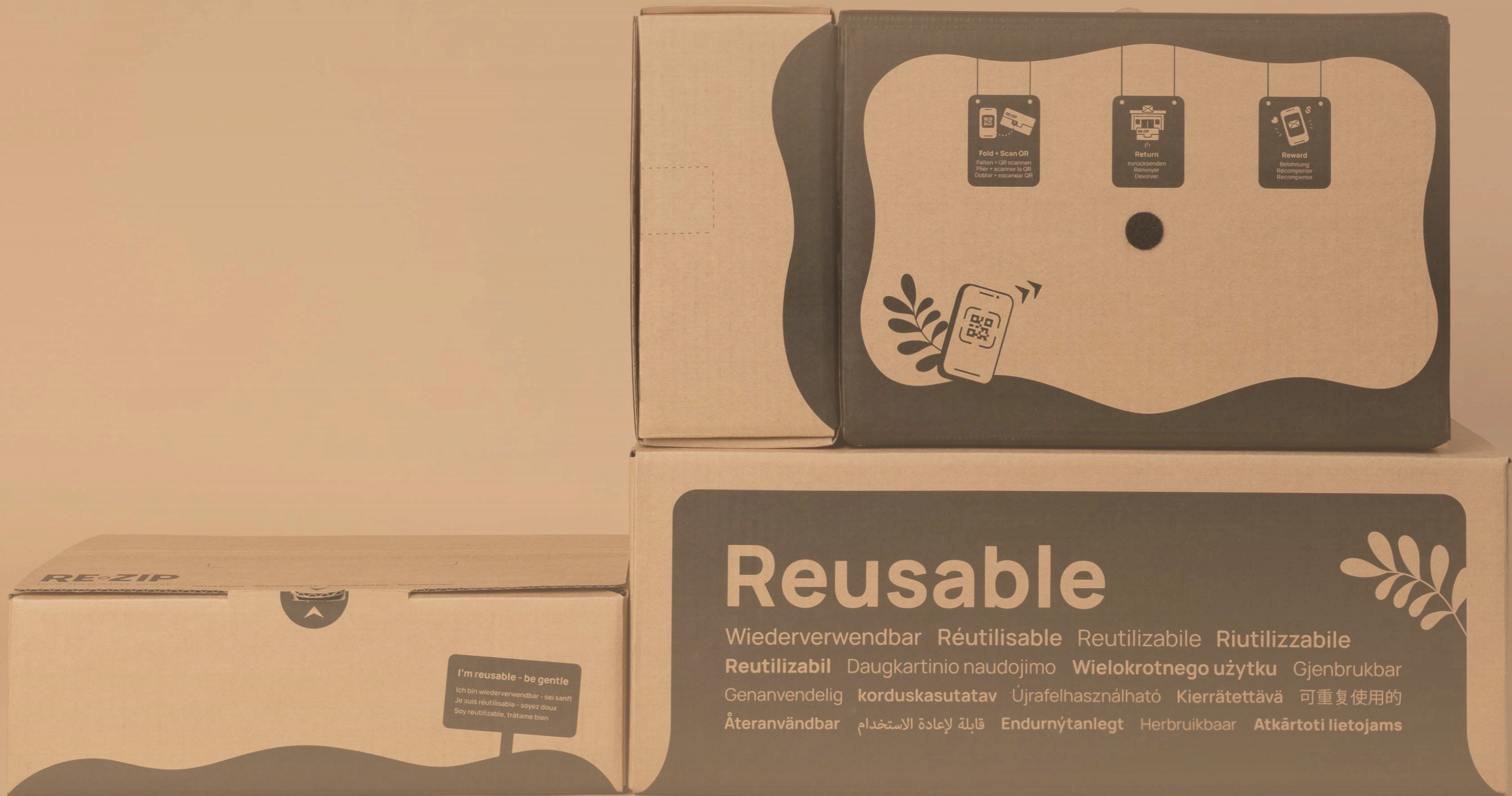
2024 governance objective: Strengthening Policies on Diversity, Equity, and Inclusion

Goal: Develop and implement comprehensive policies on diversity, equity, and inclusion (DEI), including job description analysis and inclusive training for all employees.

FEEDBACK

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

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



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