WELCOME TO
THE GANNI
RESPONSIBILITY
REPORT 2019
MESSAGE FROM OUR FOUNDER
“LET ME START OFF BY SAYING, WE DON’T IDENTIFY AS A SUSTAINABLE BRAND, WE NEVER HAVE, AND WE DON’T KNOW IF FASHION CONSUMPTION CAN EVER BE SUSTAINABLE BUT WE GO TO WORK EVERYDAY AND TRY TO DO BETTER.”
“WE ARE NOW A 5 PERSON STRONG CSR & RESPONSIBILITY TEAM, WITH AN EMPLOYEE DEDICATED SOLELY TO SUPPLY CHAIN TRACEABILITY. THE ELEPHANT IN THE ROOM ARE THE CHALLENGES WE FACE. THE TOPIC IS STILL SUPER SENSITIVE AND THERE ARE NO CLEAR ANSWERS.

FOR EXAMPLE, AT THE BEGINNING OF THE YEAR WE THOUGHT BIODEGRADABLE CARRIER BAGS FROM CORN STARCH WERE THE ANSWER, BUT LATER FOUND OUT THAT THERE ISN’T THE RECYCLING INFRASTRUCTURE TO HANDLE SUCH MATERIALS. OR THAT VEGAN LEATHER ALTERNATIVES ARE MOSTLY PU, A TYPE OF PLASTIC WHICH IS NOT A Viable SOLUTION MEANING WE NEED TO INVEST IN BIO-BASED ALTERNATIVES THAT ARE OFTEN A BYPRODUCT OR WASTE FROM THE FOOD INDUSTRY INSTEAD. WE ARE RELIANT ON CHANGE ON A SYSTEMIC LEVEL, AS WELL AS RESEARCH AND DEVELOPMENT OF MATERIALS, RECYCLING INFRASTRUCTURE AND METHODOLOGY TO ACCURATELY MEASURE SUSTAINABILITY IMPACT AND PROGRESS.
WE’RE WORKING TOWARDS OUR END GOAL, TO CREATE AN IMPACT NEUTRAL OR EVEN A POSITIVE COLLECTION WITH OUR GANNI DESIGN DNA THAT DOES MORE GOOD THAN HARM.

OVER THE NEXT 3+ YEARS, OUR GAME PLAN IS TO FOCUS ON 44 CLEAR, TANGIBLE AND MEASURABLE GOALS AROUND OUR FOCUS AREAS TO ENSURE EVERY EMPLOYEE AND AREA OF GANNI IS INVESTED IN OUR RESPONSIBILITY EFFORTS. YOU CAN READ MORE DETAILS ON THESE IN THIS REPORT. WE CAN’T BE COMPLACENT AND AS THEY SAY, THE TIME TO ACT IS NOW.”

NICOLAJ REFFSTRUP, FOUNDER, GANNI
2019 : FAST FORWARD TO THE FACTS
HERE’S OUR TOP 5 TAKEAWAYS OF WHAT WE MANAGED TO DO BETTER IN 2019.
1. SWITCHING TO CERTIFIED FABRICS IN 2019:

WE HAVE FOCUSED ON THREE KEY FABRICS: COTTON, VISCOSE AND POLYESTER AND MANAGED TO INCREASE THE SHARE OF CERTIFIED FABRICS BY 50% IN JUST TWO SEASONS WHEN LOOKING AT OUR TOTAL VOLUME PRODUCED.
2. CIRCULARITY:

IN 2019 WE LAUNCHED GANNI REPEAT, A RENTAL PLATFORM AND OUR CLOTHING TAKE-BACK SCHEME IN STORES IN PARTNERSHIP WITH I:CO TO MAKE SURE OUR GARMENTS HAVE THE MOST ENVIRONMENTALLY FRIENDLY AFTERLIFE.
3. PLASTIC WASTE:

2019 marked the first year we officially reported our plastic production and usage. We publicly shared our progress in reducing our plastic consumption and committed to eliminate and if not, innovate and design 100% of our plastic packaging to be reusable, recyclable or compostable.
4. 2019, A YEAR OF COMMITMENTS:

WE BECAME A MEMBER OF THE SUSTAINABLE APPAREL COALITION AND JOINED A UN FASHION CHARTER FOR CLIMATE ACTION TO SHARE KNOWLEDGE AND COLLABORATE WITH OTHER COMPANIES ON INDUSTRY-WIDE SOLUTIONS TO FASHION’S BIGGEST CHALLENGES, SUCH AS RISING GHG EMISSIONS.
5. SUPPLY CHAIN TRACEABILITY:

WAS A HUGE FOCUS FOR US IN 2019. WE LAUNCHED A TRACEABILITY WORKING GROUP WITH THE AIM OF 100% TRACEABILITY IN STAGES 1, 2 AND 3 OF OUR SUPPLY CHAIN.
2019 : A YEAR IN REVIEW
SELECT FROM THE SECTIONS BELOW OR SCROLL THROUGH FOR A DEEP DIVE OF WHAT WE ACHIEVED AND GEEK OUT ON THE STATS.
PLANET
PEOPLE
PRODUCT
PROSPERITY
PLANET
“THE FASHION INDUSTRY IS A WELL-KNOWN MAJOR PLAYER IN EXTRACTING THE PLANET’S RESOURCES AND RELIES ON 98 MILLION TONNES OF NON-RENEWABLE RESOURCES PER YEAR.”

ELLEN MACARTHUR FOUNDATION (2017). A NEW TEXTILES ECONOMY: REDESIGNING FASHION’S FUTURE.
OUR PLANET IS UNDER AN INSANE AMOUNT OF PRESSURE. PEOPLE CONTINUE TO EXTRACT AND CONSUME MUCH MORE RESOURCES THAN EARTH CAN REGENERATE.

IF THE FASHION INDUSTRY CONTINUES ON THIS CURRENT PATH, BY 2050, TEXTILE PRODUCTION WOULD USE MORE THAN 25% OF THE CARBON BUDGET FOR THE GLOBAL AVERAGE TEMPERATURE TO STAY BELOW 2°C.

THE FASHION INDUSTRY PRESENTS OVERWHELMING AMOUNTS OF WASTE ISSUES TOO. IN A BUSINESS-AS-USUAL SCENARIO, MORE THAN 150 MILLION TONNES OF CLOTHING WOULD BE LANDFILLED OR BURNED BY 2050. HUMANITY AND THE PLANET CAN’T ENDURE THIS AMOUNT OF WASTE AND POLLUTION.

WE TAKE THE VIEW THAT IT’S OUR MORAL OBLIGATION TO UNDERSTAND THE IMPACT GANNI HAS ON THE ENVIRONMENT AND WORK TOWARDS MINIMISING HARM WITH REAL-TIME SOLUTIONS. WE’RE THE FIRST TO ADMIT THAT SO MUCH MORE NEEDS TO BE DONE TO MINIMISE OUR IMPACT. OUR GOALS OVER THE NEXT 2-3 YEARS ARE PARAMOUNT, AND SETTING OURSELVES DEADLINES TO MEET THEM ASAP IN LINE WITH UNFCCC.
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<td>Waste</td>
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In 2019, GANNI signed the UN Fashion Charter for Climate Action and committed to 30% reduction of CO2 per kg of clothing by 2023. We are active participants in the Charter’s Raw Material Working Group, which is developing a roadmap for reducing the GHG emissions related to raw material extraction and processing, the most carbon-intensive part of the fashion value chain.

We’ve been mapping our full value chain CO2 footprint since 2016, and carbon compensate by supporting UN approved social projects that promote clean energy. To date we have supported the implementation of 6,000 cookstoves across Nepal and Ghana.
THE TOTAL ESTIMATED CARBON FOOTPRINT FROM OUR 2019 COLLECTIONS: 8,643 TCO2E

Production of the fabric is by far the largest contributor to the clothing collection’s carbon footprint, and therefore the choice of fabric is of great importance to the overall level of carbon emissions.

- **Fabric Production**: 80.4%
- **Import of Clothes**: 6.4%
- **Packaging**: 1.9%
- **Distribution**: 1.5%
- **Administration**: 2.5%
- **Use Phase**: 7.3%

*Use phase is the wearing and washing of the garment, taking into consideration both the energy consumption from a washing machine and energy for heating water (in the case of hand washing delicate fabrics such as silk and wool).*
Comparing 2018 and 2019 Co2 data, our total emissions have increased as a result of higher production volumes in 2019 and CEMAsys using more up to date Life Cycle Assessment data. The new CEMAsys data shows Silk having a much higher emission factor than before. Historically, Silk hasn’t been a priority for us but in light of this new data, it’s a fabric we need to look into.

The biggest share of our CO2 footprint still derives from the raw materials used in our production now at 80.4% and our Co2 reduction goals are based on Co2 emissions per kg of clothing produced, not the total emission factors. With the updated data from CEMAsys it will help shape our focuses for 2020 onwards.
TOTAL GHG EMISSIONS FROM 2019 FABRIC PRODUCTION

- Synthetic (Polyester, Polyamide): 32%
- Silk: 2%
- Cellulose (Viscose, Rayon): 21%
- Leather: 14%
- Metal, Rubber, Wood Elements: 1%
- Wool: 7%
- Cotton: 23%
- Wool: 7%
- Silk: 2%
- Cellulose (Viscose, Rayon): 21%
- Synthetic (Polyester, Polyamide): 32%
CO2
GAMEPLAN GOALS

1. We’ve made our 30% reduction in CO2 emissions per kg of clothing goal shorter. Reaching the goal by 2023, 7 years ahead of the UNFCCC commitment we signed in 2019.

2. We commit to not working with suppliers that use coal generated heat or energy by 2025 in line with UNFCCC commitment.

3. We’re switching to renewable energy in all owned and operated stores globally by 2021.

4. We are tracking the air miles per full time employee in 2020, with an ambition to set reduction targets from 2021.
PLASTIC
2019 ACHIEVEMENTS

1.

In 2019, we signed the New Plastics Economy Global Commitment and reported on our plastic production and usage for the first time, you can read it here. We work to eliminate plastic we don’t need; Innovate so all plastics we do need are designed to be reused, recycled or composted; and circulate everything we use to keep it in the economy and out of the environment.

We’re proud to share we are progressing ahead of targets, and expect to meet the goals 4 years earlier by 2021.
**PLASTIC PRODUCTION & USAGE**

TOTAL % SHARE OF PLASTIC

- **Recyclable Polybags**: 53%
- **Recycled Ecomm Shipping Bag**: 7%
- **Other (Mixed Plastic Packaging)**: 17%
- **Plastic Hangers from Wholesale Partners**: 7%
- **Biodegradable Retail Carrier Bags**: 16%

*Other - mixed plastic packaging include: polly pockets, tape, bubble wrap, spare button plastic bag packaging, production samples packaging, poly strap, handtag string, cellophane cardboard protection, staff order packaging, small wholesale order packaging*
In line with the commitment, we have removed 6 types of problematic or unnecessary plastic packaging for the business that account for 3.38% of all our plastics.

3.

We have switched our e-commerce shipping bag to a post-consumer recycled & recyclable plastic bags, and our retail carrier bags to biodegradable and compostable. Together the packaging accounts for 24% share of all GANNI plastic packaging.

4.

We introduced reusable packaging solution Re-Pack to European customers on GANNI.COM. Over a 6 month trial period 21% of EU online orders were shipped in a Re-pack, saving 2,178 TCO2 of emissions and eliminating 363 kg of paper and plastic waste.
PLASTIC GAMEPLAN GOALS

1. Eliminate all unnecessary plastic packaging by 2023, 2 years ahead of the NPEC Commitment targets.

2. Find suitable solutions for our biggest plastic contributor - the plastic polybag by 2023. Through our innovation project, the GANNI Lab, we will trial a reusable polybag this year.

3. Take action to move from single-use plastics towards re-use models where relevant by 2020.

4. 100% of our plastic packaging that is already reusable and recyclable will not change. We are aware that it’s impossible to verify if the GANNI plastic packaging is recycled in practice at the end of its life. It is a massive issue for all industries involved in plastic production and usage. So we’re committed to searching for the most relevant data on the market and collaborating on research through the NPEC Commitment.
In 2019, GANNI has continued to actively work with a variety of upcycling projects, mainly through GANNI KIOSK, our pop-up concept created alongside Copenhagen Fashion Week.

Before unsold stock is sent to SOEX there will be multiple activities to upcycle deadstock* into new collections where possible.

Since 2018, we’ve partnered with SOEX in Germany to re-sell any unsold GANNI stock into markets where GANNI is not traded. We formed the partnership to ensure our deadstock* is handled in the most environmentally-friendly way possible. SOEX gives clothes a new life via reselling as a first port of call. If unsuccessful in re-sell, the products are recycled into new fibres to create products like microfibre cloths. SOEX is working on solutions to recycle materials into new fibres that can go back into the fashion loop, promoting a more circular economy. In 2019, GANNI shipped just shy of 2,000kg to SOEX.
THE 2019 DOUBLE LOVE GANNI KIOSK HAS IN TOTAL FEATURED 355 UPCYCLED GARMENTS AND ACCESSORIES. IN ADDITION, KIOSK FEATURED 200 RUGS MADE FROM UPCYCLED DEADSTOCK FABRICS.
WASTE GAMEPLAN GOALS

1. We want to get our production volumes closer to demand, so we avoid overproducing. Together with our internal Business Intelligence teams we will look at technological solutions to support this ambition from 2021 collections.

2. We commit to upcycle 100% of cotton deadstock* into furniture or interiors by 2022.

3. Investment in fibre to fibre recycling technology is crucial to shift the needle and develop more circular fabric alternatives. That is why we pledge to launch two fibre to fibre recycling trials using our deadstock* by 2021.

4. Implement 4 design concepts per year to utilise deadstock* and/or pre consumer fabric through different platforms.
DEADSTOCK is defined as stock that has been through all sales channels, and no longer has commercial value.
“CLOSING THE LOOP IN FASHION REQUIRES COLLABORATION, RESPONSIBILITY AND CREATIVITY. WE ARE HAPPY TO PARTNER WITH GANNI AND WORK ON CIRCULAR SOLUTIONS ALONG THEIR WHOLE VALUE CHAIN - FROM THEIR PRE-CONSUMER DEADSTOCK PRODUCTS TO THEIR POST-CONSUMER CLOTHING WASTE. THIS IS A HOLISTIC APPROACH TO TAKE ON PRODUCT RESPONSIBILITY WHILE EXPLORING NEW CIRCULAR CONCEPTS, WHICH HAS A POSITIVE IMPACT ON THE ENVIRONMENT AND A STRONG MESSAGE TO THEIR CUSTOMERS.”

LYDIA SCHMIDT, HEAD OF CIRCULARITY, I:COLLECT
PEOPLE
#GANNIGIRLS IS NOT ONE UNIFORM PERSONA OR GENDER – THEY’RE ALL THE PEOPLE WE KNOW WHO INSPIRE US WITH THEIR KICKASS ENERGY – AND IT’S PLURAL FOR A REASON – EVERYONE IS WELCOME.
WE HAVE A MORAL OBLIGATION TO USE OUR PLATFORM TO ADVOCATE FOR WOMEN’S RIGHTS. OVER THE PAST 10 YEARS, WE’VE TAKEN A START-UP MENTALITY TO GROWING OUR BUSINESS. OUR FAST AND FLEXIBLE TECH APPROACH HAS MEANT WE’VE SOMETIMES BEEN GUILTY OF MAKING STATEMENTS BEFORE FULLY EMBODYING THEM FIRST.

In 2019, we started having these conversations and our focus for 2020 is to address, define and implement our diversity, inclusion and gender equality policies. We want to set the bar high to lead by example so we can demand better from everyone we partner with.

A key focus is how our policies translate further down our supply chain. Right now we work with long, complex supply chains that are known to be extremely opaque. So our first step for social responsibility is full visibility of the supply chains we are directly and indirectly involved in.
“IT’S FRUSTRATING AND SOMETIMES EVEN SCARY THAT WE DO NOT CONTROL OUR SUPPLY CHAIN IN ITS ENTIRETY BUT IT DOESN’T MEAN WE’RE NOT MOTIVATED NOR DETERMINED TO CHANGE THINGS FOR THE BETTER.”

NICOLAJ REFFSTRUP, FOUNDER, GANNI
WITH OUR TRACEABILITY COMMITMENT WE ARE LOOKING AT 3 STAGES OF VISIBILITY IN OUR SUPPLY CHAIN:

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<th>STAGE</th>
<th>Process Details</th>
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<tbody>
<tr>
<td>STAGE 1</td>
<td>GARMENT MANUFACTURING: STITCHING, ASSEMBLY &amp; KNITTING UNITS</td>
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<tr>
<td>STAGE 2</td>
<td>HANDLING UNITS, DRYERS, PRINTERS, LAUNDRY, TANNERIES</td>
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<tr>
<td>STAGE 3</td>
<td>FABRIC MILLS &amp; YARN MILLS</td>
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1. In 2019, we started a Responsibility Ambassadors programme in our offices in London, Copenhagen and New York. Thanks to the Ambassadors we’ve rolled out 10+ initiatives in our offices, like introducing Re-Pack reusable packaging for all staff orders in Copenhagen. Our New York team volunteered at the Elizabeth Street Garden in SoHo, and all teams participated in the Global Climate Strikes across London, New York and Copenhagen.

2. In 2019, we donated 100% of proceeds from t-shirts sold at our pop-up GANNI Kiosk and at GANNI.com during Copenhagen Fashion Week 2019 to Conservation International. The amount donated equaled 196,610 DKK.
1. We will define our position on diversity and inclusion by first, assessing the current status of GANNI and secondly, solidifying this with a policy in 2020 with measurable KPIs.

2. Following the launch of our diversity and inclusion policy, implementation is imperative, alongside internal work on policies and procedures, we will launch 3 initiatives to raise awareness of diversity and inclusion issues faced.

3. We commit to reviewing the development and success of these initiatives and will create an ongoing plan for 2021-2023.

4. We will continue to strengthen our Responsibility Ambassador Programme so that employees take more time together to support causes internally and in our local communities. Increasing the engagement is important so we can continue to drive positive change in our internal culture and create a sense of responsibility and empowerment among our employees.
In 2019, we worked with one of our suppliers in Portugal and donated 8 rolls of GOTS certified organic fabric to ‘She for She’ an NGO based in Uganda, whose mission is to provide period products for women and young girls who face period poverty. She For She employs Ugandan women, ensures training, pays a living wage and offers access to hygienic sanitary products at an affordable price to girls and contributes to helping them stay in the workplace and school. In 2020, we will continue to support the She for She project.
“WORKING WITH GIRLS, PROVIDING THEM A PRODUCT THAT CAN CHANGE THEIR LIFE, IS THE BIGGEST GIFT THE WORLD COULD GIVE ME…”

MARY CONSOLATA NAMAGAMBE, FOUNDER OF SHE FOR SHE
1. We will define our Gender Equality policy in 2020 by assessing our current status & benchmark on the Fashion Industry. We will conduct an evaluation on unconscious biases, review of women in senior leadership positions & internal people policies.

2. Following the launch of our diversity and inclusion policy, implementation is imperative, alongside internal work on policies and procedures, we commit to a minimum of 3 initiatives a year either internally or externally to our community to raise awareness of issues preventing gender equality.
ACCOUNTABILITY
2019 ACHIEVEMENTS

1. In 2019, we set up a Traceability working group and hired a part-time employee dedicated to facilitate and accelerate our supply chain traceability in line with our 100% supply chain traceability goal on Stages 1, 2 and 3 by 2021.

2. In October 2019, we visited 3 of our key suppliers in China. During the visit we wanted to understand their point of view on Social and Labour policies, third-party certifications that address social issues and their personal opinion on how we should engage on social responsibility with suppliers in the garment industry. The trip showed us that to truly embed positive change we need to work together and have clear concrete goals and on-the-ground solutions.

3. Garment manufacturers and suppliers often receive Codes of Conducts from brands they work with. One of the outcomes of speaking more with our suppliers around social responsibility showed that a lot of brands send similar Codes of Conduct that are often vague and super text heavy. As a result, we have now simplified our Code of Conduct highlighting our key messages and all Stage 1 suppliers (Agents, Manufacturers) have signed.
ACCOUNTABILITY
GAMEPLAN GOALS

1. Supply chain traceability to GANNI means we are able to trace and know the origin of products through our value chain and map the connections between all actors in the chain. By 2021, we aim to have 100% supply chain traceability on: stage 1 (garment manufacturing: stitching, assembly & knitting units), stage 2 (handling units: dyers, printers, laundry, tanneries) and stage 3 (fabric mills & yarn mills).

2. In 2020 we will look at the GANNI position on people policies and from 2021 will activate and engage our suppliers. With our suppliers we will define and embed a Social Responsibility Strategy within supply chain.

3. We are building relationships with NGO’s, Academia, Government and Policy makers to better understand their perspectives and priorities on sustainability to align this with our priorities.
PRODUCT
“1% OF GARMENETS ARE RECYCLED INTO NEW MATERIALS AND OVER 70% OF GARMENTS END UP LANDFILL OR ARE INCINERATED.”
WE ARE COMMITTED TO TAKE ACTION TOWARDS CREATING CIRCULAR PRODUCTS IN LINE WITH THE GLOBAL FASHION AGENDA CIRCULARITY COMMITMENT 2020. WE’RE MOVING AWAY FROM THE ‘TAKE - MAKE - DISPOSE’ LINEAR MODEL OF PRODUCTION AND CONSUMPTION. THAT MEANS FOCUSING ON THE DESIGN STAGE OF OUR PRODUCTS, SWITCHING OUR FABRICS AND MATERIALS TO SAFE, RESPONSIBLE ALTERNATIVES; INVESTING IN TEXTILE RECYCLING TRIALS AND RETHINKING OUR BUSINESS MODEL WITH INNOVATIVE SOLUTIONS, SUCH AS RENTALS, RESELL, AND TAKE-BACK SCHEMES.
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DESIGN GAMEPLAN GOALS

MATERIAL 2019 ACHIEVEMENTS

MATERIAL GAMEPLAN GOALS

CIRCULARITY GAMEPLAN

CIRCULARITY 2019 ACHIEVEMENTS
In line with the GFA Circularity Commitment, we have started to work on implementing circular design principles into design briefs. We recognize the importance of properly equipping our employees with the right information and tools for Circular design. So, in 2019 GANNI partnered with Circular.Fashion, to roll out a Circular Design workshop for our design, sourcing and technical teams taking place in 2020.
DESIGN
GAMEPLAN GOALS

1. Following our Circularity Commitment with Global Fashion Agenda we pledge to train all employees in our design, technical and production teams on circular design principles in 2020.

2. On top of educating our employees on circular design, we aim to implement the circularity principles into design briefs and reach 20% of styles designed with circularity principles by 2022.

3. Usually, during the design and production process we create a lot of samples before we have the finished product. To put a stop to this, we’re currently implementing innovative digital solutions including a 3D Design Tool by 2022 to reduce the number of samples we produce.
In 2019, we have made a decision to accelerate the transition to more responsible, certified fabrics in our collection. By focusing on the 3 key fabrics in our collection: cotton, viscose and polyester, which accounted for 56% of our collections, we’ve been able to dramatically increase the volume of garments with a sustainable element*

Our collections are designed at least six months in advance, so a lot of the work we did in switching to more responsible materials in 2019, will be reflected in our 2020 collections.

*Sustainable element is defined as at least 50% of the main material composition certified.
PRODUCT SUSTAINABILITY % SHARE
OF TOTAL ORDER VOLUME

PRE-SPRING 20
4%

SPRING SUMMER 20
36%

PRE-FALL 20
50%
We have created a **GANNI Fabric Score**, an internal sourcing guideline for our teams and introduced the following certified fabrics into our collections:

<table>
<thead>
<tr>
<th>Fabric Type</th>
<th>Description</th>
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<tr>
<td><strong>GOTS Organic Cotton</strong></td>
<td>Organic cotton certified by the Global Organic Textile Standard has proven a lower environmental impact, reducing water usage, greenhouse gas emissions, restricts the amount of chemicals used and ensures the workers rights are protected throughout the supply chain.</td>
</tr>
<tr>
<td><strong>GRS Certified Recycled Polyester</strong></td>
<td>Using recycled polyester reduces dependence on petroleum as a raw material and can divert plastic from ending in landfills. The Global Recycled Standard certification ensures a restricted use of chemicals and residues throughout the whole production process and ensures high social standards.</td>
</tr>
<tr>
<td><strong>GRS Certified Recycled Cotton</strong></td>
<td>Using recycled cotton significantly lowers the environmental impact of the fabric, especially decreasing the water usage throughout the production process compared to virgin cotton. The Global Recycled Standard certification ensures a restricted use of chemicals and residues throughout the whole production process and ensures high social standards.</td>
</tr>
<tr>
<td><strong>LENZING™ TENCEL™</strong></td>
<td>Lenzing™ Tencel™ fibers are derived from responsible wood and pulp, from certified and controlled wood sources with a closed loop production process, which recycles water and reuses over 99% of the solvent.</td>
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<tr>
<td><strong>LENZING™ ECOVERO™</strong></td>
<td>Lenzing™ EcoVero™ fibers are derived from responsible wood and pulp, from certified and controlled wood sources with a manufacturing that generates up to 50% lower emissions and water impact compared to generic viscose.</td>
</tr>
<tr>
<td><strong>RECYCLED WOOL</strong></td>
<td>Using recycled wool reduces waste, air and soil pollution and generates over 50% lower CO2 emissions compared to virgin wool.</td>
</tr>
<tr>
<td><strong>RECYCLED RUBBER</strong></td>
<td>Recycled rubber is repurposed from pre-consumer rubber waste, such as cut off's and scraps from facilities production, that would otherwise be waste and go to landfill or be incinerated.</td>
</tr>
<tr>
<td><strong>RECYCLED LEATHER</strong></td>
<td>Recycled leather is repurposed from pre-consumer recycled leather, generated during the manufacturing process and is mostly made out of off-cut and wastage from leather items production.</td>
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Our focus area in the past year has been material innovation to try and crack embedding more innovative fabrics into our collections.

To help us find pioneering fabrics and materials on the market we have launched a Fabrics of the Future initiative, where our Responsibility and Sourcing teams can explore new research and developments and drive forward possible innovations and try and scale them commercially.

The Responsibility team is always presenting the more weird and wonderful innovations like a parasite Funghi that has the potential to behave like Leather, and the Sourcing team play a crucial role in bringing them down to earth on what’s realistic.
IN 2019, WE INTRODUCED:

7 MORE RESPONSIBLE FABRIC TYPES INCLUDING RECYCLED LEATHER, RECYCLED WOOL AND LENZING ECOVERO.

WE ALSO STARTED WORK WITH 2 SOLUTION PROVIDERS WHO SPECIALISE IN CREATING INNOVATIVE MATERIALS MADE OF WASTE GENERATED FROM THE FOOD INDUSTRY. IT’S UNDER WRAPS FOR NOW BUT HOPEFULLY WE CAN SHOW YOU SOON!
From our annual CO2 reporting, we know that approximately 79% of the emissions from an average GANNI clothing comes from producing the actual fabric. Particularly virgin leather production is an extremely high CO2 emitter. Therefore we pledge to phase out virgin leather from our collections and gradually eliminate all virgin leather in our ready to wear collections by 2021, and accessories by 2023.

Cemasys. (2019). GANNI Carbon Footprint: 2018 Collection. Leather is a material made from the skin of an animal by tanning or a similar process. Virgin means it has not been previously used or consumed. For GANNI, purchasing virgin leather increases the demand for animal breeding, which has a high environmental impact due to greenhouse gas emissions from animal husbandry and deforestation to clear land for raising cattle.

100% of the Cotton, Viscose and Polyester we use must be from the most sustainable solution* available by 2023.

The most sustainable solutions for cotton, viscose and polyester available on the market are constantly evolving. New sustainable and innovative developments are being introduced continuously. Thus, we do not specify which alternatives will be the most relevant in a few years. Instead we are having our finger on a pulse and closely follow the developments with a goal to the solutions with the least environmental impact across all our collections.

We commit to source 100% of wool in our collections that is Responsible Wool Standard Certified, organic certified by the Global Organic Textile Standard or recycled wool certified by the Global Recycled Standard by 2021.

We commit to actively continue the Fabrics of the Future initiative across production, responsibility and design teams in 2020.
We have partnered with I:CO, a global solutions provider and innovator for collection, reuse and recycling of used clothing and shoes, to introduce our take-back scheme in-store at 3 of our retail locations in Denmark and the UK, with plans to expand the take-back scheme to 6 more stores in 2020.

Once sorted, 60% of garments and textiles are resold, 35% is open-loop recycled into building and car insulation. The remaining textile waste with no resell or recycling value is burned and transformed into energy.

Any money generated from the reselling of garments as part of the take-back scheme is directly invested into a innovation project that I:CO is working on, which supports the development of garment to garment recycling.
In 2019, we launched our rental platform GANNI REPEAT, our next step in helping extend the life cycle and longevity of our clothes. GANNI REPEAT aim is to help rethink and change consumer behaviour, working to ultimately reduce production excess. We wanted to offer a new business model that was not for profit to drive circular production and consumption.

The sharing economy has many sustainability benefits, however we recognize some environmental concerns still need to be addressed, from the shipping and packaging to the dry cleaning of the rented garments. Right now, we’re working with a research body to assess the environmental impact of the rental and find suitable solutions to reduce it.
CIRCULARITY
GAMEPLAN GOALS

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<tbody>
<tr>
<td>1.</td>
<td>We plan to roll out our take-back scheme to 6 more GANNI stores in 2020.</td>
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<tr>
<td>2.</td>
<td>We are in the process of rolling out our rental platform GANNI REPEAT to our EU, UK and US community in 2020.</td>
</tr>
<tr>
<td>3.</td>
<td>In line with the Circularity Commitment we aim to implement a resell trial by 2023.</td>
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<tr>
<td>4.</td>
<td>In 2020, we will launch a new garment care guide integrated on GANNI.com to inform our customers on how to handle our garments correctly and help increase their lifespan.</td>
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PROSPERITY
“YOU HAVE TO SPEND MONEY IN THIS AREA AND WE’RE WILLING TO - AT THE MOMENT, WE ARE SPENDING 0.8% OF TOTAL SALES ON RESPONSIBILITY INITIATIVES. BUT WE WANT TO KNOW THE INDUSTRY BENCHMARK - IS IT A LOT? IS IT NOT GOOD ENOUGH? DOES ANYONE KNOW? WE NEED TO BE A LOT MORE QUANTITATIVE IN OUR APPROACH IN ORDER TO BE TRANSPARENT AND DRIVE THE CHANGE WE NEED SO BADLY.”
PROSPERITY IS AN EXTREMELY IMPORTANT ASPECT OF OUR WORK, WE CAN’T SHY AWAY FROM THE FACT THAT IN ORDER TO MAKE MORE RESPONSIBLE DECISIONS AND ELEVATE GANNI, THE FASHION INDUSTRY AS A WHOLE NEEDS FINANCIAL INVESTMENT.

WE HAVE CREATED 3 FOCUS AREAS UNDER PROSPERITY; VALUE, COMMIT AND INVEST - AND EACH OF THESE TOPICS HAVE CONCRETE GOALS TO ENSURE THAT WE USE OUR FINANCIAL PROSPERITY TO INVEST IN A MORE RESPONSIBLE FASHION INDUSTRY TO MAKE SURE WE PUT OUR RESOURCES TOWARDS THE RIGHT SOLUTIONS.
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INVEST GAMEPLAN GOALS
In late 2019, we realised that we need to start measuring and evaluating the impact of changing various aspects of our business to work in a more responsible way. This was from a financial perspective but also in how our GANNI community perceives these changes. Our responsibility journey is not seamless, we will come up against challenges, hurdles and maybe not always make the best decisions even though we have the best intentions.

We have 3 goals for 2020 that will help us better understand the importance of more responsible business and how much our community wants to hear about the journey.
VALUE
GAMEPLAN GOALS

1. We commit to measuring the impact of GANNI decisions on workers, customers, suppliers, community, and the environment by 2021 and will be looking to have this validated/audited by a third-party.

2. Our goal is to understand if our GANNI community perceives our commitment to a more responsible business as a positive and how much they want to hear about our progress, even when it’s not perfect. We’ve undertaken in-depth customer surveys in 3 of our key markets and promise to continue.

3. We will report on the percentage of revenue generated from our more responsible products to better understand the impact of using more responsible materials.
GANNI joined the Sustainable Apparel Coalition (SAC) in January 2019. We started to use the Higg Index, a suite of tools that enables us to transparently share supply chain information with our suppliers and other brands.

We will continue being a member of the Sustainable Apparel Coalition and collaborate with other stakeholders in the industry towards a more sustainable and transparent fashion industry.
WE HAVE ONBOARDED 43% OF OUR STAGE 1 (MANUFACTURING) SUPPLIERS ON THE HIGG INDEX AND 27% HAVE SHARED THEIR ENVIRONMENTAL PERFORMANCE WITH US.
COMMITMENT
GAMEPLAN GOALS

1. GANNI continues to support three focal SDGs: 12 Responsible Production & Consumption, 5 Gender Equality and 13 Climate Action. We implement the SDGs direction into our Gameplan Framework and strategic goals for the next few years.

2. We will continue being a member of the Sustainable Apparel Coalition and collaborate with other stakeholders in the industry towards a more sustainable and transparent fashion industry.

3. We will take 5 learnings from our GANNI Lab project with the UN and Deloitte and incorporate them into our core business.

4. In order to advance our responsibility strategy and initiatives, we will set up a Responsibility Advisory Board in 2020. The external board aims to serve as a platform to share knowledge and create a dialogue with diverse industry experts and thought leaders.
INVEST
2019 ACHIEVEMENTS

1.
Invest looks to address the fact that we as an SME are extremely reliant on technological advances, innovations and sometimes larger brands to pave the way. One challenge we have noticed is that there are some really cool material innovations on the market but these are often start-ups that need financial backing to scale up.

2.
In 2019, we decided that our financial prosperity could put us in a position to help these companies a little. Invest is about looking at our annual spend on Responsibility initiatives and investing in some innovation projects that support a more responsible industry.
INVEST GAMEPLAN GOALS

1. We commit to continue publicly reporting the percentage of our annual net profit spent on responsibility and want to encourage other brands to do the same, so we can have an industry benchmark.

2. We commit to investing in a minimum of 3 innovative projects a year that support sustainable development in the fashion industry either financially, supporting testing and piloting or donated product.
WHAT’S NEXT?
“THE GOALPOSTS MOVE CONSTANTLY. WHAT’S GOOD FOR THE PLANET ONE MINUTE, IS HARMFUL 3 OR 6 MONTHS LATER IN THE LIGHT OF NEW RESEARCH. IT’S EXTREMELY DIFFICULT TO HAVE A POSITIVE IMPACT IN ONE PLACE AND NOT CREATE SOME LEVEL OF HARM IN ANOTHER BUT WE’RE DOING OUR BEST.”

LAUREN BARTLEY, HEAD OF CSR & RESPONSIBILITY
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