

ZIMMERMANN

SUSTAINABILITY REPORT 2024



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INTRODUCTION

ZIMMERMANN is a luxury Australian fashion brand which designs and sells women's ready-to-wear clothing, swimwear, resortwear, accessories and childrenswear.

Sisters Nicky and Simone Zimmermann founded the brand in 1991 and are the Creative Director and Chief Operating Officer, respectively.

The brand's success in Australia has led it to expand globally, and ZIMMERMANN now sells across the world. Womenswear constitutes the vast majority of the business. The balance is childrenswear and accessories, such as bags, shoes, hats, jewellery and sunglasses.

ABOUT THIS REPORT

Unless otherwise stated, all information disclosed in this document pertains to the reporting period from 1 July 2023 to 30 June 2024 (financial year 2024 or FY 2024) and relates to the ZIMMERMANN corporate group, including all its subsidiaries. Further information on the company structure is provided on page 6 of this report. Our reporting cycle is annual.

The report was prepared with reference to the GRI Standards and has been assured by ELEVATE in accordance with AA1000 Assurance Standard (AA1000AS v3).

The independent auditors' limited assurance statement is available on page 42.

ZIMMERMANN has reported the information cited in this GRI content index for the reporting period 1 July 2023 to 30 June 2024 with reference to the GRI Standards.

- + GRI 1: Foundation 2021.
- + GRI 305: Emissions 2016; disclosure 305-1 (a, d), 305-2 (a, d) and 305-3 (a, d, e) on pages 26, 27, and 41.
- + GRI 308: Supplier Environmental Assessment 2016; disclosure 308-1 and 308-2 on pages 31 and 36.
- + GRI 405: Diversity and Equal Opportunity 2016; disclosures 405-1 (a.i, b) pages 37-40.
- + GRI 414: Supplier Social Assessment 2016; disclosures 414-1 and 414-2 on page 36.

A MESSAGE FROM OUR CEO

At the end of each reporting cycle, we reaffirm our commitment to the Ten Principles of the UN Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption, as well as our support for the Sustainable Development Goals.

Given our global reach, ZIMMERMANN has a responsibility to operate in a socially and environmentally responsible manner while continuing to collaborate with our suppliers to support their efforts toward operating ethical and sustainable businesses.

To strengthen the implementation of best practices across our ten ESG strategic priorities, we have revised our policies and strategies, which are now available to stakeholders on our website.

These commitments encompass the respect for all internationally recognised human rights, responsible sourcing of materials and products, greenhouse gas emissions reduction, conservation of natural resources, pollution prevention, product safety, and a zero-tolerance approach to corruption.

This report is intended to share our progress toward these commitments and targets, while also identifying further opportunities for continuous improvement.

Chris Olliver
Chief Executive Officer



BUSINESS CONTEXT

OUR COMPANY

Zimmermann Holdings Pty Ltd, Zimmermann International Pty Ltd, Oceania (TopCo) Pty Ltd, AI Grace Aus BidCo Pty Ltd, AI Grace Aus MidCo Pty Ltd, AI Grace Aus HoldCo Pty Ltd are private Australian companies which conduct no business.

AI Grace Aus HoldCo Pty Ltd is the ultimate holding company of the following trading companies: Zimmermann Wear Pty Ltd, Zimmermann (USA), Inc., Zimmermann U.K. Limited, Zimmermann France, Zimmermann Italy S.R.L., Zimmermann SP, S.L., Zimmermann (Shanghai) Clothing Accessories Co., Zimmermann St Barths, Zimmermann Germany GmbH, Zimmermann Monaco Srl (together, the 'Subsidiaries').

In this document, unless otherwise apparent from context, references to 'ZIMMERMANN', 'we' or 'us' are to the corporate group collectively.

OPERATIONS AND SUPPLY CHAIN

ZIMMERMANN operates 20 retail stores in Australia, 26 in the USA, 1 in the UK, 7 in France, 1 in Monaco, 6 in Italy, 5 in Spain, 1 in the United Arab Emirates and 2 in China. Additionally, ZIMMERMANN operates a digital business globally and has international wholesale clients.

The company's main activities include the design and sale of clothing, swimwear, resortwear, accessories and childrenswear.

ZIMMERMANN's head office is located in Sydney, with additional operations and sales offices in Paris and New York City.

ZIMMERMANN employs approximately 1,157 people across Australia, the USA, the UK, France, Saint Barthélemy, Monaco, Spain, Italy, the UAE and China.

In relation to ZIMMERMANN's supply chains, we define our Tier 1-5 suppliers as follows:

- + Tier 1 Final product manufacturing and assembly
- + Tier 2 Material manufacturing, such as suppliers of our fabrics and trims
- + Tier 3 Raw material processing, such as mills that create the yarn for fabrics
- + Tier 4 Raw material production, such as cotton farms
- + Tier 5 Manufacturing of associated materials such as business and customer packaging.



OPERATIONS AND SUPPLY CHAIN CONT.

Our suppliers range from medium-sized facilities employing approximately 100 people to small artisan workshops that specialise in traditional methods of craftsmanship.

Our supply chain distribution in FY 2024:

| | % of Spend by Country | | % of Spend by Country |
|---|--|--|--|
| Country of origin of finished goods (Garments, Accessories and Footwear) | 82% China 5% Vietnam 4% Italy 3% Portugal 3% Sri Lanka 1% India 0.7% Türkiye 0.7% Spain 0.3% Madagascar 0.2% Indonesia 0.1% Australia 0.02% Morocco | Country of origin of fabrics and trims | 93% China 3% Italy 2% Portugal 1% Türkiye 0.5% India 0.1% France 0.04% Vietnam 0.04% Spain 0.03% USA 0.02% Australia 0.003% Taiwan |

Garments represent the largest product category, accounting for 93% of our FY 2024 spend, whereas accessories and footwear account for the remaining 7%.

Number of suppliers and production facilities:

| | Number of Suppliers | Number of Production Facilities |
|---------------------------------|---------------------|---------------------------------|
| Tier 1 Garments | 30 | 44 |
| Tier 1 Accessories and Footwear | 21 | 28 |
| Tier 2 Fabrics and Trims | 60 | 128 |

PARTNERSHIPS AND PHILANTHROPY

Collaboration remains central to our sustainability strategy and our commitment to the Ten Principles of the UN Global Compact. We work closely with our suppliers to be catalysts of positive change and partner with organisations that share our values and promote their implementation.

We have been Better Cotton¹ members since December 2020 to improve cotton farming practices globally.

We are proud signatories of The Fashion Pact² and actively participate in the work of this coalition of companies that strive to systemically transform the fashion and textile industry for the better of our planet and people.

In 2021, we joined the ZDHC Foundation's Roadmap to Zero Programme as Friends of ZDHC to reduce the chemical footprint of our value chain. In July 2024, we became a ZDHC Signatory Brand.

In line with our diversity and inclusion commitments, we continued our corporate partnerships with CareerTrackers,³ a national programme that creates paid internship opportunities for First Nations people, and The Social Outfit,⁴ an organisation supporting refugee and new migrant women to kick-start their careers in Australia.

We also partnered with RED⁵ an organisation dedicated to the fight against AIDS.

Lastly, we have continued our partnership with the Sydney Institute of Marine Science (SIMS) through the ZIMMERMANN Biodiversity Fellowship.⁶



1 Better Cotton's mission is to help cotton communities survive and thrive while protecting and restoring the environment. Their Capacity Building Programme puts farmers and farm workers front and centre, ensuring they can access the necessary tools, training and support they need to continuously improve their practices.

2 The Fashion Pact is a CEO-led coalition that aims to accelerate and scale impact across climate, biodiversity, and oceans by acting collectively.

3 CareerTrackers is an Australian non-profit with a mission to build Aboriginal and Torres Strait Islander representation across sectors of professional employment and nurture emerging leaders for our future. The organisation works with students from Year 12 through to university, linking them to multi-year period paid professional internships in relation to their dreams and aspirations.

Partnering with employers, universities and a broader ecosystem of Indigenous services, CareerTrackers creates a long-term sustainable pathway for students to enter professional employment. ZIMMERMANN's partnership with CareerTrackers supports Fashion Textiles Design students with the goal of creating a full-time role at the completion of their studies. The first design student commenced their placement in November 2020.

4 The Social Outfit's primary focus is to remove barriers to training and employment for refugee and new migrant women. They also contribute to the circular economy and positively impact public discourse, advocating for better employment pathways for refugees and more ethical, sustainable fashion industry.

5 <https://www.red.org/how-red-works/>

6 <https://www.zimmermann.com/sustainability-sims>



GOVERNANCE

ZIMMERMANN's Sustainability Roadmap and strategic decisions are led by a Sustainability Working Group chaired by the Chief Executive Officer and Chief Operating Officer. The Working Group meets quarterly.

Group members are responsible for executing the sustainability strategy within their respective departments, and our CEO provides regular updates to the Board.

Sustainability updates are shared with the wider business during annual conference calls with all ZIMMERMANN employees. The Sustainability Roadmap is presented to every function within the organisation, ensuring that all departments are aware of the company's sustainability commitments and operate in alignment with them.

STRATEGIC PRIORITIES

In 2021, we conducted a comprehensive materiality assessment, which undergoes annual reviews. In-depth materiality assessments are conducted every five years.

The most recent review has confirmed our ten strategic priorities:

- + Responsible Sourcing
- + Workplace Well-being
- + Diversity & Inclusion
- + Business Ethics
- + Product Safety
- + Natural Resources Conservation
- + Greenhouse Gas Emissions (GHG)
- + Traceability & Transparency
- + Plastic Pollution
- + Chemical Pollution

Our policies on these priorities are available on our website.



MATERIALITY ASSESSMENT METHODOLOGY

Our materiality assessment begins with the identification a broad list of potential material topics refined through a review of internal commitments, stakeholder requirements and expectations, sector-specific standards and scientific journals, ratings and rankings related to social and environmental trends and challenges. Each topic was then scored to identify the high-priority material topics for our organisation. The scoring was based on the following criteria:

- + Risk exposure for the business.
- + Impact on affected stakeholders and, where relevant, the environment.
- + Existing commitments and goals.

The CEO and the COO have reviewed and validated the assessment methodology with the final list of material topics and have approved the contents of this report.

Lastly, the list was adjusted to reflect the expectations of key stakeholders, which include:

- + **Business Partners**
We regularly review our business clients' sustainability requirements and expectations, collaborating with them to build on shared goals.
- + **Retail Customers**
We welcome the opportunity to engage with our customers on sustainability and take their concerns seriously. By reviewing the customer queries received by our Client Services team, we identified the sustainability topics that are most important to them.
- + **Suppliers**
Thanks to our long-standing relationships with many suppliers, we have established regular dialogue to share concerns and expectations.
- + **Multi-stakeholder Initiatives, Peer Groups and Social Mission Organisations**
We actively participate in meetings, conferences and networking events with multiple organisations to identify and address sustainability priorities.



OUR COMMITMENT TO PEOPLE

COMMITMENTS

- + Continue operating with integrity, honesty, respect and fairness when dealing with customers, employees and business partners, as stated in our company's Code of Ethics.
- + Provide a diverse and inclusive workplace.
- + Foster inclusivity for our clients and the broader community.
- + Support marginalised groups within our community.
- + Promote the well-being of our employees.
- + Invest in training and development.
- + Drive the implementation of our Supplier Code of Conduct across the supply chain, supporting suppliers through training and capacity-building efforts.
- + Ensure that our supply chain remains a safe and respectful environment.
- + Ensure that our business partners are transparent, trustworthy and conduct their business ethically and with integrity.
- + Continue our supply chain mapping process to assess social risks across all tiers, including the risk of forced labour, bonded labour and child labour.

TARGETS AND PROGRESS

TARGET 1

Achieve traceability from Tier 4 (at least country-level) through each processing stage for 100% of key natural fibres used in main materials by 2025. Key natural fibres are linen, cotton, silk and wool when they account for 50% or more of the product composition.

PROGRESS

Material usage in FY 2024:

| Material | % (weight) | Material | % (weight) |
|-----------|------------|----------------|------------|
| Linen | 31% | Wool | 2% |
| Cotton | 19% | Elastane | 1% |
| Silk | 16% | Raffia | 0.3% |
| Viscose | 10% | Metallic fibre | 0.2% |
| Polyester | 9% | Shearling | 0.1% |
| Polyamide | 5% | Tencel | 0.1% |
| Leather | 4% | Brass | 0.1% |
| Ramie | 2% | Other | 0.2% |

% of key natural fibres' weight traceable at each stage:

| Tier 4 (Country) | Tier 3 (Yarn supplier or mill) | Tier 2 (Fabric weaving or knitting mill) | Tier 3 (Yarn colouration) and Tier 2 (Fabric colouration) | Tier 1 (Garment factory) |
|---------------------|-----------------------------------|---|---|-----------------------------|
| 51% | 59% | 87% | 79% | 100% |

Traceability to Tiers 4, 3 (yarn supplier and/or mill), and 2 (fabric weaving or knitting mill) has increased. In FY 2023, the traceability percentages for these tiers were 48%, 25%, and 86%, respectively.

Last year, colouration data only included Tier 2 (fabric colouration). This year, yarn colouration has also been included, resulting in a decrease in traceable volumes from 98% to 79%.

In line with our Traceability Policy, our suppliers are required to provide appropriate documentation, including invoices and transport documents, to demonstrate chain of custody of materials.

To ensure the accuracy of the claimed origin of raw materials, we conduct spot checks using traceability technologies such as fabric isotope testing.

TARGETS AND PROGRESS

TARGET 2

Maintain 100% execution rate⁷ of our Supplier Code of Conduct in Tier 1, while progressively increasing the execution rate in Tier 2.

PROGRESS

% of suppliers that have signed our Supplier Code of Conduct:

| | FY2024 | FY2023 | FY2022 | FY2021 | FY2020 |
|---------------------------------|------------------|--------|--------|--------|--------|
| Tier 1 Garments | 98% ⁸ | 100% | 100% | 98% | 96% |
| Tier 1 Accessories and Footwear | 100% | 100% | 100% | 92% | 86% |
| Tier 2 Fabrics and Trims | 98% | 94% | 98% | 98% | 82% |

Our Supplier Code of Conduct is integrated in supplier contracts.

TARGET 3

Increase the reach of our Ethical Capacity Building Programme⁹ to at least 50% of our nominated Tier 2 supply chain by spend by 2025.

PROGRESS

We have surpassed this target ahead of schedule. The mills enrolled in the programme since FY 2022 now account for approximately 78% of ZIMMERMANN's Tier 2 spend.

⁷ Our Supplier Code of Conduct is part of the ZIMMERMANN Supplier Agreement. The execution rate refers to the number of suppliers who signed the code.

⁸ During the reporting period, only one Tier 1 Garment supplier did not sign the Supplier Code of Conduct. We only worked with this supplier for one season in FY 2024. Although ZIMMERMANN no longer sources from this supplier, it was active during the reporting period and is therefore included in our calculations.

⁹ The Ethical Capacity Building Programme is delivered in partnership with third-party experts who provide training to the mill management to guide the implementation of corrective actions aimed at resolving non-compliance issues. The most common types of non-compliance addressed include minor health and safety issues, overtime and wage-related concerns. Facilities are expected to implement the necessary corrective actions by the end of the programme. Where issues remain, the facility may be re-enrolled in the programme for a second year.

HUMAN RIGHTS DUE DILIGENCE

As stated in ZIMMERMANN's Human Rights Policy, ZIMMERMANN is committed to respecting all internationally recognised human rights according to the principles set out in:

- + The Universal Declaration of Human Rights
- + The International Covenant on Civil and Political Rights
- + The International Covenant on Economic, Social and Cultural Rights
- + The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work
- + The ILO Core Conventions

We follow the UN Guiding Principles on Business and Human Rights to guide our due diligence approach and access to remedy.

ZIMMERMANN's Human Rights Working Group, chaired by our Chief Operating Officer, convenes bi-annually to oversee the ongoing Human Rights Due Diligence process. Established in November 2023, the group is responsible for assessing ZIMMERMANN's salient human rights impacts, developing action plans to address potential or actual impacts, and setting targets to monitor progress.

The Working Group members include business unit leaders from the following departments:

- + Human Resources
- + Legal
- + Production and Sourcing
- + Logistics and Supply Chain
- + Brand and Content
- + Sustainability and Social Compliance

ZIMMERMANN's salient human rights impacts are assessed in relation to various stakeholder groups, including our employees, value chain workers, customers, suppliers, business partners, and the broader communities in which we operate. Further details regarding the identified impacts are provided in our [Human Rights Policy](#).

ACCESS TO REMEDY

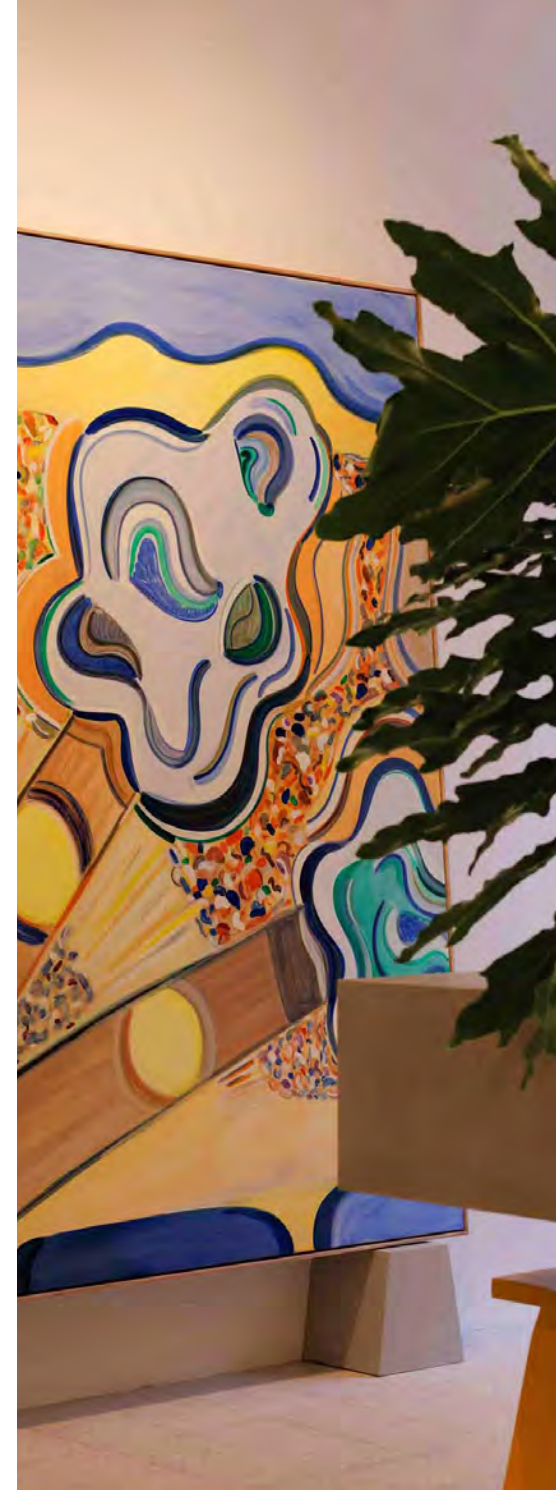
Impacted stakeholders can seek remedy through the process outlined in our [Whistleblower Policy](#).

Additionally, we have implemented a supply-chain-focused grievance mechanism in key factories in China, providing workers with a confidential channel to raise complaints. The hotline is currently available in eleven factories, which represent approximately 50% of our finished goods spend.

To align with the effectiveness criteria described in the UN Guiding Principles on Business and Human Rights, we have partnered with an organisation with over a decade of experience in designing and implementing grievance mechanisms and supporting remediation.

Workers have received in-person training to familiarise themselves with the grievance mechanism. Posters and handouts have been provided to ensure all workers have access to the hotline.

Beyond offering insight into working conditions and access to remedy, the independent grievance mechanism is integral to our capacity-building efforts. It can drive continuous improvement in the factory by equipping management with the tools to proactively address issues before they escalate and, ultimately, prevent their recurrence.



SUPPLIER SOCIAL ASSESSMENT

SELF-ASSESSMENT, AUDITS AND CAPACITY BUILDING

Prospective suppliers in Tier 1 and Tier 2, where nominated, are required to complete a self-assessment questionnaire for each facility they wish to use for ZIMMERMANN. This process also applies to existing suppliers who wish to onboard a new facility.

As part of the self-assessment, suppliers must provide a recent audit report (not older than one year) for each site they wish to onboard.

Sites that have never been audited or do not have a recent audit report will undergo a ZIMMERMANN audit conducted on our behalf by independent auditors.

New sites will undergo a ZIMMERMANN audit during the onboarding period in the following cases:

- + The site has never been audited or does not have a recent audit.
- + The site has a specific risk profile, irrespective of the availability of a recent audit report. The risk profile of the new site is assessed according to the following criteria:
 - Location
 - Tier
 - Self-assessment outcomes
 - Site visits conducted by our staff
- + Sites used by our top Tier 1 and 2 suppliers by spend, irrespective of their risk profile. These suppliers account for over 70% of ZIMMERMANN's spend.

SUPPLIER SOCIAL ASSESSMENT

In cases of critical issues in Tier 1, shorter audit cycles are adopted to ensure that corrective action has been effectively implemented. We work with our suppliers to remedy these breaches. In very rare circumstances, we may suspend or terminate our arrangements with that supplier. The response depends on the severity of harm or potential impact.

In Tier 2, suppliers are onboarded in the ZIMMERMANN Ethical Capacity Building Programme, which assists them in the effective implementation of corrective actions and continuous improvement strategies. This programme was introduced in Tier 2 to support sites that are typically less experienced with audits and need additional training to make long-lasting improvements.

Data regarding our FY 2024 audits are available in the appendix.

SUPPLIER TRAINING

Supplier engagement is a key component of our Sustainability and Social Compliance Programme, ensuring that our business partners adhere to the highest standards. We support our suppliers through continuous dialogue and regular training. Our latest supplier training, for Tiers 1 and 2, was held in China in June 2024. Attendees included suppliers, agents, and factory and mill management from approximately 44 Tier 1 and 68 Tier 2 facilities. We collaborated with local ethical trade specialists to co-develop the training modules and deliver the training in the local language. The training covered a range of topics, such as modern slavery, business ethics and gender equality in garment factories and textile mills.



WORKERS' VOICE

Audits are a useful monitoring tool, but they alone may not identify hidden issues that only become apparent when considering workers' perspectives. Worker engagement is integral to our audit process as we use technology-supported anonymous surveys to collect the workers' viewpoints across the following indicators: Labour,¹⁰ Health and Safety,¹¹ Environment¹² and Management System.¹³ The survey results are reviewed alongside the audit reports and inform decisions regarding corrective actions or the site's enrolment in the ZIMMERMANN Capacity Building Programme.

Since the programme launched in 2020, 2,192 surveys have been completed. 1,173 supply chain workers responded to the survey in the reporting period, 65% of whom were women.

FY 2024 Survey Results:

| <i>Indicators</i> | <i>Strong Performance</i> | <i>Satisfactory Performance</i> | <i>Needs Improvement</i> | <i>Needs Significant Improvement</i> | <i>Average Score FY 2024</i> |
|-------------------|---------------------------|---------------------------------|--------------------------|--------------------------------------|------------------------------|
| Labour | 48% | 36% | 16% | 0% | Satisfactory Performance |
| Health and Safety | 92% | 8% | 0% | 0% | Strong Performance |
| Environment | 56% | 40% | 4% | 0% | Satisfactory Performance |
| Management System | 12% | 64% | 24% | 0% | Satisfactory Performance |

¹⁰ Workers are asked to give their perspective on the availability and effectiveness of grievance mechanisms, equal treatment between women and men, wages, benefits, and hours of work.

¹¹ Workers feel safe working in the facility and know what to do in case of emergency.

¹² The perceived environmental impact of the site.

¹³ The perceived effectiveness of policies and procedures.

EMPLOYEE DEVELOPMENT, DIVERSITY AND INCLUSION

ZIMMERMANN is committed to fostering a culture, both within our company and in our communities, that promotes diverse perspectives and voices (view our [Diversity and Inclusion Statement](#)). We strive to create an environment that is supportive, respectful, encouraging, and values creativity in all its forms. This commitment is one of our priorities, as we recognise the importance of inclusivity for our employees, clients and the wider community.

To advance our commitment, we established a Diversity and Inclusion (D&I) Group to lead and drive our diversity, equity, inclusion and belonging strategies. The D&I Group convenes quarterly and is composed of senior leaders with diverse racial and ethnic backgrounds, roles, experience, and locations across our business. The group is chaired by our Chief Operating Officer and is responsible for leading, driving, and tracking the delivery of our diversity, equity, and inclusion commitments. We have also created a revolving observer seat to allow more employees from across the company to contribute to the group.

During the reporting period, we conducted our annual Diversity & Inclusion Survey, with results provided in the appendix alongside diversity and equal opportunity data.

Additionally, we continued our investment in learning and development with a mandatory face-to-face unconscious bias training programme for all leaders and hiring managers designed to assist them in developing their individual leadership style, help increase employees' engagement and nurture future leaders.



BUSINESS ETHICS

At ZIMMERMANN, business is conducted to the highest standards of integrity, honesty, respect and fairness when dealing with employees, customers and business partners.

Our expectations regarding integrity, legality, honesty, and ethical conduct extend to all employees and third parties engaged in commercial relationships with us.

The standards of behaviour are established in our Code of Ethics, which is provided upon hiring alongside the company's Policies & Procedures.

We expect our employees to comply with the law and report any violations through the channels and processes described in our [Whistleblower Policy](#).

This also applies to breaches of bribery and corruption laws, for which we have a zero-tolerance approach as stated in our [Anti-Bribery and Corruption Policy](#).

To reinforce our commitment against bribery and corruption, we have rolled out anti-bribery and corruption training for all employees globally.

The policy implementation strategy includes:

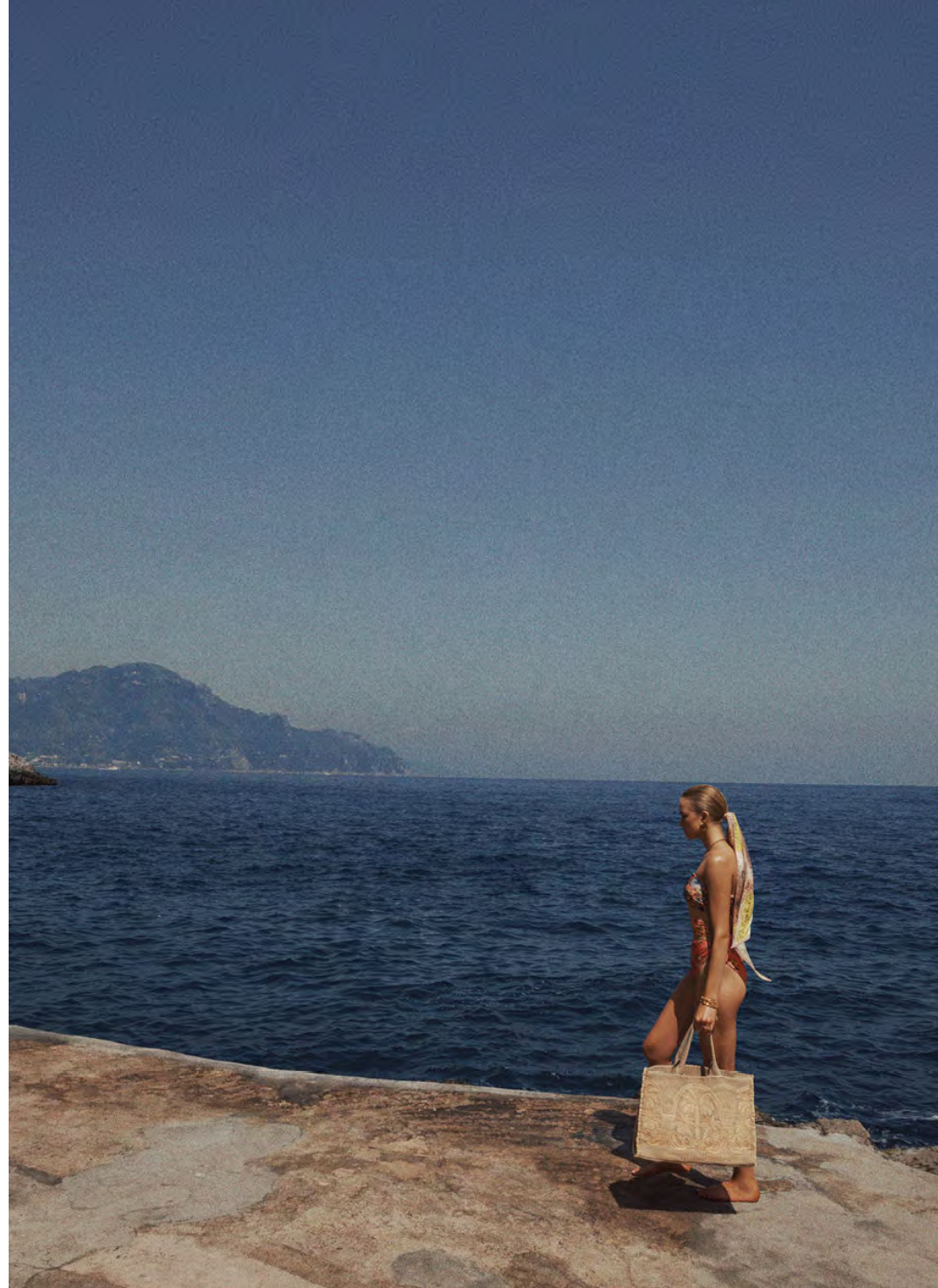
- + *The incorporation of business integrity expectations in contracts with suppliers:* Our Supplier Code of Conduct, an integral part of the commercial agreement with our suppliers, prohibits all forms of bribery and corruption in our supply chain. Additionally, our standard contract documents create an obligation on the contracting parties to comply with all applicable bribery and corruption laws.
- + *A due diligence process before entering a commercial relationship with a third party:* Our Contract Policy requires that all employees conduct appropriate due diligence on the other party before entering into a commercial contract.
- + *The provision of channels for our employees and third parties to raise complaints and seek advice:* Impacted stakeholders can access a confidential hotline to raise complaints and seek advice. The process for raising concerns and grievances is detailed in the ZIMMERMANN [Whistleblower Policy](#). During the reporting period, there were no incidents of bribery or corruption.
- + Audits conducted by an independent third party to assess the implementation of anti-bribery and anti-corruption principles within our supply chain.



OUR COMMITMENT TO THE ENVIRONMENT

COMMITMENTS

- + Conserving natural resources which are at risk of depletion as a consequence of the production and processing of textiles.
- + Reducing our GHG emissions to meet our near-term, long-term and net-zero Science-Based Targets (SBTs).
- + Working collaboratively with our peers to mitigate the negative impact of plastic and chemical leakage into waterways.
- + Supporting our suppliers in implementing sustainable chemical management practices.
- + Assessing the impact of our materials and processes in specific geographical locations to better manage risks that are context-specific, such as those related to biodiversity.



TARGETS AND PROGRESS

GHG EMISSIONS AND RENEWABLE ENERGY

Near-term GHG emissions reduction targets

- + ZIMMERMANN commits to reduce absolute scope 1 and 2 GHG emissions 50% by FY2030 from a FY2020 base year.
- + ZIMMERMANN also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, and upstream transportation and distribution 30% within the same timeframe.

Long-term GHG emissions reduction targets

- + ZIMMERMANN commits to reduce 90% absolute scope 1 and 2 GHG emissions by FY2050 from a FY2020 base year.
- + ZIMMERMANN also commits to reduce 90% absolute scope 3 GHG emissions within the same timeframe.

Overall net-zero target

- + ZIMMERMANN commits to reach net-zero GHG emissions across the value chain by FY2050.

All of the above targets have been validated by the Science Based Target initiative.

Renewable energy target

- + Implementing 50% renewable energy by 2025 and 100% by 2030 within our own operations.

We completed our first GHG emissions inventory in FY 2020, our base year. The FY 2024 GHG emissions inventory table is available on page 27.

When we set our SBTs, we committed to publicly disclosing our emission inventory and progress against our targets annually. Our SBTs were set in FY 2022, marking the start of our annual emissions disclosures.

No offsets were utilised in the reporting period. We have surpassed our renewable energy target for the past three reporting periods.

To continue to grow, ZIMMERMANN is focused on accelerating the transition to lower-impact materials, scaling up the adoption of existing solutions, and bridging the remaining gap between our emissions and targets through investments in innovation, as noted in our [GHG Emissions Policy](#).

In intensity terms, the Scope 3 tCO₂e/\$ revenue have decreased by 25% in FY24 compared to the baseline.

Further details on emissions scopes and boundaries is reported in the appendix.

TARGETS AND PROGRESS

FY 2024 GHG EMISSIONS INVENTORY

| <i>Greenhouse Gas Emissions – Inventory</i> | <i>Unit</i> | <i>FY2020</i> | <i>FY2022</i> | <i>FY2023</i> | <i>FY2024</i> | <i>Comments</i> |
|--|-------------|---------------|---------------|---------------|---------------|--|
| Scope 1 | tCO2e | 4.75 | 46 | 40.5 | 37.5 | |
| Scope 2 Market-based ¹⁴ | tCO2e | 699 | 4 | 3.9 | 0 | Target met through the retirement of Energy Attribute Certificates that we sourced in alignment with the GHG Protocol quality criteria and are labelled by EKOenergy ¹⁵ or Green-e. ¹⁶ |
| Scope 2 Location-based | tCO2e | 692 | 772 | 996 | 1,085.64 | |
| Scope 3 | tCO2e | 28,780.90 | 44,416.49 | 58,910.65 | 54,776.12 | |
| 3.1 Purchased goods and service | tCO2e | 17,798.91 | 27,954.41 | 39,533.79 | 36,804.35 | |
| 3.2 Capital goods | tCO2e | 2,073.35 | 3,282.79 | 5,627.09 | 3,362.94 | |
| 3.3 Fuel and energy-related activities | tCO2e | 156.80 | 212.76 | 297.64 | 318.48 | |
| 3.4 Upstream transportation and distribution | tCO2e | 4,791.23 | 6,306.47 | 5,814.18 | 5,619.56 | |
| 3.5 Waste generated in operations | tCO2e | 583.88 | 967.72 | 1,056.14 | 1,621.33 | |
| 3.6 Business travel | tCO2e | 88.26 | 425.93 | 651.76 | 561.05 | |
| 3.7 Employee commuting | tCO2e | 993.48 | 1,309.18 | 1,509.87 | 1,674.61 | |
| 3.9 Downstream transportation and distribution | tCO2e | 826.65 | 1,533.74 | 1,566.83 | 1,657.63 | |
| 3.11 Use of sold products (indirect) | tCO2e | 1,189.98 | 1,934.93 | 2,256.11 | 2,480.84 | |
| 3.12 End-of-life treatment of sold product | tCO2e | 278.36 | 488.53 | 597.22 | 675.33 | |

¹⁴ We use electricity bills to calculate the electricity consumption at our sites. If bills are available for only part of the year, we extrapolate the consumption for the remaining months. When no electricity bills are available, we estimate consumption by using similar sites as proxies.

¹⁵ In addition to being renewable, EKOenergy-labelled energy finances projects that combat energy poverty.

¹⁶ Green-e is a clean energy certification. Through the Green-e® Energy program, CRS (Centre for Resource Solutions) certifies renewable energy that meets the highest standards in North America: it must be generated from new facilities, marketed with complete transparency and accuracy, and delivered to the purchaser, who has sole title. Green-e® staff verifies the entire chain of custody of certified renewable energy from generation to retirement.

TARGETS AND PROGRESS

PRODUCT AND MATERIALS

Targets:

- + Sourcing 80% of cotton as more sustainable cotton¹⁷ by 2025.
More sustainable cotton includes Better Cotton, Organic Cotton, Fairtrade, Regenerative and Recycled Cotton.
- + Transitioning 25% of key materials¹⁸ to lower climate impact sources by 2025. We prioritise recycled fibres obtained from textile recycling and other materials where their lifecycle has shown social and environmental benefits (e.g., lower lifecycle emissions). Our material choices are data-driven and take into account all known lifecycle impacts¹⁹ of the material.
- + Supporting zero deforestation and sustainable forest management by 2025. To achieve this goal, we are committed to sourcing only FSC-certified cellulose-based materials and supporting deforestation-free leather supply chains.
- + Eliminating problematic or unnecessary plastics²⁰ in B2C packaging by 2025, and B2B by 2030 and ensuring that at least half of all plastic packaging is 100% recycled content, by 2025 for B2C and by 2030 for B2B.



17 More sustainable cotton includes Better Cotton, Organic Cotton, Fairtrade, Regenerative and Recycled Cotton. Better Cotton is sourced via a chain of custody model called mass balance. This means that Better Cotton is not physically traceable to end products; however, Better Cotton Farmers benefit from the demand for Better Cotton in equivalent volumes to those we 'source'.

18 Our key materials include linen, cotton, silk, polyester, viscose and nylon.

19 Carbon footprint is not considered in isolation. For example, when evaluating the addition of materials to our preferred material list, we consider the existence of trade-offs that may result in a reduced carbon footprint but greater impacts on other areas, such as biodiversity and water. We have made the decision to include only materials that show some benefits across all areas.

20 Plastic packaging is defined as problematic or unnecessary when:

1. It is not reusable or recyclable.
2. It contains, or its manufacturing requires, hazardous chemicals that pose a significant risk to human health or the environment.
3. It can be avoided or replaced without compromising the consumer's access to the product, inability to meet health or safety regulations, or causing undesirable environmental outcomes.
4. It hinders or disrupts the recyclability of other plastic items.
5. It has a high likelihood of being littered or ending up in the natural environment.

TARGETS AND PROGRESS

Preferred fibres uptake in FY 2024²¹:

| Material | % by Weight |
|-------------------------|---|
| More Sustainable Cotton | 76% of the cotton used in our products |
| Recycled Nylon | 22% of the nylon used in our products |
| Recycled Polyester | 38% of the polyester used in our products |
| FSC Viscose | 37% of the viscose used in our products |
| EU Linen (certified) | 44% of the linen used in our products |

Our preferred fibres accounted for 37% of the total material weight used in FY 2024, an increase from 32% the previous year.

Our “Viscose Sourcing Policy” establishes requirements for our suppliers to source FSC-certified viscose from selected suppliers that have undergone a CanopyStyle audit and meet specific criteria.

In addition to training our designers on the principles of the circular economy and designing for circularity, we have continued textile-to-textile recycling and published a Care Guide to help our customers care for their ZIMMERMANN pieces in a way that promotes longevity.

In 2023, ZIMMERMANN started investing in Impact Partnership Incentives to support an approved on-the-ground programme partner which helps cattle farmers in the states of Mato Grosso and Goia, Brazil, to have their farms third-party verified as deforestation/conversion-free (DCF) and improve their animal welfare practices with the goal to become certified to a Leather Impact Accelerator (LIA)-approved standard.

Verification to the LIA DCF Protocol confirms that no deforestation (as defined by the Accountability Framework initiative) has occurred on the farmers’ land since December 31st, 2020, as a result of conversion to agriculture.

The Impact Partnership Incentives allow brands and retailers to support on-the-ground programme partners to help producers meet best practices.²²

²¹ The calculation excludes production wastage.

²² Learn more at ImpactIncentives.org and LeatherImpactAccelerator.org.

TARGETS AND PROGRESS

Packaging overview

| <i>Material</i> | <i>% by Weight</i> |
|-------------------|--------------------|
| Paper & Cardboard | 68% |
| Plastic | 30% |
| Natural Fibres | 1% |
| Metal | 0.4% |
| Synthetic Fibres | 0.1% |

- + 70% of paper and cardboard is FSC-certified.
- + 89% of all plastic packaging is made from 100% recycled content.
- + The hangers used in our Australian stores are taken back by the manufacturer to be cleaned and reused within our retail network.

We are continuing our work to develop a biodiversity strategy and set targets to protect nature. Due to the complexity of the task, this is taking longer than anticipated. However, this remains a priority, and we will publish updates on our progress on our website in the coming months.



SUPPLIER ENVIRONMENTAL ASSESSMENT AND SUSTAINABLE CHEMICAL MANAGEMENT

We conduct audits of production sites in our supply chain to assess their performance against key environmental indicators. These assessments help us identify opportunities for improvement, which we address through our Capacity Building Programme.

During the reporting period, 76 sites were audited, and 7 were found to have environmental non-compliances, primarily related to the absence of an environmental impact assessment, insufficient air emissions monitoring, and inadequate waste management. Corrective action plans have been implemented to address these issues.

Additionally, we have enhanced our implementation of the Roadmap to Zero Programme with our wet processing facilities, which have received specialised training and have commenced implementing the ZDHC Guidelines.

By 2024, we aimed to have at least 90%²³ of wet processing facilities reach Supplier to Zero Level 2,²⁴ while also supporting them in setting tangible targets to improve their overall conformance with the ZDHC Manufacturing Restricted Substance List (MRSL), with the aim of achieving full conformance by 2025.

Throughout the reporting period, we continued to provide training to key wet processing facilities to help them progress toward Supplier to Zero Level 2. By the end of FY 2024, facilities that had achieved Level 2 accounted for approximately 77% of ZIMMERMANN's fabric spend.

We will continue to collaborate with our suppliers to further expand the reach of this programme.

²³ By spend.

²⁴ Launched in June 2020, Supplier to Zero is ZDHC's leader programme designed to align and speed up the implementation of ZDHC Guidelines and Solutions across the value chain. Supplier to Zero empowers supply chain partners and brings suppliers up to speed on the implementation of the industry's leading chemical management system.

Supplier to Zero is connected to the ZDHC Gateway - the industry's database of chemicals to use. Advanced suppliers demonstrate their performance and leadership in the Levels 2 and 3 of the leader programme.





SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS



We are committed to ensuring the well-being of our employees and the workers throughout our supply chain.

Here is an overview of our key initiatives and achievements:

- + Implementation of the ZDHC Supplier to Zero programme in wet processing facilities.
- + Capacity-building programme in Tier 2 with a focus on health, safety and labour standards.
- + Initiatives to support the health and well-being of our employees.



We are committed to promoting diversity, equity, inclusion and equal opportunity for our employees and throughout our supply chain.

Here is an overview of our key initiatives and achievements:

- + Monitoring and reporting on diversity and equal opportunity data.
- + Worker Sentiment Survey to gather worker viewpoints across four categories, including the equal treatment of men and women in production sites enabling the identification of areas for improvement.
- + Partnership with CareerTrackers to support their mission to build Aboriginal and Torres Strait Islander representation across sectors of professional employment.
- + Establishment of the Diversity & Inclusion Group and provision of unconscious bias training to employees.
- + Gender equality training provided to suppliers.



We are committed to conserving natural resources, preventing waterway pollution, and supporting zero deforestation.

Here is an overview of our key initiatives and achievements:

- + Transition to recycled LDPE bags to protect garments in transit.
- + Textile-to-textile recycling in partnership with innovators and the use of recycled fibres in products or packaging.
- + Transition to FSC-certified retail packaging.
- + Adoption of the ZDHC MRSL to support suppliers in reducing their chemical footprint.
- + Commitment to developing a Biodiversity Strategy.
- + Philanthropic support to the Sydney Institute of Marine Science.
- + Progressive transition to recycled synthetic fibres.
- + Roll out of a Circular Design Training Programme for designers.



We are committed to reducing our Scope 1, 2 and 3 greenhouse gas emissions.

Here is an overview of our key initiatives and achievements:

- + Ongoing implementation of our GHG Emissions Policy and emissions reduction strategy.
- + Achievement of our Scope 1 and 2 (market-based) emissions reduction target.



We are committed to driving the implementation of best labour practices in our supply chain, supporting suppliers through training and capacity building, ensuring that our supply chain is a safe and respectful environment, and that our business partners are transparent, trustworthy and conduct their business ethically and with integrity.

Here is an overview of our key initiatives and achievements:

- + Ongoing implementation of our Ethical Capacity Building Programme in the supply chain.
- + Traceability targets to identify opportunities to support workers in all tiers of our supply chain.
- + Worker Sentiment Survey and grievance mechanism implementation in production sites.
- + Monitoring of working conditions in the supply chain.
- + Continued support to Better Cotton.



We are committed to adopting a collaborative approach to addressing sustainability challenges.

Here is an overview of our key initiatives and achievements:

- + Membership and participation in the UN Global Compact and The Fashion Pact activities.
- + Became a ZDHC Signatory Brand.
- + Partnered with the R Collective to recycle obsolete IP-sensitive textiles.
- + Worked with experts, members of the community and other stakeholders to deliver on our commitments.

APPENDIX

SOCIAL AND ENVIRONMENTAL COMPLIANCE AUDITS

Sites Audited in FY 2024

| | | <i>Tier 1 Garments</i> | <i>Tier 1 Accessories & Footwear</i> | <i>Tier 2 Fabrics & Trims</i> |
|--------|--|----------------------------|--|---|
| Audits | Total number of sites | 44 | 28 | 128 |
| | Sites audited in FY24 | 38 | 14 | 24 |
| | Sites audited in the past 2 years | 40 | 20 | 40 |
| | New sites in the reporting year | 2 | 3 | 36 |
| | % of new sites audited in the reporting year | 100% | 33% | 36% |
| | % of suppliers terminated as a result of the audit | 0% | 0% | 0% |

AUDIT-BASED RISK ASSESSMENT

| | |
|--|-----------------|
| Audit performance: Needs significant improvement ²⁵ | 17% |
| Audit performance: Needs improvement | 5% |
| Audit performance: Satisfactory | 27% |
| Audit performance: Good | 52% |
| Percentage of female workers | 61% |
| Percentage of foreign migrant workers | 0.02% |
| Transparency rate ²⁶ | 53% |
| Incidents relating to forced and child labour or abuse | None identified |
| Freedom of association and collective bargaining violations | None identified |

²⁵ These are sites identified as having non-transparent recordkeeping, either being unable or unwilling to provide the necessary documents to evaluate wages, benefits, and compliance with overtime limits. These sites will be enrolled in our Ethical Capacity Building Programme.

²⁶ Sites that have demonstrated transparent practices, including accurate recordkeeping. Due to varying transparency assessments by different audit frameworks, this indicator includes only audits arranged by ZIMMERMANN.

DIVERSITY & EQUAL OPPORTUNITY²⁷

Gender ratios of ZIMMERMANN’s global workforce

| | <i>Australia</i> | <i>China</i> | <i>Europe (including Saint Barthélemy, a French overseas country and territory)</i> | <i>UAE</i> | <i>UK</i> | <i>USA</i> |
|------------------|------------------|--------------|---|------------|-----------|------------|
| Female Employees | 91% | 86% | 80% | 90% | 92% | 84% |
| Male Employees | 9% | 14% | 20% | 10% | 8% | 16% |

Gender ratios of ZIMMERMANN’s highest governance body

| | <i>% Of female members</i> | <i>% Of male members</i> |
|-----------------------|----------------------------|--------------------------|
| Board of Directors | 67% | 33% |
| Shareholder Committee | 30% | 70% |

²⁷ Based on the workforce employed by ZIMMERMANN as of 30 June 2024 and calculated using data provided by the HR department. Due to reporting or system’s constraints, some gender diversity data is presented using binary categories of male and female. ZIMMERMANN respects that gender is non-binary and adopts a more inclusive identification in its voluntary global survey.

Gender ratios of ZIMMERMANN'S offices

| | FY 2024 | | FY 2023 | | FY 2022 | | FY 2021 | |
|---------------------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| | % Of female employees | % Of male employees | % Of female employees | % Of male employees | % Of female employees | % Of male employees | % Of female employees | % Of male employees |
| Upper Management ²⁸ | 57% | 43% | 67% | 33% | 60% | 40% | 67% | 33% |
| Middle Management ²⁹ | 91% | 9% | 86% | 14% | 82% | 18% | 93% | 7% |
| Lower Management ³⁰ | 89% | 11% | 93% | 7% | 96% | 4% | 96% | 4% |
| Other Functions ³¹ | 85% | 15% | 86% | 14% | 86% | 14% | 92% | 8% |

Gender ratios of ZIMMERMANN'S stores

| | FY 2024 | | FY 2023 | | FY 2022 | | FY 2021 | |
|--------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| | % Of female employees | % Of male employees | % Of female employees | % Of male employees | % Of female employees | % Of male employees | % Of female employees | % Of male employees |
| Managers | 96% | 4% | 97% | 3% | 91% | 9% | 98% | 2% |
| Assistant Managers | 90% | 10% | 85% | 15% | 91% | 9% | 100% | 0% |
| Back of House | 51% | 49% | 72% | 28% | 61% | 39% | 50% | 50% |
| Sales | 95% | 5% | 95% | 5% | 94% | 6% | 94% | 6% |

28 C-suite level

29 Directors and Heads of Departments

30 Managers

31 Coordinators, Assistants, Analysts and other functions

Percentage of employees by age range in ZIMMERMANN's offices

| | FY 2024 | | | FY 2023 | | |
|-------------------|--|---|---|--|---|---|
| | <i>% Of employees under 30 years old</i> | <i>% Of employees between 30 and 50 years old</i> | <i>% Of employees over 50 years old</i> | <i>% Of employees under 30 years old</i> | <i>% Of employees between 30 and 50 years old</i> | <i>% Of employees over 50 years old</i> |
| Upper Management | 0% | 43% | 57% | 0% | 50% | 50% |
| Middle Management | 0% | 91% | 9% | 3% | 86% | 11% |
| Lower Management | 11% | 78% | 11% | 16% | 76% | 8% |
| Other Functions | 55% | 37% | 8% | 52% | 40% | 8% |

Percentage of employees by age range in ZIMMERMANN's stores

| | FY 2024 | | | FY 2023 | | |
|--------------------|--|---|---|--|---|---|
| | <i>% Of employees under 30 years old</i> | <i>% Of employees between 30 and 50 years old</i> | <i>% Of employees over 50 years old</i> | <i>% Of employees under 30 years old</i> | <i>% Of employees between 30 and 50 years old</i> | <i>% Of employees over 50 years old</i> |
| Managers | 39% | 57% | 4% | 44% | 51% | 5% |
| Assistant Managers | 51% | 48% | 1% | 54% | 42% | 4% |
| Back of House | 44% | 54% | 2% | 69% | 30% | 1% |
| Sales | 62% | 35% | 3% | 69% | 29% | 2% |

DIVERSITY AND EQUAL OPPORTUNITY – SURVEY RESULTS

Our Diversity and Inclusion Survey is the tool we use to collect anonymous feedback from our global workforce³² regarding diversity and inclusion at ZIMMERMANN. We conduct this survey annually to review progress and opportunities for improvement. The tables on this page summarise the information we have collected since the survey launched in June 2020.

The latest survey was conducted in August 2024 and was completed by over 56% of the workforce.

When asked how diverse they perceived their teams to be, over 57% of the respondents provided a high rating (a rating between 8 and 10, where 1 is not diverse/inclusive at all and 10 is very diverse/inclusive). When asked how inclusive they perceived their teams to be, 70% of the employees provided a high rating.

³² Our corporate offices are located in Sydney (78% of employees), New York (10% of employees), and Paris (12% of employees). In terms of organisational function, 44% of our team is employed in Corporate/Office roles and 56% in Retail/Store roles.

³³ Gender diversity and Race/Ethnic diversity percentages are rounded to the nearest whole number and may not total 100%.

*Gender diversity*³³

| | August 2024 | July 2023 | August 2022 | May 2021 | June 2020 |
|-------------------|-------------|-----------|-------------|----------|-----------|
| Female | 85% | 87% | 87% | 94% | 94% |
| Male | 13% | 12% | 13% | 6% | 5% |
| Non-Binary/Other | 1% | <1% | <1% | <1% | <1% |
| Prefer Not to Say | 1% | <1% | <1% | 1% | 1% |

Race/Ethnic diversity

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|--------------------------------------|------|------|------|------|------|
| White | 57% | 58% | 66% | 66% | 66% |
| Asian or Pacific Islander | 14% | 14% | 16% | 17% | 15% |
| Multiple/Two or More Races | 6% | 7% | 5% | 8% | 9% |
| Hispanic or Latinx | 9% | 8% | 7% | 3% | 4% |
| Black or African American | 4% | 6% | 2% | 2% | 2% |
| Aboriginal or Torres Strait Islander | <1% | 0% | <1% | <1% | 0% |
| Other | 6% | 3% | 2% | 2% | 2% |
| Prefer Not To Say | 4% | 4% | 2% | 2% | 1% |

GHG EMISSIONS BOUNDARIES

The table below defines the boundaries of the GHG emissions inventory reported in the section ‘OUR COMMITMENT TO THE ENVIRONMENT’. We adopted the operational control approach as a consolidation approach and included in our calculation all applicable Scope 3 categories and all seven greenhouse gases as required by the GHG Protocol.

| <i>Scope</i> | <i>Category</i> | <i>Boundaries</i> |
|--------------|--|--|
| Scope 1 | Direct emissions from company buildings and vehicles | Emissions from stationary combustion in ZIMMERMANN's stores and offices using natural gas and emissions from mobile combustion of the fuel used for the only company-operated vehicle. |
| Scope 2 | Purchased electricity, heat and steam for own use | Emissions from the generation of purchased electricity that is consumed in all of ZIMMERMANN's stores and offices worldwide. |
| Scope 3 | Cat. 1. Purchased goods & services | Upstream (cradle-to-gate) emissions of purchased goods, including all product categories (garments, swimwear, footwear and accessories) and primary, secondary and tertiary packaging. It also includes the upstream emissions of the services we outsource. |
| | Cat. 2. Capital goods & services | Upstream emissions of purchased capital goods. |
| | Cat. 3. Fuel & energy related activities | Upstream emissions of purchased fuel and electricity. |
| | Cat. 4. Upstream transportation & distribution | Scope 1 and 2 emissions of transportation and distribution providers for transportation and storage of ZIMMERMANN's goods from product manufacturers to stores, retailers and e-commerce customers where ZIMMERMANN purchases the logistic service. |
| | Cat. 5. Waste generated in operations | The scope 1 and scope 2 emissions of waste management suppliers that occur during disposal or treatment of waste generated by ZIMMERMANN in all stores and offices worldwide. |
| | Cat. 6. Business travel | The scope 1 and scope 2 emissions of transportation carriers that occur during use of vehicles transporting ZIMMERMANN's employees for business-related activities. |
| | Cat. 7. Employee commuting | The scope 1 and scope 2 emissions of employees and transportation providers that occur during the use of vehicles when employees travel from their homes to the workplace. |
| | Cat. 9. Downstream transportation & distribution | The scope 1 and scope 2 emissions of transportation providers, distributors, and retailers that occur during use of vehicles and facilities for transportation of ZIMMERMANN's sold product, where ZIMMERMANN does not purchase the logistic service. It also includes the emissions of vehicles used by customers to reach ZIMMERMANN's stores. |
| | Cat. 11. Use of sold products | Indirect use-phase emissions of sold products during their expected lifetime from activities such as washing and dry cleaning. |
| | Cat. 12. End of life treatment of sold products | The scope 1 and scope 2 emissions of waste management companies that occur during the disposal or treatment of sold products. |

ASSURANCE STATEMENT

INDEPENDENT ASSURANCE STATEMENT

To the management and stakeholders of ZIMMERMANN Holdings Pty Ltd.

Scope

ELEVATE Hong Kong Holdings Limited (“ELEVATE”) was engaged by ZIMMERMANN Holdings Pty Ltd. (“ZIMMERMANN”) to provide third-party independent assurance of its Communication of Progress Report 2024 (the “Report”).

The assurance encompassed the entire Report for the reporting period 1st of July 2023 to 30th June 2024, unless otherwise stated. The assurance also covers the following GRI topic-specific disclosures and evaluated the Report’s adherence to the GRI-referenced claim:

| No. | Material Topic | GRI Topic-specific disclosures |
|-----|--------------------------|--|
| 1 | Greenhouse Gas Emissions | GRI 305: Emissions 2016 305-1 (a, d); 305-2 (a, d); 305-3 (a, d, e) |
| 2 | Diversity & Inclusion | GRI 405: Diversity and Equal Opportunity 2016 405-1 (a.i, b) |
| 3 | Responsible Sourcing | GRI 308: Supplier Environmental Assessment 2016 308-1;308-2 GRI 414: Supplier Social Assessment 2016 414-1; 414-2 |

Type of assurance and criteria

The assurance engagement was conducted in accordance with the requirements of a Type 2 assurance of the latest AA1000 Assurance Standard (AA1000AS v3 2020). A moderate level of assurance under AA1000AS was provided for this engagement. A moderate assurance is restricted to desktop review, management-level evidence gathering and data verification.

AA1000AS consists of evaluating the company’s sustainability framework and processes using the criteria of the AA1000 AccountAbility Principles (AA1000AS 2020), including inclusivity, materiality, responsiveness, and impact. Type 2 Assurance also requires an evaluation of the information reliability and quality of report.

ELEVATE also assessed the report against the reporting principles of the GRI Standards 2021 (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability). For disclosures involving calculations, ELEVATE references guidance from GRI topic-specific standards, GHG Protocol Corporate Accounting and Reporting Standard, Science-based Targets Initiative (SBTi) Criteria and Recommendations.

Assurance methodology

The assurance was carried out from July to September 2024. ELEVATE undertook the following activities as part of the assurance process:

- Identified key text and data claims in the report for detailed verification, and determined the corresponding verification method, evidence required and relevant data owners
- Conducted interviews with key functional managers and data owners within ZIMMERMANN, for the following purposes:
 - Enquired about the overall sustainability management, governance structure and directions within the company; and the management approach for key verification topics
 - Interviewed personnel responsible for contributing sustainability-related performance information on the data collection, consolidation, and review process for the Report
- For selected GRI topic specific disclosures listed above, we assessed the accuracy of data through the trend analysis with previous year data, inspection of supporting documents, data sampling and recalculations, as well as clarified discrepancies with data owners to substantiate reported figures and claims
- Provided recommendations for immediate correction where required or for future improvement to the Report content and clarity

Limitations

This moderate assurance engagement relies on a risk-based sample of sustainability data and the associated limitations that this process entails. This independent statement should not be relied upon to detect all errors, omissions, or misstatements that may exist within the Report.

ELEVATE did not verify the content of the Diversity and Inclusion Statement referenced in the Report as well as the Modern Slavery Statement, as it is not part of the assurance scope.

Conclusion

Based on a moderate assurance engagement according to the above-listed scope and criteria, nothing comes to our attention to suggest that the reported data and information disclosed in the Report do not give a fair representation of ZIMMERMANN's sustainability performance and that it is not prepared with reference to GRI Standards. Opinions with regards to the Report's adherence to the AA1000AS 2020, the reliability of its information and its quality are detailed below:

Inclusivity – *How the organisation engages with stakeholders and enables their participation in identifying material sustainability topics and developing an appropriate strategic response.*

ZIMMERMANN has identified corporate customers, retail customers, suppliers, multi-stakeholder initiatives, peer groups, social mission organizations, as key external stakeholder groups and engages with them through various channels. The interests of key stakeholders were reflected in its materiality assessment process. Suppliers were engaged through capacity building initiatives. Internal stakeholders such as employees were engaged through its sustainable procurement and capacity building programme as described in the Report.

Materiality – *How the organisation recognises and prioritises the most relevant sustainability topics based on the topic's effect to the organisation and its stakeholders.*

ZIMMERMANN conducted a materiality assessment in 2021, and this is reviewed annually. A long list of topics was derived by analysing topics covered through stakeholder engagements and desktop research that includes various global standards, reviewing disclosures by peer organisations, industry reports, governmental reports, reports by social mission organizations. Topics were then prioritized using defined criteria and evaluated on a materiality matrix against two dimensions – stakeholder expectations and importance to ZIMMERMANN (based on internal priorities, risks, and impacts). Material topics were then used to inform the development of ZIMMERMANN's sustainability strategy and initiatives.

Responsiveness – *How the organisation responds to material sustainability topics and stakeholder feedback through decisions, actions, performance, and communication.*

Targets, commitments, and initiatives were developed to respond to material issues identified and are detailed in the Report. There are established mechanisms to capture information from stakeholders and respond to their feedback, such as dialogue sessions with suppliers and email exchanges with retail customers. For example, ZIMMERMANN engaged workers in the supply chain through anonymous worker survey to identify potential ESG risks in the supply chain. The survey results were used to guide supplier engagement and monitoring activities.

Impact – *How the organisation monitors, measures and is accountable for the direct and indirect impacts it has on its broader ecosystems.*

The Report reflects ZIMMERMANN's effort in identifying the key direct and indirect impacts of its business activities through the materiality assessment. Management system to assess impact and monitor performance could be observed, which included key performance metrics and targets. For example, ZIMMERMANN's impact on climate change is monitored and managed through its emissions accounting, science-based target setting, and climate strategy. Material environmental and social impacts in the supply chain are assessed through environmental and social compliance audits with suppliers and worker surveys. Targets and commitments to reduce its impact across identified material topics are also indicated in the Report.

Quality of the Report content (evaluation of adherence to the GRI reporting principles)

Overall, the Report provides comprehensive, accurate, and clear coverage of ZIMMERMANN's environmental and social management approaches and performance for all its operations and locations. It also includes a notable amount of information on its supply chain. The content and topics of the Report are fairly consistent with its sustainability context and covers a comprehensive set of sustainability topics. This is ZIMMERMANN's fourth Communication of Progress Report. When appropriate, the report provides side-by-side comparison of current-year and past-year data to enable comparability.

The content of the Report is reasonably balanced, containing with some statements and numbers showing negative impacts of the company. Examples include findings from its worker surveys, as well as environmental and social non-compliances by suppliers. Based on the data sets and source documents assessed within the scope of the assurance, the Report content shows overall good levels of accuracy and reliability. Methodologies used generally followed credible international standards, such as GHG Protocol Corporate Accounting and Reporting Standard, and can be applied consistently for comparability of disclosures over time.

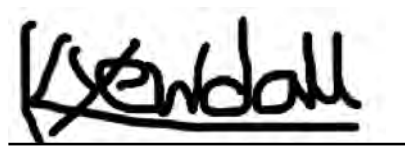
All other major recommendations by ELEVATE to improve the accuracy and clarity of Report disclosures were adopted by the reporting team.

Information Reliability

In terms of the reliability of information in the Report, ELEVATE clarified discrepancies with data owners, and data owners were able to demonstrate the origin and interpretation of the data in a reliable and traceable manner. We did not identify any unrectified material misstatement in the Report. The limited inconsistencies in the assessed data found during the assurance were also promptly corrected by the reporting team.

Independence and competencies

ELEVATE is a consulting company specializing in sustainability and supply chain services globally. The assurance engagement was carried out by an independent team of sustainability assurance professionals. This statement represents the independent opinion of ELEVATE, whose responsibility was to provide the assurance, to express conclusions according to the agreed scope, and to prepare the assurance report and statement for the management of ZIMMERMANN alone and for no other purpose. The activities of ELEVATE are independent of ZIMMERMANN and contain no financial interest in ZIMMERMANN's business operations.



Katie Yewdall
Director
On behalf of ELEVATE Global
Singapore, September 2024



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