

# Closed Sustainability Report 2024

**CLOSED**

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01

# Message from the board

Dear Readers,

In our 2024 Sustainability Report, we reflect on the challenges and progress made in our pursuit of a more sustainable and ethical business model. Despite global issues like geopolitical tensions, economic instability, and climate-related crises, we have maintained our commitment to ensuring that wages for workers in our supply chain are not affected, even as raw material prices and supply chains come under pressure. We have responsibly passed on rising costs to our customers, protecting the livelihoods of the workers who help bring our products to life.

In 2024, we strengthened our partnership with the Fair Wear Foundation to improve working conditions and fair wages across our supply chain. A comprehensive risk analysis allowed us to identify key challenges related to labor practices and worker safety, enabling us to implement targeted solutions. We introduced expanded training programs for workers in emerging markets and partnered with local NGOs to support community development and protect workers' rights.

Even in 2024, we have successfully continued the use of environmentally friendly materials and further reduced our carbon footprint through targeted measures. Our commitment to continuously advancing these positive developments remains unwavering in order to promote sustainable solutions across all areas.

Our commitment to responsible sourcing remains a core part of our Responsible Business Conduct policy and will continue to guide our efforts to make a meaningful impact on the textile industry, both in terms of environmental sustainability and social equity.

Looking ahead, we are more determined than ever to achieve our vision of a circular and inclusive fashion industry, where environmental protection and social justice are at the core of every decision we make.

Find more details on the following pages!

A handwritten signature in black ink, appearing to read 'Gordon Giers'.

Gordon Giers

A handwritten signature in black ink, appearing to read 'Til Nadler'.

Til Nadler

A handwritten signature in black ink, appearing to read 'Hans Redlefsen'.

Hans Redlefsen

*Almost 90% of our products  
are made in Europe.*



# Sustainability news at Closed in 2024

To get started, we share some of our latest sustainable achievements at a glance. Find more details in the respective chapters.

## More than 73% A BETTER BLUE

Compared to the previous year, we were able to further expand our eco-denim line A BETTER BLUE in our Spring/Summer and Autumn/Winter 2024 collections. The line stands out for its increased use of sustainable materials, environmentally friendly dyeing techniques, and gentle washing methods.

## More than 42% eco-friendly materials

### Regenerative cotton

In Autumn/Winter 2023, we introduced regenerative cotton in our collections for the first time. This cotton helps regenerate soils and promotes biodiversity. In our first season, 8% of the cotton we used was regenerative. In 2024, we have further expanded this approach and are increasingly using regenerative cotton to contribute to a more sustainable future.

### Organic & recycled wool

More than half of the wool we used in Autumn/Winter 2024 came from organic or recycled sources. This allowed us to reduce our environmental impact while conserving valuable resources.

### Sustainable cellulose fibers

We are increasingly focusing on sustainable cellulose fibers. To support this, we have entered into a licensing agreement with Lenzing to use their

eco-friendly products such as Lenzing Modal, Lenzing Viscose, Tencel, Lenzing Ecovero, and Vocol.

Recycled materials and vegetable-tanned leather In addition to the materials mentioned above, we are also using more recycled fibers such as linen, nylon, polyamide, polyester, and polyurethane. Furthermore, we use vegetable-tanned leather to reduce the environmental impact of leather production.

## Climate-neutral headquarters and warehouse

Since 2018, our headquarters and warehouse have been climate-neutral. We achieve this by offsetting CO<sub>2</sub> emissions through donations to environmental projects.

In 2024, we made a significant contribution to environmental protection through comprehensive measures and the consistent use of sustainable materials. Our commitment to sustainability has motivated us to not only achieve our goals but also continuously exceed them.

As part of our ongoing development, this year we have optimised external processes and set new internal standards to minimise our ecological



footprint. Enhanced collaboration between our development and design teams, within newly structured, interconnected workflows, has allowed us to achieve even more precise coordination and more efficient resource utilisation. This smart restructuring has helped us identify and address potential challenges early in the sampling phase, reducing waste and making the entire production process even more environmentally friendly.

In 2024, we not only achieved better results but also made our production more sustainable overall—fully aligned with our environmental goals.

## Fair working conditions and sustainability

Since 2021, we have been a member of the Fair Wear Foundation and continue to advocate for better working conditions in the garment

industry. Together, we are working to make fair fashion the norm and strengthen workers' rights.

In 2024, we expanded our risk analysis for suppliers and production countries to better identify potential risks and ensure fair working conditions throughout the supply chain.

# Made in Europe – and how we choose our partners

*Almost 90% of our products are made in Europe.*

Almost all our products are made in Europe, where we carefully select our suppliers to establish long-term relationships. Many of our partnerships have lasted for decades, and we make it a point to visit suppliers regularly, involving different teams from production, design, and management.

Our strategy emphasises sourcing primarily from Europe due to its proximity to our headquarters, which allows for shorter transport routes and regular visits. This is complemented by a focus on sourcing materials from Europe, where technological standards are high and regulations regarding water pollution and chemical use are stricter. We also maintain important partnerships with suppliers in China and Turkey, who are long-term collaborators in our production process.

Before working with a new supplier, we conduct a comprehensive risk analysis, with a special focus on labor conditions. We avoid working with low-wage countries or fast fashion manufacturers, as their practices do not align with our values or high-quality standards. Our goal is to create garments that stand in opposition to fast fashion—pieces designed to be worn for years, with a contemporary but timeless appeal.

Our suppliers are required to adhere to minimum wage standards, and we encourage progress towards living wages. In 2024, we updated our Responsible Sourcing Strategy, which is part of our Responsible Business Conduct policy. This policy reinforces our commitment to ensuring a safe and transparent supply chain—covering everything from raw materials to production, washing, and finishing processes. For us, it is essential that not only our own employees, but all workers across our supply chain, are treated with dignity and respect, and that all steps are carried out with environmental and ethical responsibility.



## *Where our collections were made in 2024:*

**34%** Italy (denim, shoes, leather belts)

**31%** Turkey (knitwear, sweatshirts, hoodies, leather and shearling garments)

**15%** Portugal (blouses, shirts, jersey tops, dresses, leather bags)

**10%** China (cashmere knitwear, silk tops, silk dresses, outerwear)

**8%** Romania (blazers, pants, jackets, coats)

**2%** Lithuania/Bulgaria (jackets)



04

## A BETTER BLUE

We developed our eco-denim line A BETTER BLUE in 2018 and are constantly working on improving it with more innovative materials and techniques. We are continuously transforming our conventional denim qualities and treatments and replacing them with environmentally friendly alternatives.

In 2024, 73% of our jeans are now sustainably produced according to our eco-friendly A BETTER BLUE standards.

We designed A BETTER BLUE with our Italian denim partners, the denim mill Candiani and the Everest laundry. Three pillars form A BETTER BLUE: sustainable materials, innovative ecological dyeing techniques and low-impact washing methods. A pair of Closed jeans only qualifies for A BETTER BLUE if it fulfils at least two of these three criteria. Details of the materials, dyeing and washing processes used for each individual pair of A BETTER BLUE jeans are printed on the inside of the pocket.

### Step 1: Sustainable materials

We work with the best weaving mills in the industry – and they use sustainable materials such as organic cotton and recycled elastane

to create our high-quality fabrics. One of our long-standing partners is the famous Italian company Candiani, located in Robecchetto near Milano. The headquarters is located in an environmental protection area – and Candiani is considered the “greenest weaving mill” in Europe. Together with Candiani, we introduced denim with post-consumer recycled cotton as well as many other eco-friendly innovations.

### Step 2: Sustainable dyeing methods

The yarn for our A BETTER BLUE jeans is dyed in a sustainable way – always blue or black. Our denim mills use various environmentally friendly innovations that save water and chemicals. Some of them are patented – such as the Kitotex® technology.

### Step 3: Sustainable washing methods

Along with our denim mills, our laundries are also significantly involved in the production of our A BETTER BLUE jeans. One example is Everest, an innovative company that has its own water treatment plant and is constantly developing new, environmentally friendly washing processes without chemicals – many of which even do without water completely, such as laser.

# Fair Wear Foundation and supply chain due diligence

Since 2021, we have been a member of the Fair Wear Foundation, which has greatly helped us improve transparency in our supply chain and formalise our commitment to fair working conditions. In 2024, we continued with third-party audits and training in our production countries. Additionally, we have developed a new risk management tool with Fair Wear to better assess our suppliers and the countries where we produce. This tool is based on existing and new audits, company profiles, personal visits, and country evaluations from recognised organisations. This enables us to create a solid foundation for continuously monitoring and improving social and environmental standards throughout our supply chain.

## *Audits and trainings*

### Turkey

Last year, we conducted our first Fair Wear audit in Turkey, as Turkish suppliers are responsible for more than a quarter of our products. The audit, attended by our CSR and production teams, allowed for an open dialogue with local management on issues such as wages and social conditions. The audit findings were addressed, and improvements were implemented. In the following months, additional audits were conducted to review progress and implement further improvements. Furthermore, training sessions were provided to raise awareness of fair working conditions and support the implementation of the recommended measures. In 2024, we continue to rely on regular audits and training to consistently improve working conditions.

### China

In China, we continue to monitor and track the results of our audits to enhance all areas of operation. Recently in 2024, we received new audit reports for two additional production sites, which are crucial for our risk analysis. We are also addressing all the findings and working diligently to make continuous improvements.

More details can be found in our Social Report.

## *Fair Wear Code of Labour Practices*

The basis of the collaboration between Fair Wear and a member brand is the Code of Labour Practices. Eight labour standards derived from the ILO Conventions and the UN's Declaration on Human Rights are the core of this code:

1. Freely chosen employment
2. Freedom of association and the right to collective bargaining
3. No discrimination in employment
4. No exploitation of child labour
5. Payment of a living wage
6. Reasonable hours of work
7. Safe and healthy working conditions
8. Legally binding employment relationships

We are committed to implementing these eight standards in our supply chain. Our Fair Wear Foundation membership is key to achieving this. Together with Fair Wear, we set up a process to monitor and improve working standards at the factories that make our products.

Closed is also preparing for the German Supply Chain Due Diligence Act ("Lieferkettensorgfaltspflichtengesetz"), which officially came into effect in January 2023. This federal law guides the economic actions of companies based in Germany by imposing human rights due diligence obligations on them that they must comply with within their supply chains. Companies above a certain size (2023: more than 3,000 employees; 2024: more than 1,000 employees) must observe the human rights and environmental due diligence obligations set out in the law with the aim of preventing, minimising and ending human rights violations and environmental risks. Closed is not yet under obligation to comply with this law. However, it is our aim to already start putting structures into place.





# Materials

We define eco-friendly materials as those made from at least 50% sustainable sources. This includes materials like organic cotton, regenerative cotton, organic cashmere, mulesing-free merino wool, alpaca, mohair, and cellulose fibers. For each material, we request precise details of its composition and relevant certifications. By prioritizing organic and recycled materials, we minimize our environmental impact—organic cultivation uses fewer chemicals, water, and energy, while recycled materials reduce emissions and conserve resources that would otherwise go into producing virgin materials.

## *Spring/Summer 2024 eco-material highlights*

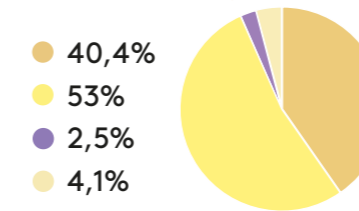
- 21% of the lyocell we used was sustainably produced by the Austrian company Lenzing (TENCEL™ and TENCEL™ REFIBRA™).
- 11% of the elastane we used was either degradable (Roica™ 550 – 9%) or recycled (2%).
- 42% of the polyamide and 14% of the polyester we used were of recycled origin.

## *Autumn/Winter 2024 eco-material highlights*

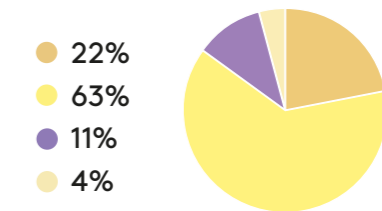
- Regenerative cotton was introduced.
- 37% of the lyocell we used was sustainably produced by the Austrian company Lenzing (TENCEL™ and TENCEL™ REFIBRA™).
- 29% of the cashmere we used was organic cashmere.
- 3% of the wool we used was recycled wool; 10% was organic wool.

● Organic cotton  
● Recycled cotton  
● Conventional cotton  
● Regenerative cotton

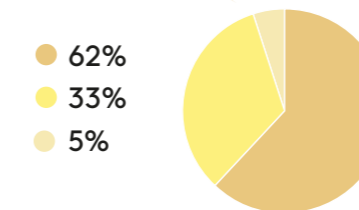
### *S/S 24*



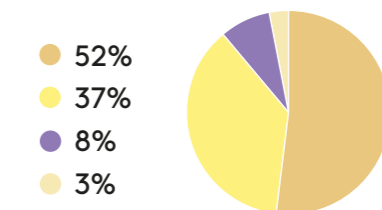
### *A/W 24*



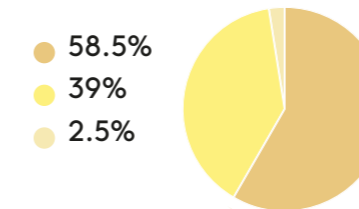
### *S/S 23*



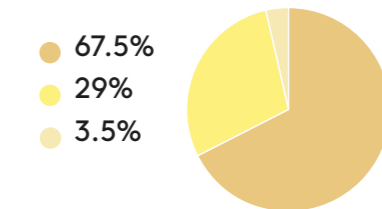
### *A/W 23*



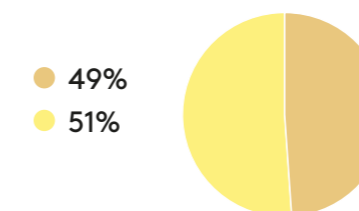
### *S/S 22*



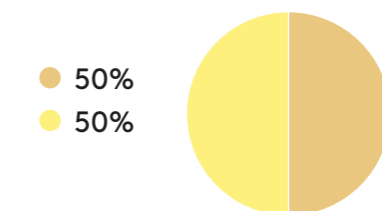
### *A/W 22*



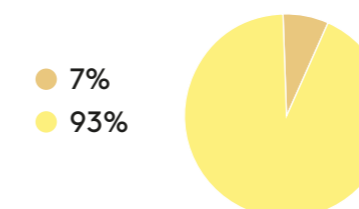
### *S/S 21*



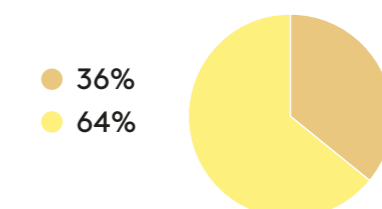
### *A/W 21*



### *S/S 20*



### *A/W 20*





## *Material standards*

We demand certifications with stringent environmental requirements for all materials to verify their origin, including Global Organic Textile Standard (GOTS), Organic Content Standard (OCS), Global Recycled Standard (GRS) and the Lenzing certification number. Declarations such as REACH or ZDHC are required for all chemicals in use (e.g., for dyestuffs or wash treatments).

### **Wool (all types)**

We only accept mulesing-free wool (certified), always with a declaration of purchase, including the origin of the raw material, as well as animal welfare regulations for all other animal-derived wool types.

### **Cellulose fibres**

We always require information about the origin of the fibres. We preferably use the sustainable cellulose materials by the Austrian company Lenzing such as Tencel™ (lyocell) or Ecovero™ (viscose). All Lenzing materials come with a certification number stating the origin of the fibres.

### **Cotton**

We preferably source organic and regenerative cotton, always with the respective certificate. Due to concerns over systemic risks of forced labour or other forms of labour exploitation, we do not source cotton from Uzbekistan, Turkmenistan and the Xinjiang region of China.



## *Eco-friendly materials in the spotlight*

### **Regenerative cotton**

As part of our commitment to more sustainable denim production, we adopted the use of regenerative cotton in 2023. Sourcing cotton while following regenerative practices can rehabilitate our soils and improve local biodiversity. Taking a holistic approach to farming improves environmental conditions. Regenerative cotton increases carbon sequestration of soils – a crucial step when it comes to fighting the climate crisis. Cotton farmers and their communities can also benefit from regenerative practices, as improved crop performance and crop diversity usually increase their revenue streams.

### **ROICA™ V550**

Our sustainable journey also incorporates advanced materials like ROICA™ V550, a biodegradable yarn from Asahi Kasei. This innovative stretch fibre dissolves into CO2 and water, leaving no harmful residues behind. Certified under ISO-14855-1 conditions and awarded the Cradle to Cradle Gold certification for material health, ROICA™ V550 represents the next generation of elastane fibres. It redefines comfort and sustainability, ensuring high-quality performance with minimal environmental impact.

### **Linen**

Linen is made from flax plant fibres. The flax plant requires very little maintenance: it can grow in poor soil and needs no artificial irrigation (rain is sufficient) and almost no artificial fertilisers or pesticides. Most of the global flax production is in Europe – for example, in

France and Belgium. This results in relatively short transport routes to our fabric producers, who are mainly located in Italy. Linen has a lot of other benefits: as a natural fabric, it is completely biodegradable (when dyed naturally). It is heat-regulating, anti-bacterial, exceptionally durable and long-lasting, and becomes softer and more beautiful with time.

### **Hemp**

Hemp, a regenerative crop, usually grows without pesticides and needs around 80 per cent less water than cotton. Hemp grows fast, and its cultivation, frequently in the EU, requires a small amount of land – it can produce up to double the fibre yield per hectare than cotton. Just like linen, hemp fabric is very robust, temperature-regulating and biodegradable.

### **Organic and sustainable cashmere**

Certified organic cashmere means that it is farmed in line with the strict criteria for organic farming: without any harmful chemicals and concerned with protecting animals, farmers and natural resources. Furthermore, all farms and yarn producers from which we source our cashmere and cashmere blend yarns are certified with an independent standard for sustainable cashmere. It covers all aspects of cashmere production, aiming to improve the welfare of cashmere goats and the living conditions of farmers and farming communities and also advocating for greater environmental friendliness.

### **PCR cotton**

Post-consumer recycled cotton (PCR cotton) is made of cotton garments that have reached the end of their lifespan. Using old clothes to make new ones saves precious resources – allowing us to move towards a circular economy. We can decrease garment waste, and fewer resources are necessary to produce new materials. For these reasons, our Italian denim mill Candiani has a PCR programme aimed at reviving discarded clothes to give them a second life. Candiani partners with Humana Italia, an independent humanitarian organisation that collects clothes which are no longer worn and gives them a second life, generating environmental and social benefits. The clothing is cleaned thoroughly, and all buttons, zips and labels are removed, as they cannot be turned into new fabric. The Italian company Filatura Astro, an expert for regenerated yarns, shreds the pre-processed garments and spins the remnants into yarns. Candiani utilises these yarns together with “fresh” cotton to weave new denim – which is used for some of our A BETTER BLUE jeans.

### **Organic cotton**

Compared to conventional cotton, the cultivation of organic cotton requires about 80 per cent less water and about 60 per cent less energy. Organic cotton is produced and certified according to the guidelines and standards of organic farming: neither genetically modified seeds nor toxic chemicals, pesticides or insecticides are used. Avoiding these chemicals protects our groundwater and biodiversity. In

addition, mixed crops and crop rotation ensure the build-up of soil organic matter and prevent soil erosion.

### **TENCEL™**

TENCEL™ brand lyocell fibres by the Austrian company Lenzing are produced from sustainably sourced natural raw material wood in an environmentally conscious manufacturing process. TENCEL™ fibres are of natural origin, which means they are biodegradable and compostable – they can be completely returned to nature.

### **TENCEL™ REFIBRA™**

The innovative REFIBRA™ technology by the Austrian company Lenzing involves upcycling a significant proportion of cotton fabric scraps, for instance from garment production, which is blended with pulp. The raw material is processed into new TENCEL™ lyocell fibres to produce garments. TENCEL™ fibres are of natural origin, which means they are biodegradable and compostable – they can be completely returned to nature.

# Environmental impact

Our headquarters and warehouse have been climate-neutral through carbon offsetting since 2018. It is our goal to constantly reduce our emissions and offset the emissions we cannot yet avoid. In the coming years, we will gradually concentrate on further eco-friendly measures and CO2 compensation to progress towards a completely climate-neutral supply chain.

## *We are saving emissions by:*

- Producing close to our main markets in Europe and sourcing local materials to keep transport routes short.
- Using more organic and recycled materials in our collections to conserve resources.
- Increasing the volume of A BETTER BLUE products to limit water, electricity and chemical consumption.
- Travelling for business by rail instead of air if possible, encouraging our employees to cycle or use public transport instead of driving by financially supporting them when they use more sustainable means of transportation.

The annual carbon emissions for 2024 for our headquarters and warehouse (210 employees) were around 653 tonnes. Compared to other companies of our size in our industry, our emission value per employee is in the low range.

## *Vishnuprayag hydroelectric project, India (653 certificates)*

The Vishnuprayag hydroelectric project is located in Lambagar village in the Chamoli district of Uttarakhand, India. It is a 400 MW run-of-the-river project developed by Jaiprakash power ventures. Run-of-the-river systems apply pressure on a turbine using the force of the river's current. The greater the water flow and the higher the head difference, the more electricity a hydropower plant can produce.

The electricity produced from the Vishnuprayag hydroelectric project is sold to the regional power grid. Because the project produces energy that is clean and renewable, the anthropogenic greenhouse gases are reduced compared to the pollution that would have been caused by energy production with fossil fuels. The total greenhouse gas emission reductions per year are estimated at 1,468,106 t CO<sub>2</sub>e.



## Charity and utilisation of unsold products



No disposal of unsold goods – we would never throw away or destroy unsold Closed items. Products unsold by the end of the season are marked down for our sale periods. Remaining items have an additional chance to sell in our outlets. The next step after the outlets is our twice-yearly factory sale. After this, unsold items have been donated to a Chilean charity organisation for many years. The clothes are sold in Chile, and the total proceeds support a music school for children in need.

We look forward to connecting on all channels from Instagram to Pinterest!

[instagram.com/closedofficial](https://www.instagram.com/closedofficial)

[tiktok.com/closed.official](https://www.tiktok.com/closed.official)

[pinterest.com/closedofficial](https://www.pinterest.com/closedofficial)

[youtube.com/closedofficial](https://www.youtube.com/closedofficial)

[facebook.com/closed](https://www.facebook.com/closed)



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