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PRODUCT

DESIGN MATERIALS CIRCULAR BUSINESS MODELS

PROSPERITY

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CONCLUSION

LOOKING TO THE FUTURE



IT'S BEEN GREAT TO SEE OUR WORK SINCE 2013 MATERIALISING IN LINE WITH **OUR 44 RESPONSIBILITY GAMEPLAN** GOALS, BUT IT DOESN'T END THERE — BECOMING THE MOST RESPONSIBLE VERSION OF OURSELVES IS A CONTINUOUS JOURNEY.

2021 turned out to be another year with many COVID-19 challenges, which also meant another year of navigating new variants and lockdowns. The fashion industry was affected in a number of ways from supply chain disruptions to securing the wellbeing of our global employee base - all while delivering on some very ambitious plans.

We also witnessed COP26 from the sidelines which, from GANNI's perspective, was extremely disappointing as it proved to us that we cannot rely on politicians or governments to save us. We must take action and by using GANNI as a vehicle for change we believe we can demonstrate the impact a fashion brand is capable of making: By reducing our carbon footprint, adopting circular business models and taking a strong stance on supply chain accountability we can inspire change on a bigger scale.

If we want to successfully tackle the major ecological issues we are facing, we have to work even closer together and include even more people in our work. Community is our most powerful tool and I could not be prouder to see our responsibility-focused Instagram community @ganni.lab grow.

We are pleased to announce that we have achieved 30 of our 44 Gameplan goals, leaving only 14 to tackle. This means that we will reach our total Gameplan goals in 2022 instead of 2023, a year earlier than planned. With that knowledge in mind, we undertook an extensive task in the summer of 2021 carving out our 2025 Responsibility strategy, which we are excited to share with you over the course of 2022.



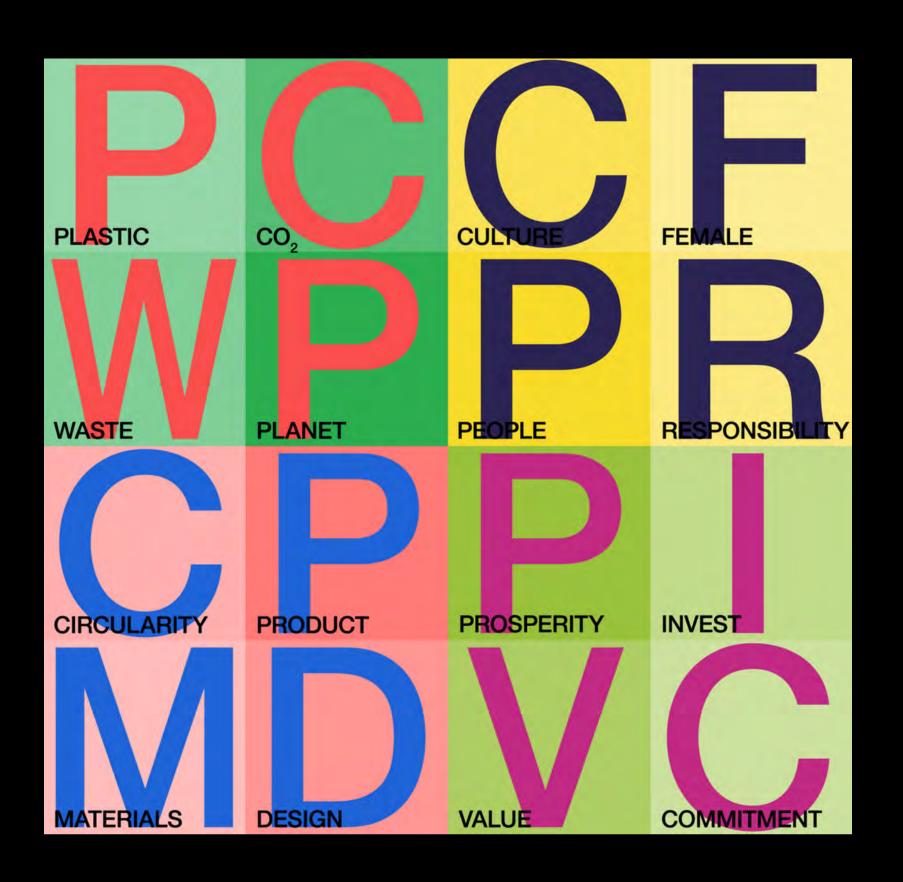
In 2021, we used even more responsible materials with 92% of our Spring Summer 2022 collection styles being certified organic, lower-impact or recycled. We also saw some major advances with our Fabrics of the Future initiative, our in-house lab where we trial new and exciting fabric innovations: We made shoes out of grapes, we confirmed that we will be using INFINNA™, a breakthrough regenerated fibre from textile waste plus we are aiming to launch five Fabrics of the Future per year from 2022 onwards.

With the ambition of further integrating a responsible-mindset into all areas of the company, we have introduced 'bridge' roles: A person who does not sit directly within the Responsibility team but centres their work around responsibility. They will be experts within their own field but will also be applying a responsibility-perspective on their work. An example of this, which I'm personally really excited about, is our Responsible Business Models Manager, a full-time employee fully dedicated to circular business models.

It is incredible to see the work we have been doing since 2013 realised in our 44 Responsibility Gameplan goals but it does not end there: Becoming the most responsible version of ourselves is an on-going journey that we are excited to continue.

- NICOLAJ REFFSTRUP, FOUNDER





THE GAMEPLAN

In 2019 we launched our Responsibility Gameplan which was put in place to kick-start our ambitions of becoming the most responsible version of ourselves. The Gameplan comprises 44 goals to be reached by 2023 and takes a holistic approach to responsibility, covering the entire business, with the aim of bringing GANNI to a level of industry best-practise across multiple areas. In 2020, we achieved a total of 15 out of the 44 goals and 30 by the end of 2021. This means that the Gameplan will be met one year earlier than expected and as a result we have reassessed our strategy. In order for us to make a profound impact and continue to be the most responsible version of ourselves, we need to dive much deeper into the work and really do the hard stuff! Moving forward, we will be hyper focused on climate action, circularity and supply chain accountability.

MILESTONES

JANUARY

89% of GANNI's supply chain (Stage 1-4) traced

MARCH

- Circular Design training Part 2 with <u>circular.fashion</u>
- Published Stage 1 supplier map on the @openapparelregistry



FEBRUARY

- 75% of Spring Summer 2021 styles are certified organic, lower-impact or recycled.
- Rolled out Re-pack our reusable packaging service to the US

APRIL

- Participated in Fashion Revolution Week's 'Who made my clothes?' campaign
- Collaborated with Ahluwalia using deadstock fabric and leftover styles from 2020 production that didn't sell during the lockdown due to store closures.

MAY

 71% of Pre Fall 2021 styles are certified organic, lower-impact or recycled



JUNE

Submitted B Corp application

JULY

 20% reduction in plastic usage as reported in our annual Plastics Report



AUGUST

- 100% of GANNI's Stage 1-4 supply chain traced
- 73% of Fall Winter 2021 styles are certified organic, lower-impact or recycled.
- Collaborated with Vestiaire Collective on new:
 Old + New = Now!' campaign, championing second-hand clothes

GANNI INTRODUCTION GANNI INTRODU

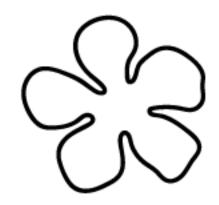
SEPTEMBER

- Joined Ellen MacArthur Jeans Redesign initiative with 25% of denim meeting the criteria
- Launched RE-CUT, a new capsule collection made of reworked and repurposed materials from unused fabric rolls and unsold clothing

NOVEMBER

NEW CARBON TARGET SET: 50% ABSOLUTE GHG REDUCTION BY 2027

- 78% of Pre Spring 2021 styles are certified organic, lower-impact or recycled
- Pre Spring 2021 will be the last collection with virgin leather in Ready to Wear
- Partnered with Provenance to show <u>GANNI.com</u> shoppers the impact of our products
- Signed contract with Infinited Fiber to use their breakthrough regenerated fibre Infinna™
- Launched free <u>tailoring services</u> in partnership with the UK's first clothing alterations and repairs app @sojo_app



OCTOBER

- Made shoes out of grapes and announced a partnership with VEGEA™
- 15k followers on @GANNI.Lab IG



- Announced partnership with Mylo™, a mycelium based alternative to animal leather and spoke to the Business of Fashion about our strategy of phasing out virgin leather by 2023
- Awarded the 'PETA Progress Award' for our pledge to stop the use of virgin animal leather by 2023



WE HAVE MORE WOMEN IN LEADERSHIP POSITIONS THAN EVER BEFORE. 74% OF OUR MANAGEMENT TEAM IDENTIFY AS FEMALE.





GOAL 1: DEFINE GANNI'S DIVERSITY AND INCLUSION ACTION PLAN, AND LAUNCH IN 2020.

STATUS: 100%

We shared our 10 point action plan in last year's Responsibility Report, see here for the details. As with everything we do regarding responsibility, it is an ever-evolving process.



GOAL 2: LAUNCH X 3 (INTERNAL OR EXTERNAL)
INITIATIVES RELATED TO DIVERSITY AND INCLUSION
BY 2021.

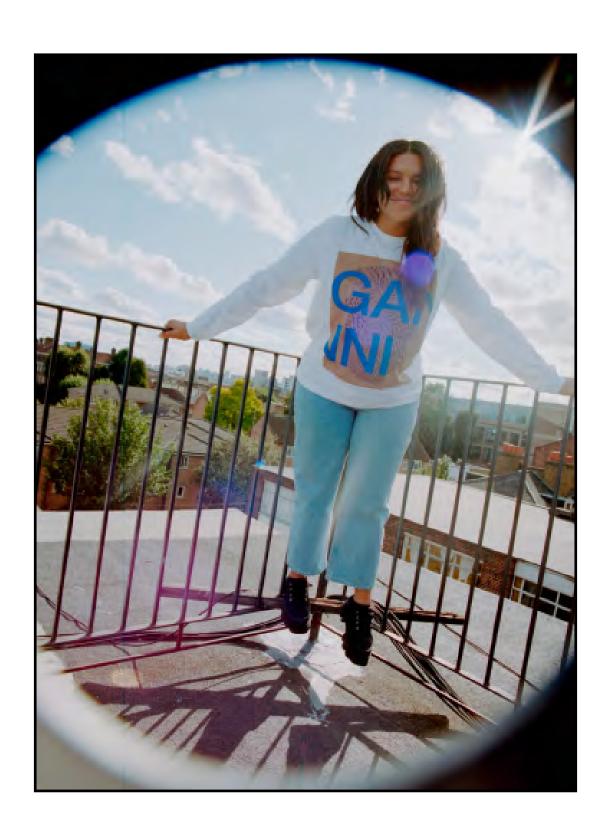
STATUS: 100%

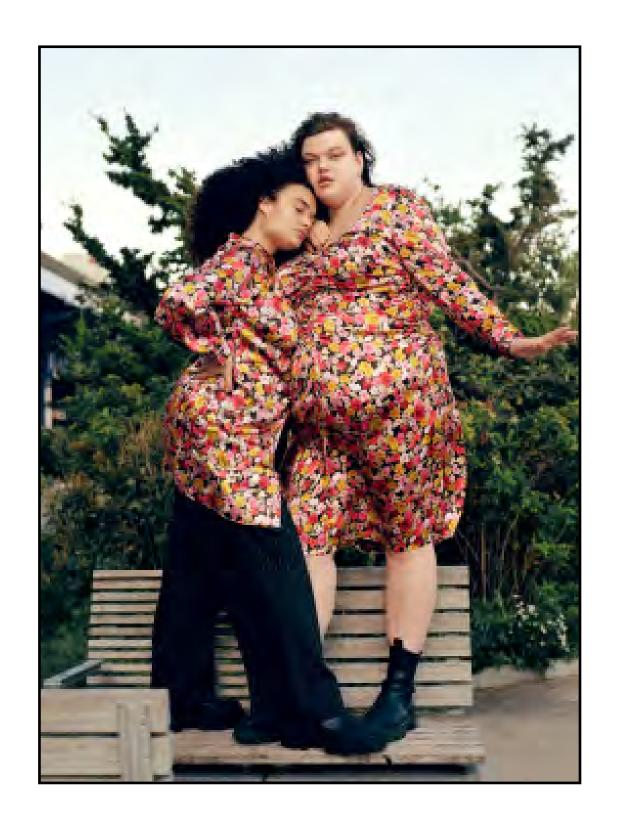
We also launched several inclusivity campaigns and strategies; we've continued to work with more BIPOC creatives through our Black Creatives Initiative, donated to the #StopAsianHate campaign, made T-shirts with profits going exclusively to Black Britain Matters and committed to offering more inclusive sizing.

In 2021, we partnered with size-inclusive e-tailer 11 Honoré to embark on the journey of extending our sizes. The first collection LOVE DROP launched in October 2021 and consisted of 10 responsibly-made styles in sizes 0-22 US (32-52 EU).

Moving forward into 2022 we aim to have 35% of all RTW products offered in size 32-52 and on select shoe styles up to 40% of options available up to size 44.









GOAL 3: EDUCATE AND EMBED RESPONSIBILITY INTO COMPANY THROUGH A PATCHWORK OF INITIATIVES.

STATUS: 100%

It is our ambition to integrate a responsibility-mindset throughout the entire GANNI business deeply enough so that we ultimately can discontinue extending our Responsibility team.

In 2021, we took bold measures and introduced the concept of 'Bridge Roles' to spread Responsibility roles out into departments outside of the Responsibility team.

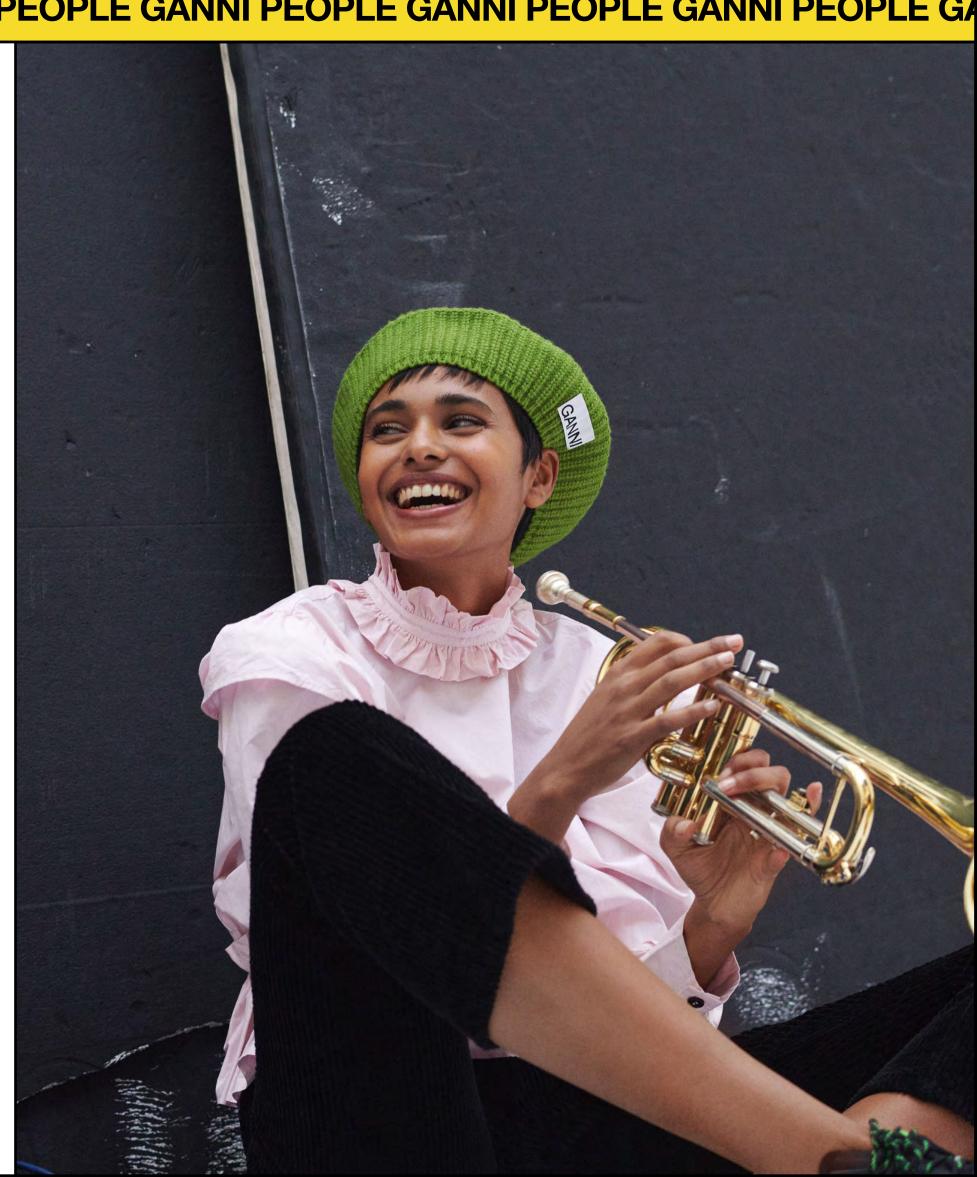
BRIDGE ROLES

What is a bridge role?

A Bridge role at GANNI a person who does not sit within the Responsibility team but centres their work centres around responsibility. They are experts within their own field but will also be applying a responsibility-perspective on their work. In 2021 we created three Bridge Roles:

Innovation and Sourcing Manager

Spending 50% of their time working with GANNI's suppliers sourcing our awesome fabrics and now 50% of time running our Fabrics of the Future initiative, our materials innovation lab, connecting with solution providers and innovators and trying to scale future fabrics into GANNI Collections.



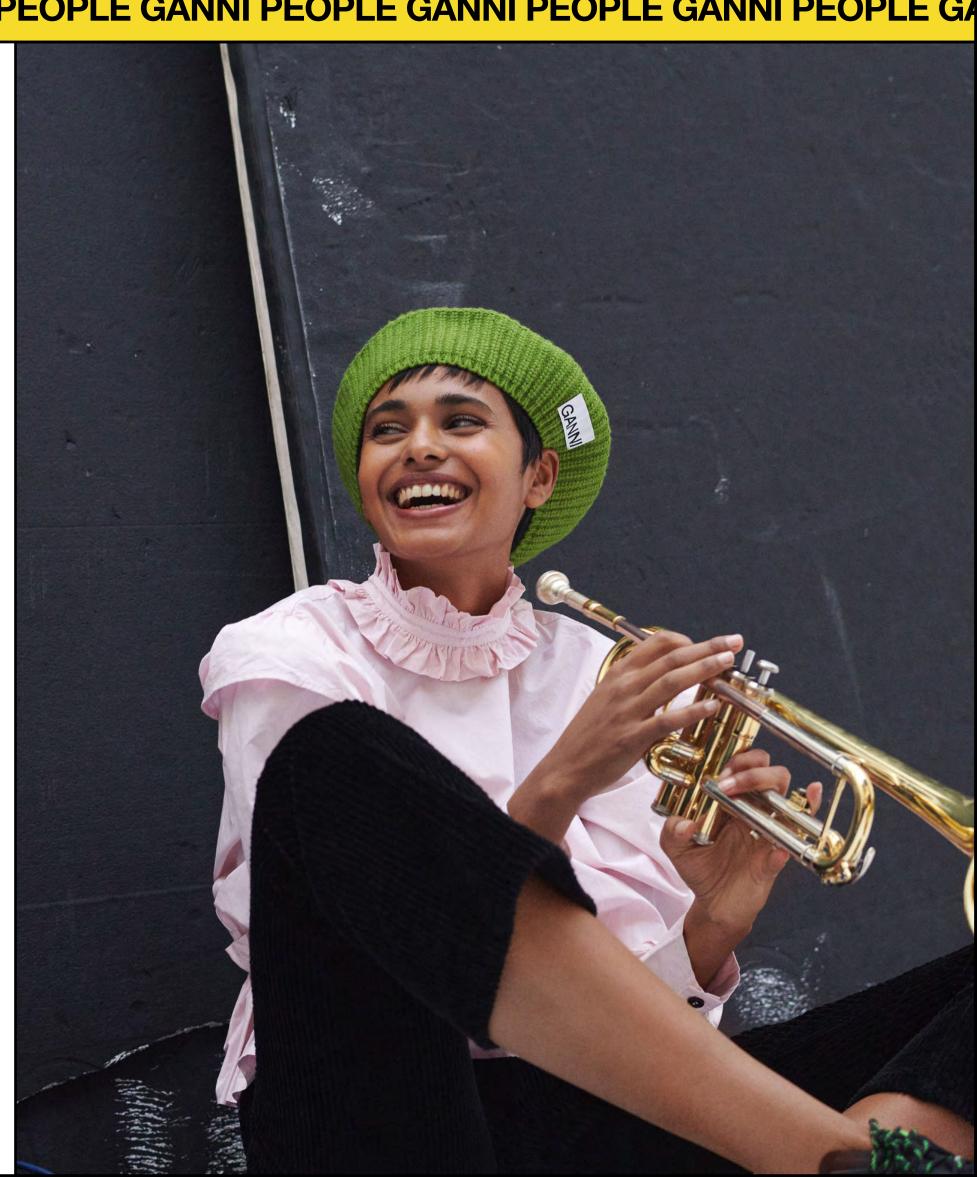
Responsible Business Models Manager

Sitting within our Business Development team, spending 100% of time on GANNI Repeat, our concept for Rental, Resale and Repairs in a bid to commercially scale the solutions.

Responsible Communications Editor

Bridging traditional fashion PR and communication with responsibility. The language surrounding sustainability can often be technical and jargon-filled, which is why we find it important to break down the concepts and communicate them to our community in a more relatable way. One way to see this is through our @ganni.lab instagram, where the entire feed is dedicated to our journey of becoming the most responsible version of ourselves.

We are aiming to roll out the bridge role concept into more departments in 2022 and beyond.





GOAL 4: DEFINE GANNI'S WORK ON GENDER EQUALITY AND LAUNCH IN 2020.

STATUS: 100%

This goal was completed in 2020, check out <u>last year's report</u> for the details.



GOAL 5: LAUNCH X 3 (INTERNAL OR EXTERNAL) INITIATIVES RELATED TO GENDER EQUALITY BY 2021

STATUS: 100%

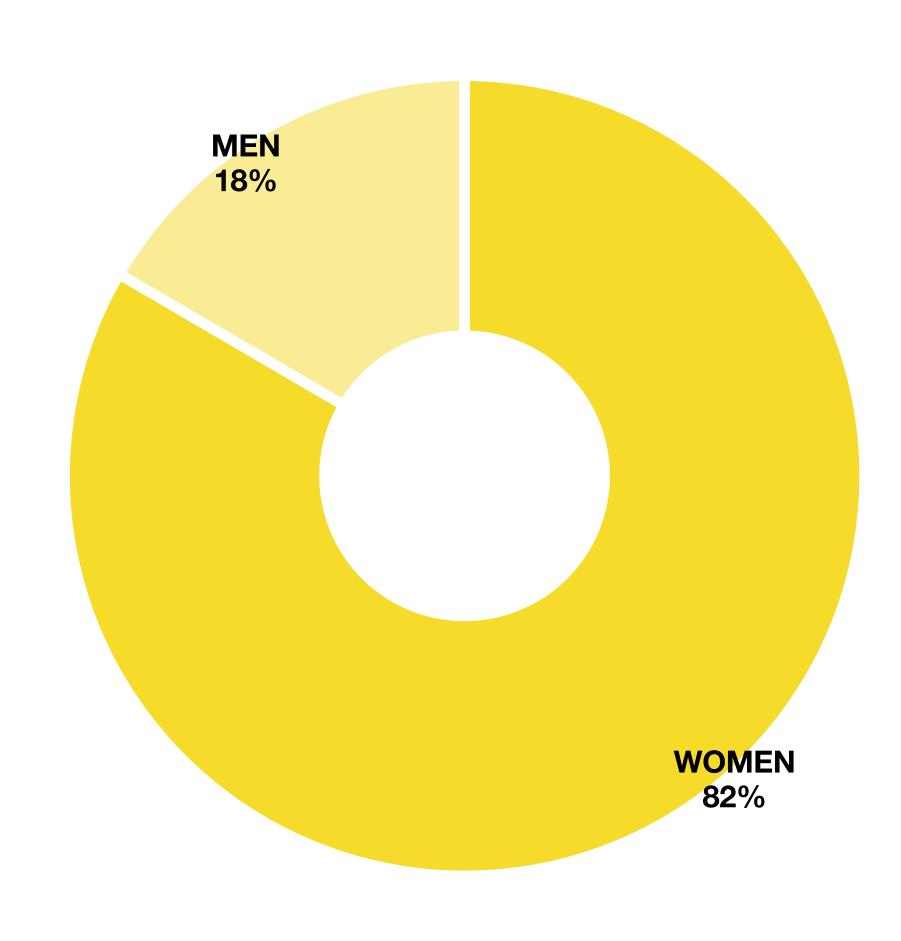
These goals were completed in 2020, check out <u>last year's report</u> for the details.

As with all our responsibility work, it's ever-evolving. We will continue to champion equality through our partnership with UN Women and as a signatory of the UN Women's Empowerment Principles.

Please see our updated gender split data* for 2021.

*This data was collected between January 2021-December 2021 and was reflective of GANNI during this period.

MANAGEMENT SENIOR MANAGEMENT BOARD OF DIRECTORS



GOAL 5: LAUNCH X 3 (INTERNAL OR EXTERNAL) INITIATIVES RELATED TO GENDER EQUALITY BY 2021

STATUS: 100%

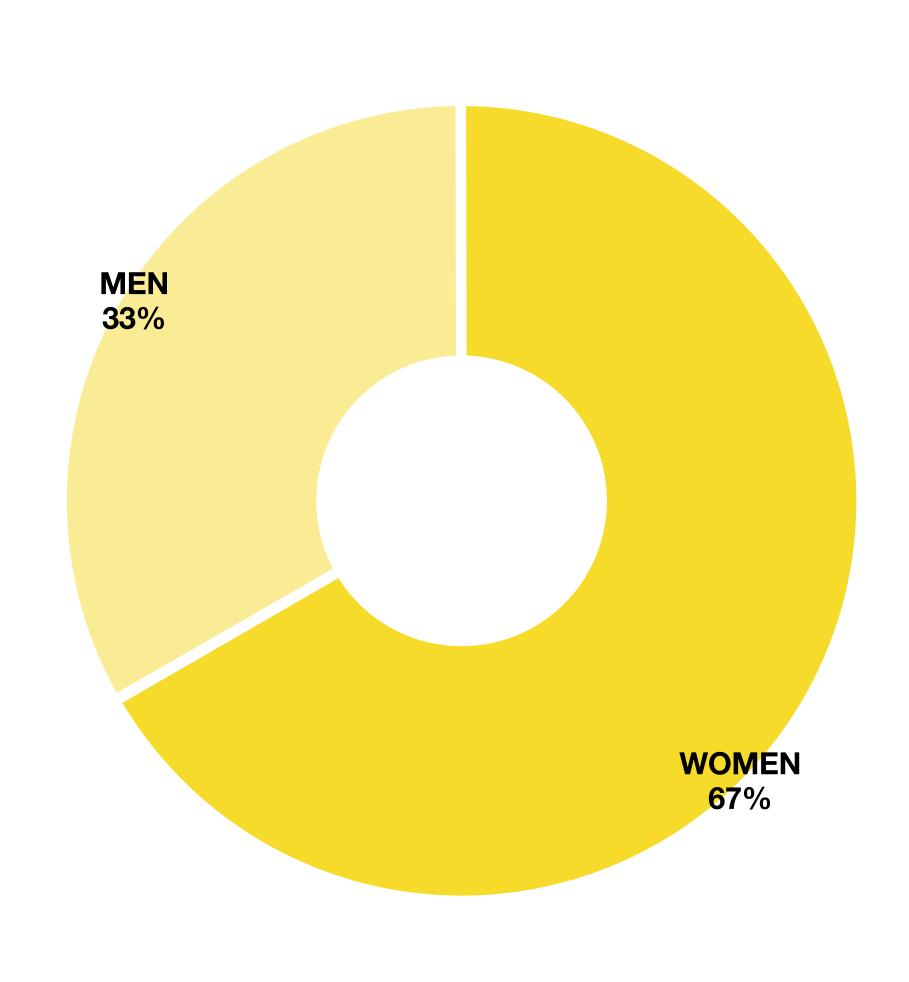
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GENDER HQ MANAGEMENT SENIOR MANAGEMENT BOARD OF DIRECTORS



GOAL 5: LAUNCH X 3 (INTERNAL OR EXTERNAL) INITIATIVES RELATED TO GENDER EQUALITY BY 2021

STATUS: 100%

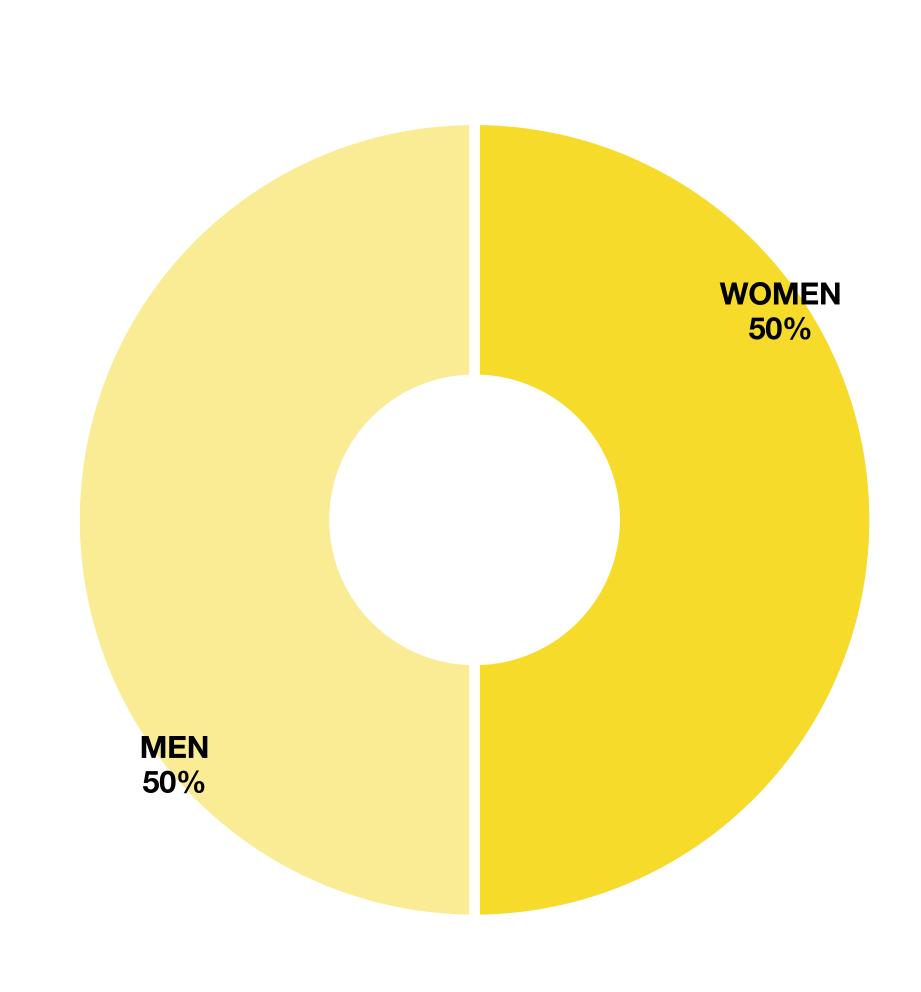
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STATUS: 100%

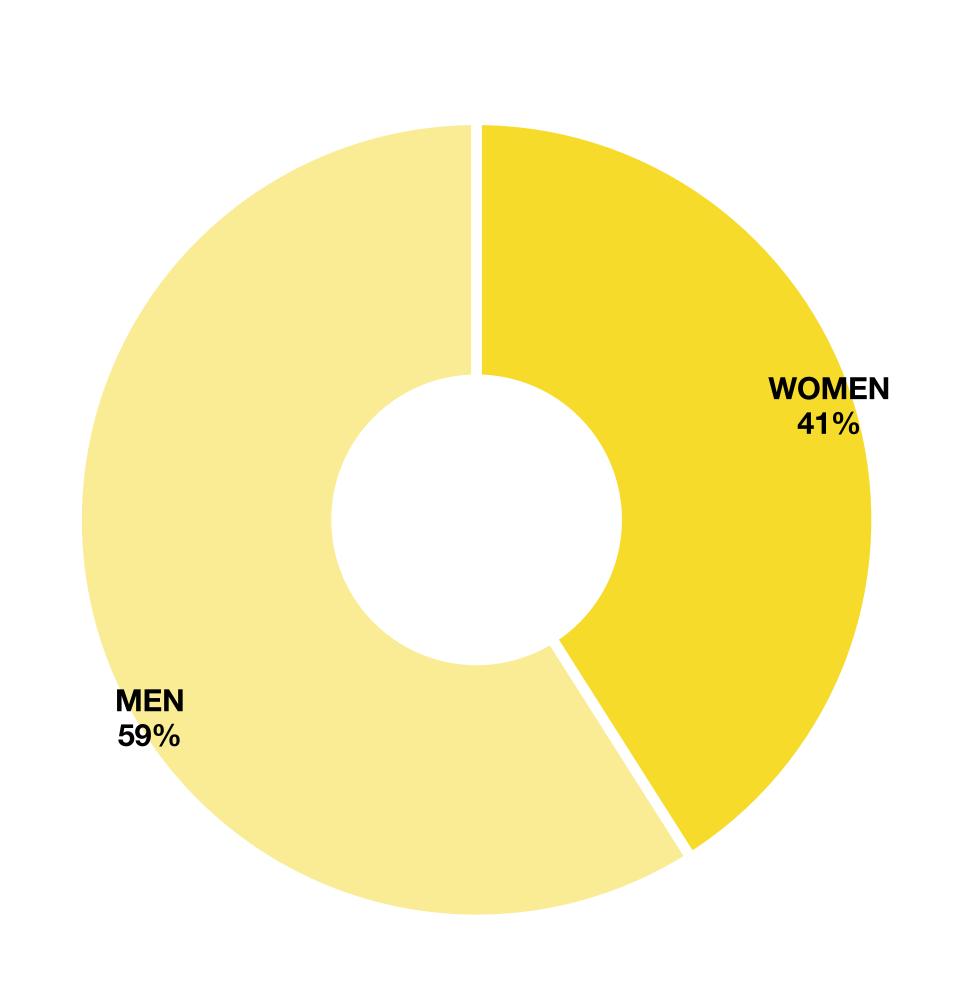
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GENDER HQ MANAGEMENT SENIOR MANAGEMENT BOARD OF DIRECTORS





GOAL 6: COMMIT TO WORKING WITH 3 RESEARCH PROJECTS PER YEAR - SUPPORTING STUDENTS, ACADEMIA AND NGO'S

STATUS: 100%

One of the academic studies we participated in launched in 2021. The Take-Back of Textiles; Design for Circularity in Denmark report summates a line of research conducted by a research team at the Royal Danish Academy led by Associate Professor, PhD in design and sustainability, Else Skjold. The full report is available via Lifestyle & Design Cluster here.

Alongside this, we supported several master thesis projects from a variety of schools across the globe. This is something we feel extremely passionate about, so Goal 6 will continue moving into 2022 and beyond.



GOAL 7: 100% SUPPLY CHAIN TRACEABILITY ON STAGES 1-4 BY 2021 AND FULL TRACEABILITY BY 2022

STATUS: 80%

In 2021, we reached 100% supply chain traceability on Stages 1-4 and have shared our Stage 1 and 2 suppliers in the Open Apparel Registry. Our next phase of work is starting to trace the raw material level to understand the full scope of the supply chains we work with. We also need to move away from only knowing the geographical makeup of the supply chain to knowing who and in what condition the clothes were produced. This is part of our wider supply chain accountability strategy which we will share more on throughout 2022. We have already hired a Social Responsibility Manager and you can read more about her work in the case study below.



GOAL 8: BEGIN TO MAKE SUPPLY CHAIN TRANSPARENT TO GANNI COMMUNITY STARTING IN 2021.

STATUS: 100%

In March 2021, we uploaded our Stage 1 suppliers to The Open Apparel Registry, an open-source map and database of global apparel facilities, in a bid to be more transparent and to enable true pre-competitive collaboration with the fashion industry where suppliers are shared. GANNI has 43 Stage 1 suppliers which includes manufacturers, subcontractors and agents that do stitching, assembly and knitting. In December 2021, we uploaded our Stage 2 suppliers to The Open Apparel Registry.

Stage 2 suppliers refer to dyeing, printing and embroidery or washing. This is a tier that very few brands are talking about or have visibility on as there are no legal ties between brands and this tier. GANNI has a combined total of 88 Stage 1 and 2 suppliers. You can find us on the Open Apparel Registry here.

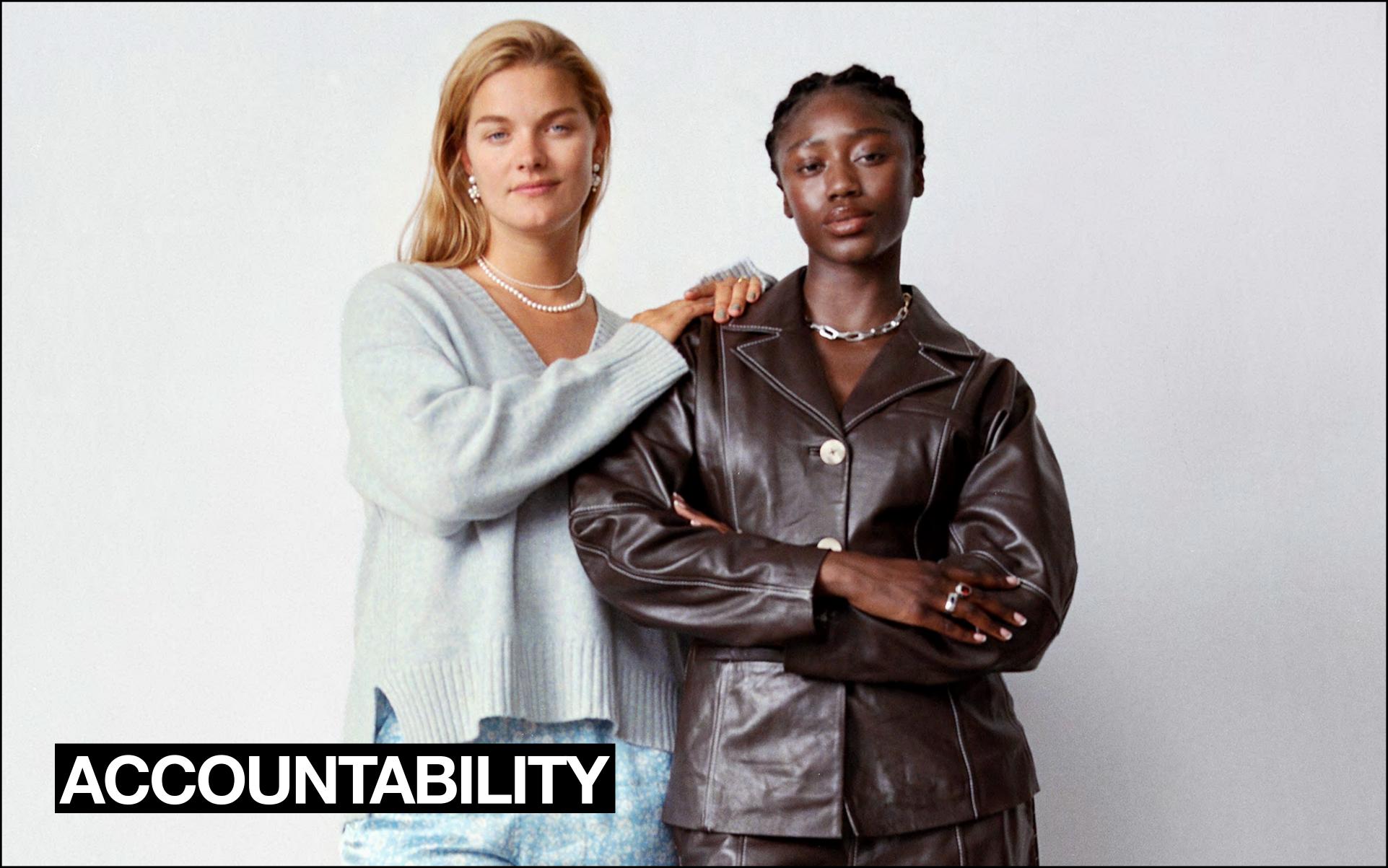
In April 2021, we participated in Fashion Revolution Week for the first time. Fashion Revolution Week marks the anniversary of the Rana Plaza factory collapse, which killed 1138 people and injured countless more on the 24th April 2013. We chose to highlight five GANNI suppliers who represent our main production countries: China, India, Italy, Portugal and Turkey. 65% of GANNI production takes place in Europe and 35% in Asia.

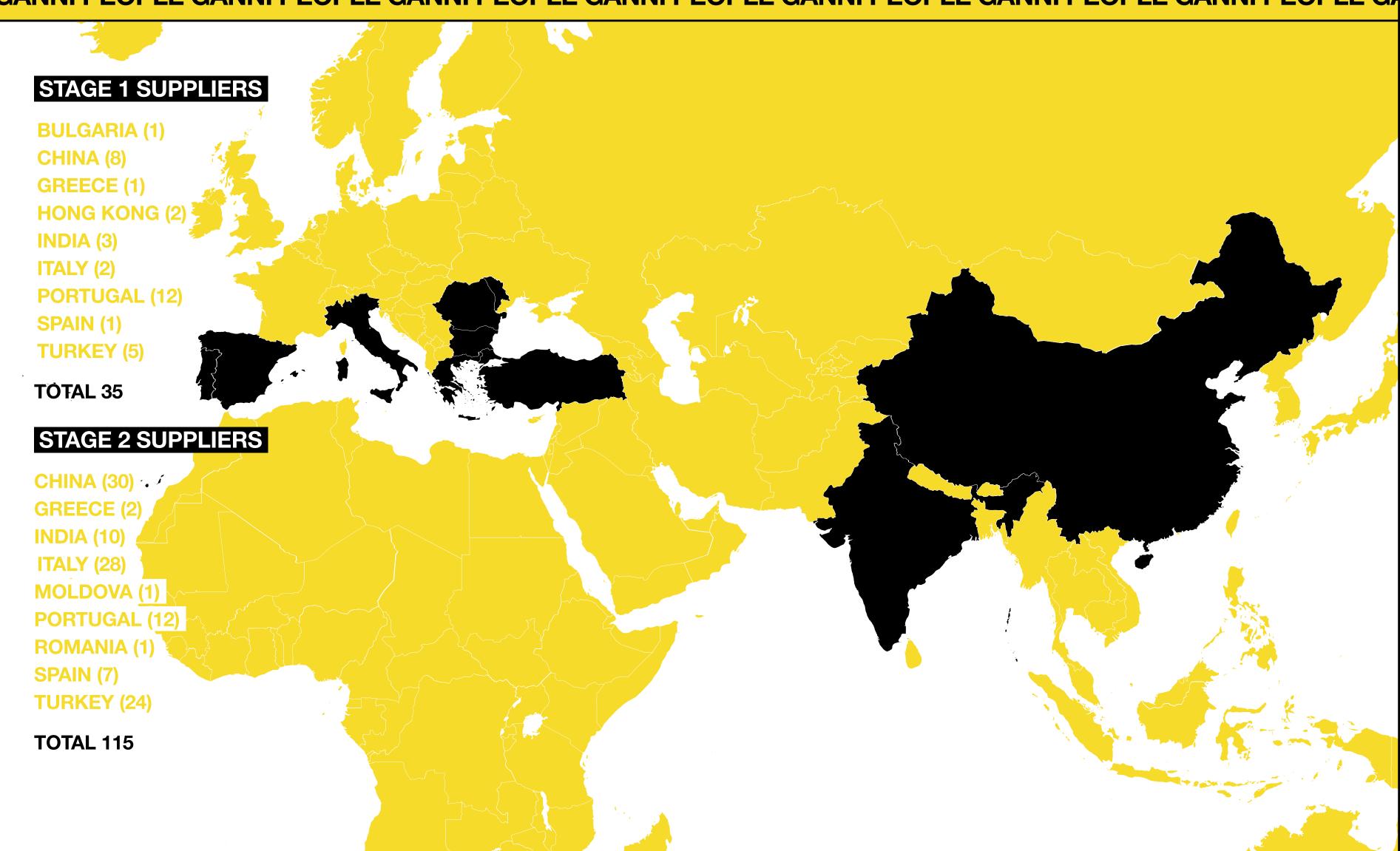


In November 2021, we partnered with transparency technology solution provider Provenance. The technology enables us to be transparent about the environmental impact of clothes and the people making the clothes in a credible way, connecting claims to data and third-party proof.

"Honesty is part of GANNI's DNA – they know the impact that the fashion industry has on people and the planet and they've long been open about their own part in that. But GANNI are also committed to making more and more responsible choices in their supply chain, and we're excited to help them share the progress they're making with evidencebacked sustainability content and product supply chain transparency."

Jessi Baker, Provenance® Founder





STAGE 1 SUPPLIERS

BULGARIA: Continental Company Ltd

CHINA: Beijing Xiangruikun Trading Co Ltd / Dongguan Huang Jiang Knitting Factory (Zinnia) / Ningbo F.t.z. Design Textiles / Shengzhou Suntex Cravat&Garment Co Ltd / Shijiazhuang Longai Import & Export / Suzhou Industrial Park Free Silk Apparel Co Ltd / Wing Chit Industries Co Ltd / Zhejiang Jiaxin Silk Corp Ltd

GREECE: New Power Textiles

HONG KONG (CHINA): Dm Industries Limited Superior

INDIA: Fancy Images / Prits Leather Art (P) Ltd / Radnik

ITALY: Italian Woollen Treasures Srl / Maglificio Fmf Spa

PORTUGAL: Conf. Avila, Lda. / Fernanda Oliveira li Sa / Fiorima Sa / Joaquim José Heitor / Marisport Calcado Lda / Portical Calcado / Ramil - Raul Carvalho Azevedo / Rodrigues & Abreu / Roma Veste Conf. / Sideral / Sma-Industria De Calçado Lda. / Twintex - Industria De Confecces

SPAIN: Crota Colaris

TURKEY: Aclan Tekstil Ve Konfeksiyon Sanayi / Dinateks / Merkoteks / Panel Corporation / Suteks

STAGE 2 SUPPLIERS

CHINA: Anhui Sumoon Fashion Co. Ltd / Anqing Jingxin Garment Washing Co Ltd / Anqing Xiangchao Textile Co Ltd / Dong Guan Superior Leather Products Ltd / Dongyu & Xinsheng Workshop / Fanghua Digital Technology / Guanda / Hangzhou Hangmin Meishida Printing & Dyeing Co Ltd / Hangzhou Huasixiasha Textile Science&Technology Co Ltd / Jiangsu Zhongcheng Printing And Dying Co Ltd / Jiaxing Fudi Garment Co Ltd / Jiaxing Huajie Clothing Co Ltd / Jiaxing Jiasiting Garment Co Ltd / Jiaxing Jingkai Xincheng Garment Co Ltd / Jiaxing Tianlun Nano Dyeing & Finishing Co Ltd / Jinjiang Honghan Textile Technology Co Ltd / Lujiang Yixin Garment Co Ltd / Ningbo Texdream Manufacture Co Ltd / Rushan Xindun Arts & Crafts Co Ltd / Sanli Knitting Company / Shaoxing Zhiren Printing And Dyeing Co Ltd / Shenghong Group Co Ltd / Shengzhou Huaye Silk Co Ltd / Tongxiang Dongqii Ffabric Clean Up Co Ltd / Wujiang Liufu Textile Co Ltd / Wujiang Pingwang Dyeing / Zhangjiagang Zhenxin Printing & Dying Co Ltd / Zhejiang Jiaxin Xingchang Printing And Dyeing Co Ltd / Zhejiang Yuxin Printing Co Ltd

GREECE: Colora S.a / Tsaousis S&A Oe

INDIA: City Textile Industries / Color N Style Pvt Ltd / Dadu Processors (P) Ltd / Niharika Dyeing & Printing Mills Pvt Ltd / Niharika Fabric (I) P.Itd / Richa Processing Mill Pvt Ltd / Rmp Fab Sourcing Pvt Ltd / Shree Madhusudan Dyeing & Printing. Mills P. Ltd / Tex India Enterprises Pvt Ltd / XInc Fashions

ITALY: Brunetti Fabiana / Cinalli Nicola / Codispoti Concetta / Confezione Angela Di Zheng Chunmei / Confezione Miki Di Tang Jingen / Confezioni Luna / Dong Xiulian / Etm / Fg Di Francesco Gori / Gm Industry Srl / Il Mascherone Snc / Iron & Logistic / Keytex Di Banci Stefano / Ma.tex / Magico Taglio / Maglieria 2b / Matex / Mediaconf Di Liu Chaoneng / Peruzzi Roberto Snc / Ricamificio Bitossi Snc / Rifinizione Bp / Rifin Pelle Srl / Stireria Luigi Di Qiu Shuiwang / Tintoria Manifattura Barbara Spa / Tre Stelle Srl / Vemo-Tex Snc / Y.m Di Ye Maioli / Zhou Youpao Rui Hong

MOLDOVA: Ics Tricot-Cuatro F Srl

PORTUGAL: Adalberto Estampados / Atb- Acabamentos Texteis De Barcelos / Bordados Oliveira / Gulbena / Lavandaria Vila Seca De Luis Casanova / Perfil Crómatico / Quinta & Santos Score / Ronutex Texteis Lda / Samofil Texteis / Stampdyeing - Serviços / Sublimavox / Washedcolors - Serviços Lda

ROMANIA: Tricorom

SPAIN: Aparados La Muralla / Aparados Ren Wei SI / Calzados Mini / Fenglang Zhu / Juan Diaz Ruiz / Multiservicios Evans SI / Sansera

TURKEY: Altoteks / Ateş Emprime / Aurora Giyim Teks. San. Tic. Ltd. Şti. / Ay-San Textile / Ayan / Aykes Teks. Tas.san. Tic. Ltd. Şti. / Bayram Teks Cagdas / Çagdas Textile / Demir textile / Fecir Tekstil Celal Akdeni Gama Tekstil San. Tic. AŞ. / Gamze Textile / Kemal Uğurlutekstil / Luno Tekstil Konf. San&Tic Aş / Metaş Nakiş Onur Krossta / Parboy Tesktil A.Ş / Remiks / SYK Tekstil / Ufuk Textile / Vizyon Textile / Yavuz Textile / Zorluteks



GOAL 9: DEFINE AND EMBED THE SOCIAL RESPON-SIBILITY STRATEGY IN THE SUPPLY CHAIN BY 2021

STATUS: 100%

This goal was completed in 2021. Scroll down to the **SPOTLIGHT**

ON: SUPPLY CHAIN ACCOUNTABILITY for the details.

SPOTLIGHT ON: SUPPLY CHAIN ACCOUNTABILITY

In June 2021, GANNI hired its first Social Responsibility Manager, who is responsible for our work on supply chain accountability.

The ongoing COVID-19 pandemic has made it even more evident how unbalanced the structure of supply chains are. It's important that we hold a mirror to ourselves and ask what we, as a relatively small brand, can do to influence the systemic change that is required in the fashion industry. One thing that became very clear during the global pandemic is that we have an obligation to uphold responsible purchasing practises, even through hard times. At GANNI no production orders were cancelled due to the pandemic but we're also aware that this is the bare minimum.

Throughout 2021, we took further steps to ensure more responsible purchasing practises. It began with an internal review of our sourcing strategy and policies that accompany it, which included a review of contracts and codes of conduct, supplier screening, evaluation and responsible partnership programmes.

CODE OF CONDUCT

Our supplier <u>code of conduct</u> is based on ILO Conventions, UN Universal Declaration of Human Rights, including the Code of Labour Practice used by Fair Wear Foundation (FWF), and the UN Guiding Principles on Business and Human Rights. In order to protect those who are most vulnerable to unjust situations, we extended two social policies, <u>Migrant Worker Policy</u> and <u>Child Labor Policy</u> with detailed principles to guide the suppliers.

RESPONSIBLE PURCHASING PRACTISES POLICY

GANNI shares responsibility with our suppliers and in order to to truly reflect our own social and environmental commitments and standards, we strengthened our Mutual Business Agreement with the underlying principle of Responsible Purchasing Code of Conduct published by the American Bar Association.

ANIMAL WELFARE POLICY

At GANNI we believe animals have the right to be treated with care, respect and dignity. The use of animal-derived raw materials must be sourced with abidance by the Five Freedoms and the respect to the animals and environment. Our Animal Welfare Policy provides guidance to our suppliers.

GANNI has never used fur. In 2021, we decided to make it official by signing up to <u>Fur Free Retailer</u> as we recognise that the impact of a pledge goes beyond our own brand and will inspire many others to consider the issue. GANNI will phase out virgin animal leather completely by 2023.

RESPONSIBLE PARTNERSHIP PROGRAMME

In 2021, we kick started our Responsible Partnership programme through a women empowerment project in collaboration with RADNIK, our supplier in Delhi, India, alongside NGO Good Business Lab. The project was financed through the sales of GANNI's non-medical face masks.





GOOD BUSINESS LAB X RADNIK X GANNI

Background

Women workers face several impediments in their progression to supervisory roles on the factory floor, ranging from being seen as unsuitable for leadership roles to not receiving the necessary training to take up managerial roles. Gendered norms, lack of women mentors plus family and childcare responsibilities are some other factors that hinder women from taking up supervisory roles.

Scope & What GBL does

The collaboration with Good Business Lab took off in Fall 2021. It started off with an extensive research conducted by that Good Business Lab, intended to understand the unique challenges that women workers face in transitioning to a supervisory role at Radnik. They investigated the existing promotion process, interviewed with the management team to understand their gender perception and policy, as well as the experiences of women supervisors at the factory, the attitude other workers and male supervisors have towards women in leadership roles, and the motivation and ambitions of aspiring women workers.

Based on the research findings, a training program designed by Good Business Lab called Supervisors Transformation into Change Holders (STITCH) was suggested. STITCH is a soft skills training program for supervisors that covers topics such as self-esteem, gender sensitivity, problem-solving, effective planning, and harassment at the workplace.

How many people will be in the training?

There are a total 37 production supervisors, only 5 are female at the time of research. The Radnik team aims to increase the ratio of Male/Female supervisors and is devoted to creating a balanced and inclusive workspace. In total, 17 participants are enrolled in the STITCH program, including existing supervisors, workers that have self-nominated to become a supervisor.

What is the intended outcome?

Through the STITCH program, we hope to spark change by increasing the female supervisor roles and create a group of strong, confident female supervisors that can mentor and inspire more female workers. We also aspire to create a sustainable and supportive process to successfully transition female workers to supervisors.

THE PROJECT WILL CLOSE AT THE END OF MARCH 2022.

Alongside this, our progress in supply chain traceability has shed a light on where our products are produced and made it possible for us to identify potential risks and impacts. But we know that traceability is only the first step. We need to move beyond knowing "where" to know "how and in what condition". In doing so we also developed a monitoring and remediation plan to ensure compliance and hold ourselves accountable.

Supply chain accountability will be one of GANNI's key focus areas moving forward and will be shared more transparently as the work in this area progresses.



WE'RE STARTING TO CARBON INSET; A TERM USED TO DESCRIBE INVESTING IN YOUR OWN OPERATIONS TO REDUCE YOUR CARBON FOOTPRINT, RATHER THAN OFFSETTING EMISSIONS. IT'S A VITAL STEP IN REACHING OUR AMBITIOUS CARBON REDUCTION TARGET.



GOAL 10: 100% MONO COTTON DEADSTOCK TO BE UPCYCLED 2022.

STATUS: 20%

In 2021 we utilised 5,800 pieces of our deadstock waste for upcycling projects.

However, we are lacking solutions for the remaining deadstock. We have developed more partnerships throughout 2021 with Fibre to Fibre technologies but these partners are not at a place to take GANNI's mono cotton deadstock yet. Therefore, one of our top priorities for 2022 is to find an array of solutions to utilise the mono cotton deadstock we have.



GOAL 11: X2 FIBRE TO FIBRE RECYCLING TRIALS BY 2021

STATUS: 100%

In 2021, we formed partnerships with <u>Infinited Fiber</u> and Renewcell - two Fibre to Fibre solution providers that we plan to launch products with from 2022 onwards.

In regards to Infinited Fiber, we see it as a cotton/viscose alternative and have two trials in the works that we hope to launch in 2023. As mentioned in GOAL 10, it is our hope that our partnership with Infinited Fiber will enable us to eventually turn old GANNI into new GANNI.

Our partnership with Renewcell started in late 2021 and we are happy to announce that we will be launching products with Rewnewcell's trademarked fibre 'Circulose' in May 2022. The percentage of Circulose in the products are quite low (15%) so it's our ambition to raise this to at least 50% to ensure it meets our definition of what a Responsible product should look like.



GOAL 12: UTILISE OUR OWN DEADSTOCK IN THE TRIALS BY 2023.

STATUS: 60%

We're in conversation with both Infinited Fiber and Renewcell on our goal to ensure that old GANNI clothing could one day become new GANNI and it's not a pipe dream. As you might know, less than 1% of clothing becomes new clothing*, but we feel like solutions are coming to the fore and the technology and infrastructure is coming together to be able to turn this into a reality.

*Ellen MacArthur Foundation, A New Textiles Economy: Redesigning fashion's future, 2017



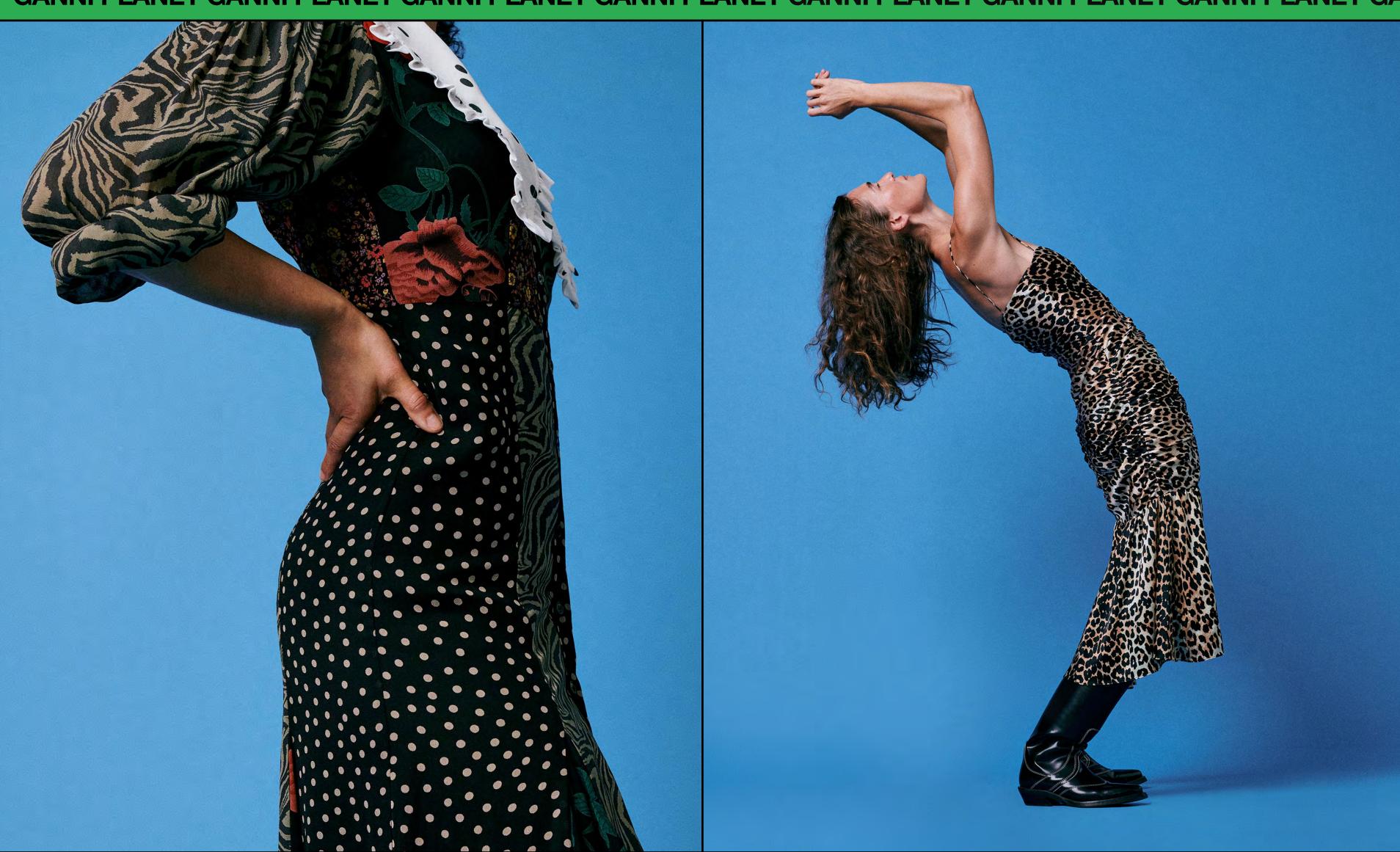




GOAL 13: 4 X DESIGN CONCEPTS UTILISING DEADSTOCK AND/OR PRE-CONSUMER WASTE FABRIC ANNUALLY (E.G. KIOSKS, COLLABORATIONS, COLLECTIONS)

STATUS: 100%

In 2021, we rolled out 5 design concepts that utilised our own deadstock as well as pre-consumer fabric waste known as GANNI Re-CUT. Re-CUT will now be a permanent fixture in GANNI collections. Other design concepts in 2021 included our major collaboration with London-based label Ahluwalia. Priya is a fashion industry pioneer and represents a new wave of design talent rethinking old systems to design more responsibly. Through her eponymous studio, set up in 2018, Priya explores the potential of vintage and deadstock clothing by giving existing textiles and traditional techniques a new life. Her work combines elements from her dual Indian-Nigerian heritage and London roots and takes inspiration from the tradition of passing clothes through families and between friends.



GOAL 14: MEASURE IF BY CHANGING COLLECTION DROP STRUCTURE IT HAS AN IMPACT ON OVERPRODUCTION BY 2021.

STATUS: GOAL TO BE REVISED

In 2020, we changed our drop structure to move away from the traditional seasonal fashion calendar. Our strategy adapted to launch smaller, more curated product drops at more frequent times throughout the year.

We have established a more reactive replenishment in our Direct to Consumer channels and have also developed an off-sales strategy to reduce the end of life waste - ensuring that any unsold clothing is repurposed to inform our RE-CUT collections and in the future utilised to support our fibre to fibre recycling ambitions.

We thought we would be able to measure its impact throughout 2021 but this proved more difficult than initially thought. We have realised that measuring overproduction based on how the collections we produce drop throughout the year is not the most effective way to measure. Moving forward we will be focusing on unsold clothing and reporting on this quarterly.





PLASTICS

GOAL 15: 100% OF PLASTIC PACKAGING TO BE RECYCLED, REUSABLE, RECYCLABLE BY 2020.

STATUS: 100%

We're pleased to say that as of 2021, 100% of GANNI's plastic packaging is either recycled, reusable or recyclable, meaning it can be recycled at the end of its life. We recognise that even though plastic packaging can theoretically be recycled, in practice that is rarely the case. Only 9% of all plastic waste ever produced has been recycled.

*UNEP Beat Plastic Pollution

Therefore, in line with the NPEC Global Commitment, we aim to investigate what percentage of our plastic packaging actually gets recycled at the end of life.

Since 2019, GANNI has been a signatory of the New Plastics Economy Global Commitment launched by the Ellen MacArthur Foundation, and annually reports on the plastic progress in alignment with the Commitments guidelines. More detailed information on our 2021 progress will be launched in August 2022. For now, you can read the detailed breakdown of our 2020 Report here.



GOAL 16: TAKE ACTION TO MOVE FROM SINGLE-USE TOWARD REUSE MODELS WHERE RELEVANT BY 2020 (REPACK TO ROLL OUT TO RENT + US)

STATUS: 100%

In 2021, we rolled out the Re-pack reusable packaging solution to the US market, meaning that it's now possible to select Re-pack at checkout for GANNI Europe, UK and US.

As of 2020, Re-pack accounted for only 2.54% of our packaging usage, so there's still a lot of work to do to incentivise our community to click Re-pack at checkout. All of our staff orders are delivered to our office in Copenhagen in Re-packs.



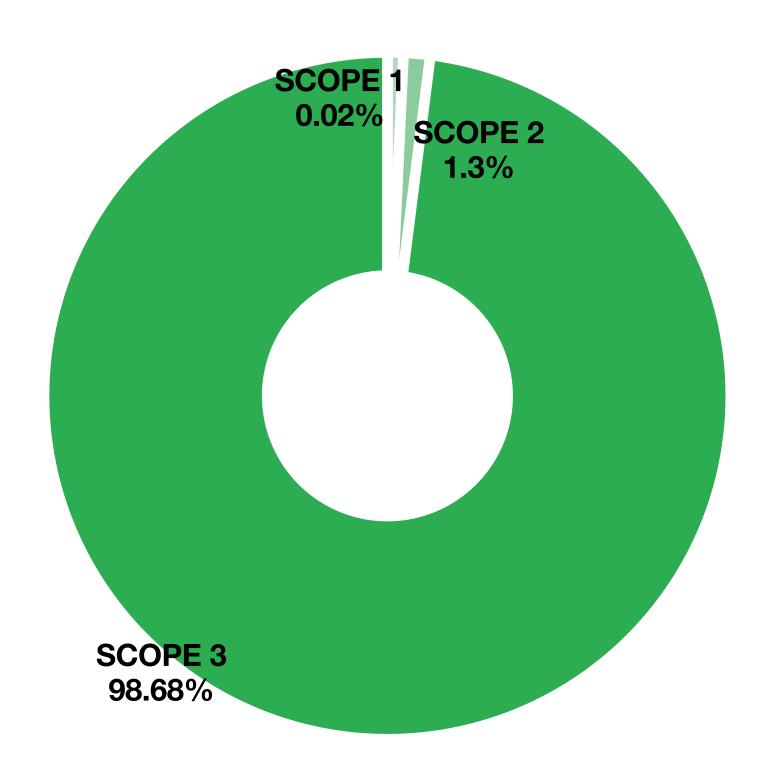
GOAL 17: ELIMINATE UNNECESSARY PLASTIC PACKAGING AND FIND A SUITABLE SOLUTION FOR PLASTIC POLYBAG BY 2023.

STATUS: 80%

In 2020, we managed to switch all plastic retail carrier bags to FSC certified paper bags. The retail carrier bags previously accounted for over 30% of the total GANNI plastic packaging. This switch significantly decreased our plastic packaging usage in 2020 and allowed us to eliminate 19.5 tonnes of plastic and decrease plastic packaging by 20% in volume compared to 2019.

In addition, in 2020 GANNI kicked off an initiative to downsize polybags, which is the plastic packaging we used for the shipment and transportation of our garments. We have initiated the switch on approximately 70,000 polybags that account for 26% of the total volume and applied a size reduction ranging from 10 to 38%. We still have work ahead of us to find a suitable solution to the plastic polybag but we continue to explore options in the market. Until we can find a solution that has the correct infrastructure to handle innovative materials, our primary focus is to downsize the polybags and use less plastics.





GANNI'S 2021 CARBON FOOTPRINT

GANNI's total carbon footprint for 2021 is 16, 605.48 t CO_2 eq. This includes Scopes 1, 2 and 3. Our Scope 1 emissions are 2.55 t CO_2 eq, Scope 2 are 216.68 t CO_2 eq and Scope 3 emissions are 16,386.25 t CO_2 eq.

OUR SCOPE 3 EMISSIONS ARE THE LARGEST ACROSS ALL SCOPES BECAUSE OF THE NATURE OF WORK WE DO-OUR SUPPLIERS PRODUCE CLOTHING WHICH IN TURN, ACCOUNTS FOR INDIRECT EMISSIONS. SCOPE 3 INCLUDES CATEGORIES LIKE THE MATERIALS WE BUY TO PRODUCE THE CLOTHING WE DESIGN, THE PACKAGING, TRANSPORTATION (SUPPLIER TO WAREHOUSE AND WAREHOUSE TO STORES), THE WASTE IN OUR OPERATIONS, BUSINESS TRAVEL, EMPLOYEE COMMUTE, DOWNSTREAM TRANSPORTATION (E-COMMERCE), THE USE OF SOLD PRODUCTS.

THE MATERIALS WE USE MAKE UP ALMOST 60% OF OUR SCOPE 3 EMISSIONS. THIS MEANS THAT IF WE DRASTICALLY CHANGE OUR MATERIALS PROCUREMENT STRATEGY, TO PRIORITISE THE BEST AVAILABLE TECHNOLOGY OF THE TOP CARBON EMITTERS, WE CAN REDUCE OUR CARBON EMISSIONS SIGNIFICANTLY. IN 2019 WE COMMITTED TO PHASE OUT VIRGIN LEATHER IN READY TO WEAR BY 2021 AND FOOTWEAR AND ACCESSORIES BY 2023. IN 2022 WE WILL TRIAL AND LAUNCH LEATHER ALTERNATIVES SUCH AS MYLO™ AND VEGEA™.

OUR TOP 14 HIGHEST CARBON EMITTING MATERIALS FOR 2021

EMISSIONS MEASURED IN tCO₂eq.
LEATHER 3,095
ORGANIC COTTON 1,469
RECYCLED POLYESTER 947
VISCOSE 471
ALPACA 454
WOOL 409
MERINO 314

OUR TOP 14 HIGHEST CARBON EMITTING MATERIALS FOR 2021

EMISSIONS MEASURED IN tCO ₂ eq.
POLYAMIDE 302
COTTON 241
POLYESTER 232
RECYCLED WOOL 230
RUBBER 191
SILK 122
RECYCLED RUBBER 99

SCOPE 1: EMISSIONS ARE DIRECT EMISSIONS FROM OWNED OR CONTROLLED SOURCES. E.G. STORES, OFFICES

SCOPE 2: EMISSIONS ARE INDIRECT EMISSIONS FROM THE GENERATION OF PURCHASED ENERGY

SCOPE 3: EMISSIONS ARE ALL INDIRECT EMISSIONS (NOT INCLUDED IN SCOPE 2) THAT OCCUR IN THE VALUE CHAIN OF THE REPORTING COMPANY, INCLUDING BOTH UPSTREAM AND DOWNSTREAM EMISSIONS



In November 2021, together with Plan.A we set a new carbon target for GANNI. A 50% absolute reduction in GHG emissions by 2027 which is inline with science and three years ahead of what was set in the Paris agreement. This is an incredibly ambitious but necessary target, that requires tremendous dedication, along with industry change to achieve. We're going to work everyday and trying our best to make this target a reality.

GOAL 19: COMMIT TO NOT WORKING WITH STAGE 1-3 SUPPLIERS THAT USE COAL GENERATED HEAT OR ENERGY BY 2025.

STATUS: 30%

In our 2020 Report, we spoke about how the fashion industry faces systemic challenges when it comes to switching to renewable energy and electricity - working with suppliers operating in different regions of the world, with different access to energy and the electricity grids presents a huge challenge. We are no exception to this and it has become even more apparent while exploring this area during 2021.

We are not the only fashion brand facing the issue of phasing out coal so we will continue to work together with other fashion brands towards a systemic change as a signatory of the UN Fashion Charter for Climate Action.

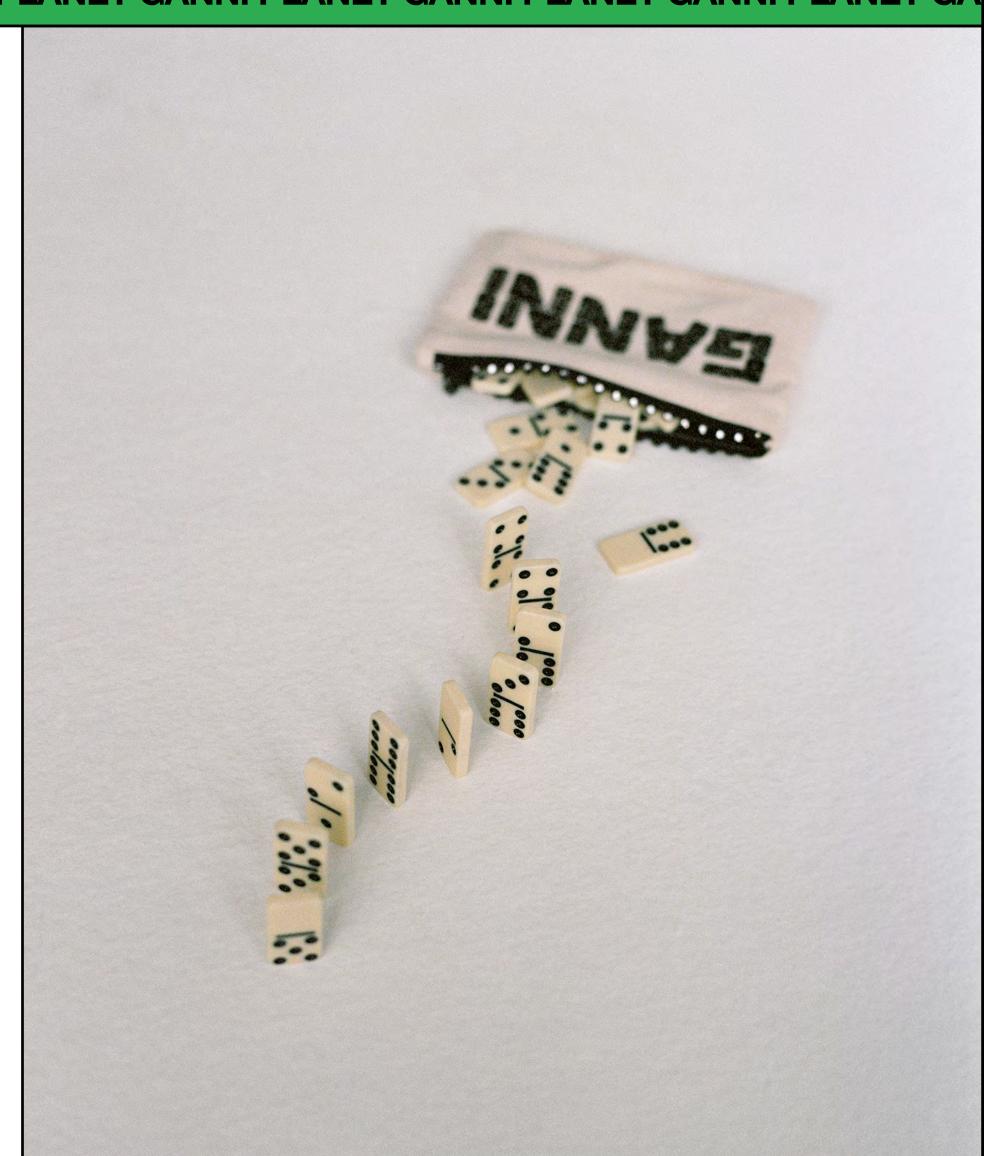
We are going to engage in an insetting project by building solar panels for two Stage 1-3 suppliers. More information on this in GOAL 22.



GOAL 20: SWITCH TO RENEWABLE ELECTRICITY IN ALL OWNED AND OPERATED BY 2021.

STATUS: 50%

Wherever possible we select green energy sources. However, many of the buildings that house GANNI retail stores are historic buildings situated in city centres. This means they have an existing energy supplier/ rely on municipal energy in which case it is difficult to change to renewable energy but we're determined to find a way. In 2022 we will attain more accurate data on the use of renewable energy across all stores and retail partners.





GOAL 21: TRACK AIR MILES 2020, REDUCTION TARGETS 2021.

STATUS: 100%

Employee travel is also measured through our annual Carbon Footprint Calculations for 2021 employee related travel accounted for 2% of our total emissions.

Working at GANNI can take us all over the world, although we haven't been travelling that much during 2021 due to the pandemic. To ensure healthier habits when we could travel again, during 2021, we created a travel policy to have a framework in place for travelling as GANNI employees in a financially and environmentally responsible way. Our travel policy applies to all employees travelling on behalf of GANNI regardless of their position in the organisation.



GOAL 22: ALIGN WITH SCIENCE BASED TARGETS, REVISING THE PHYSICAL INTENSITY TARGET AND SETTING AN ABSOLUTE TARGET BY 2021.

STATUS: 100%

In November 2021, together with Plan.A we set a new carbon target for GANNI. A 50% absolute reduction in GHG emissions by 2027 which is in line with science and three years ahead of what was set in the Paris agreement.

This is a bold but vital target and one we're working steadfast to achieve. We've identified key levers to get us there which include a focus on circular business models, innovative materials, more transportation and distribution targets and one of the biggest changes will be our move from carbon offsetting to carbon insetting.

Since 2017, we have been mapping and measuring our carbon footprint, adding a financial value to the carbon footprint to then offset into UN approved social projects that support decarbonisation. We named this 'climate compensated' but it's more commonly referred to as Carbon offsetting. However, if we continue to compensate or offset we're not addressing the real problem: We need to reduce our absolute emissions throughout our own operation and focus on decarbonising our own supply chain.

In order for GANNI to reach a 50% absolute reduction by 2027, we will start carbon insetting; a term used to describe investing in your own operations to reduce your carbon footprint. Keep following on @GANNI.Lab for our progress here.



THROUGH OUR FABRICS OF THE FUTURE INITIATIVE WE ARE CURRENTLY TRIALLING 18 MATERIAL INNOVATIONS, 5 OF WHICH WILL LAUNCH IN 2022.



GANNI PRODUCT GANNI PRODUCT GANNI PRODUCT GANNI PRODUCT GANNI PRODUCT GANNI PRODUCT GANNI



GOAL 23: 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.

STATUS: 100%

This goal was completed in 2020, see last year's report for the details. As with all our work on responsibility it is an ever-evolving process as you will see on GOAL 24.

GANNI PRODUCT GANNI PRODUCT GANNI PRODUCT GANNI PRODUCT GANNI PRODUCT GANNI PRODUCT GANNI

GOAL 24: IMPLEMENT THE CIRCULARITY PRINCIPLES INTO DESIGN BRIEFS, WITH A MINIMUM OF 20% OF STYLES DESIGNED WITH CIRCULARITY PRINCIPLES BY 2022.

STATUS: 100%

During the summer of 2021, we worked in partnership with circular.fashion on a criteria to design a fashion product for circularity. The criteria 'Designed for circularity' is based on <u>circular.fashion's</u> Circular Design Criteria, adapted in a co-development process with GANNI, in the absence of an industry-wide definition of what makes a fashion product circular. It is important to be clear that this is an evolving body of work and as the industry develops, so will the criteria. To encourage transparency, collaboration and debate, it's important for us to make the criteria openly accessible.

We've been actively working with the criteria since it was created in 2021 and are aiming for 20% of our fall/winter 2022 collection to be designed using the criteria. We face a challenge as a fashion brand that is partly defined on its use of colour and prints which works at odds against the current recycling infrastructure- as it's a little easier to recycle garment's that are not dyed or printed right now, so we're balancing how we remain true to GANNI while also ensuring the after-life of our products is considered.

The criteria will be published in 2022.



THE CIRCULAR DESIGN CRITERIA IS DIVIDED INTO THREE ELEMENTS:

1 DESIGNED FOR RECYCLABILITY

2 DESIGNED WITH RESPONSIBLE MATERIALS

3 DESIGNED FOR LONGEVITY

GOAL 25: IMPLEMENT A 3D DESIGN TOOL BY 2022.

STATUS: 100%

In our 2020 report, we stated that we trained our technical team on CLO3D, a fashion design software programme that can support companies like ours to create virtual, true to life garments. Throughout 2021, we have been actively working with CLO3D and are happy to announce that it is now being used as an everyday work tool for our design team and technicians. We're using the tool to develop GANNI styles and explore the details of styles to test and trial various shapes.

Using CLO3D creates efficiency and eases decision making when referencing a 3D visual across multiple departments rather than relying on sketches or imagination.

CLO3D works really well for existing GANNI styles that just need a tweak or an upgrade but it's still tricky to solely work with digital prototyping when designing from scratch. GANNI is a design-led company and we always ensure that we are 100% happy with a product before launching it, which requires seeing it in real life and on a fitting model. That being said, by using CLO3D and our virtual showroom GANNI SPACE, a digital platform used for our Wholesale partners and buyers, we have managed to reduce sampling. Moving forward, we will continue to use CLO3D to create further efficiency in the development process.





GANNI MATERIAL MIX 2021

SYNTHETIC 39%

NATURAL 54.8%

CELLULOSE 6%

OTHERS 0.2%





GOAL 26: 100% OF THE COTTON, VISCOSE AND POLYESTER WE USE MUST BE FROM THE MOST RESPONSIBLE SOLUTION AVAILABLE BY 2023.

STATUS: 70%

GOTS ORGANIC COTTON

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.

GRS CERTIFIED RECYCLED POLYESTER

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.

GRS CERTIFIED RECYCLED COTTON

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.



LENZING™ TENCEL™

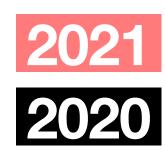
LenzingTM TencelTM fibers are derived from responsible wood and pulp, from certified and controlled wood sources with a closed loop production process, which recycles water and reuses over 99% of the solvent.

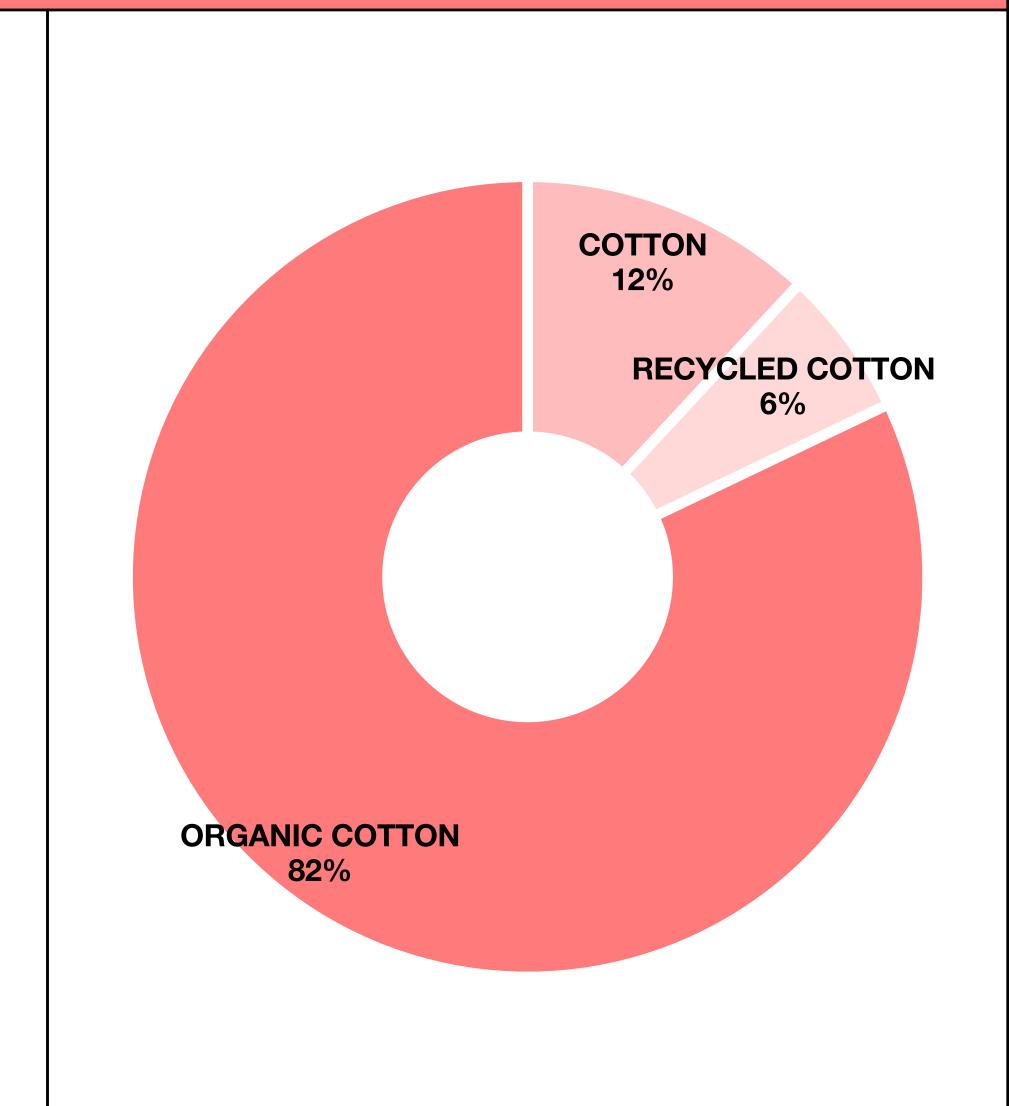
LENZING™ ECOVERO™

Lenzing[™] EcoVero[™] fibers are derived from responsible wood and pulp, from certified and controlled wood sources with manufacturing that generates up to 50% lower emissions and water impact compared to generic viscose.

COTTON

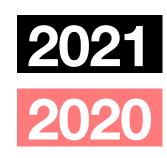
As of 2021, 88% of the cotton we use was either organic or recycled – a significant shift from 2020. In 2022, we will prioritise switching the final 12% of conventional cotton to its most responsible alternative.

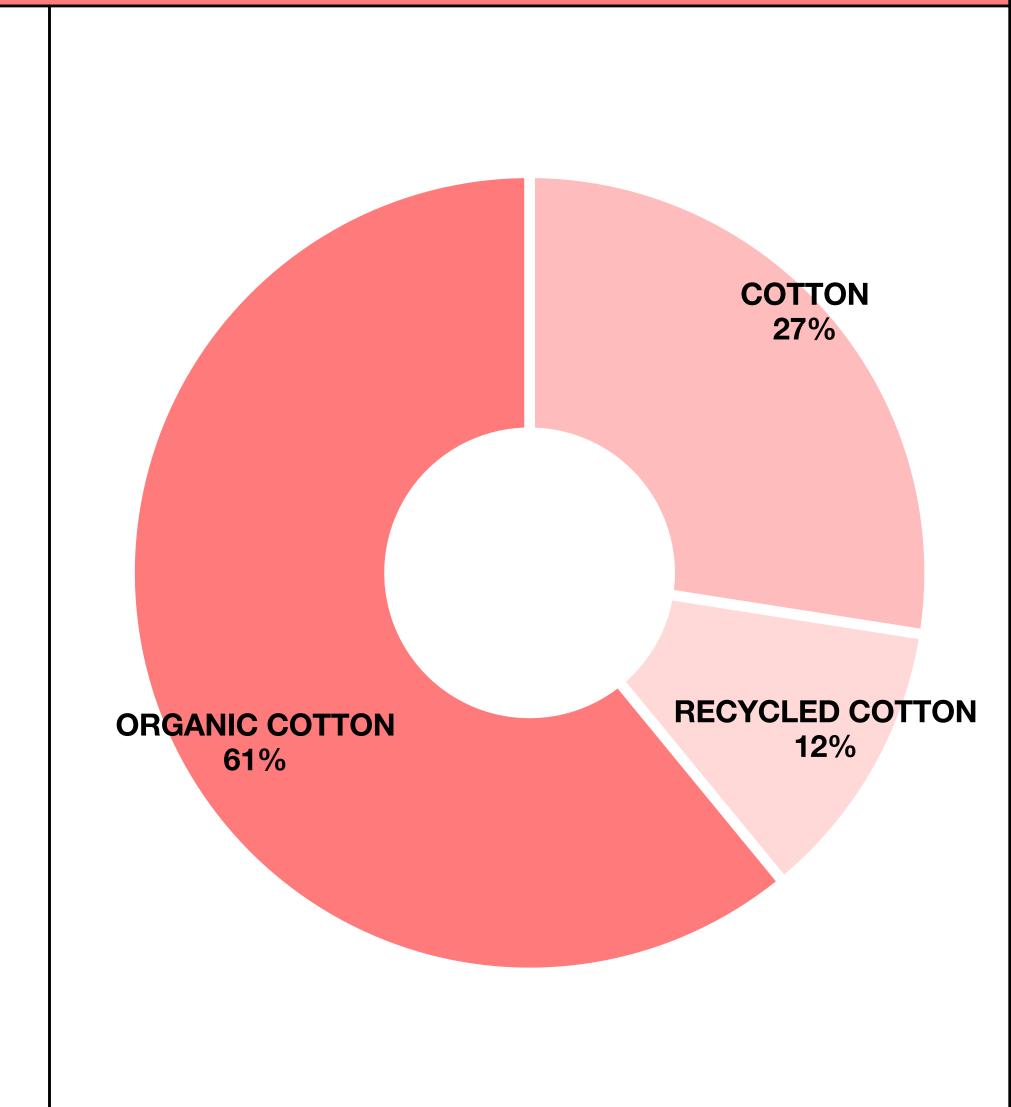




COTTON

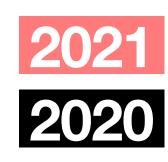
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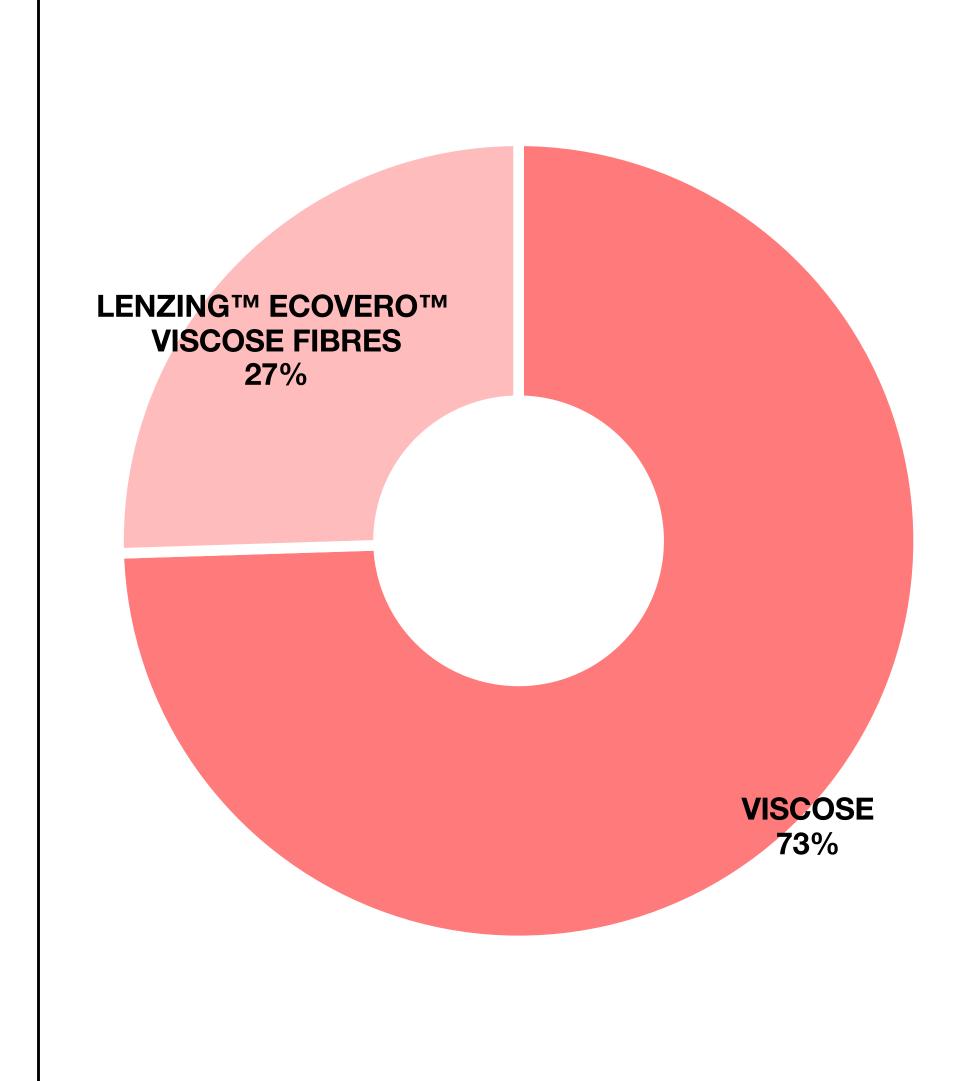




VISCOSE

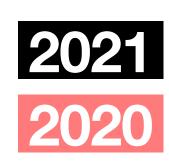
Viscose makes up a small percentage of GANNI's total material usage, while in previous years it accounted for approximately 20%. In 2021 our share of responsible viscose increased slightly. This shows us that while the use of Viscose is relatively small, we need to actively focus on using more responsible alternatives such as LENZING™ ECOVERO™ fibres, TENCEL™ Lyocell fibres, and FSC Certified viscose.

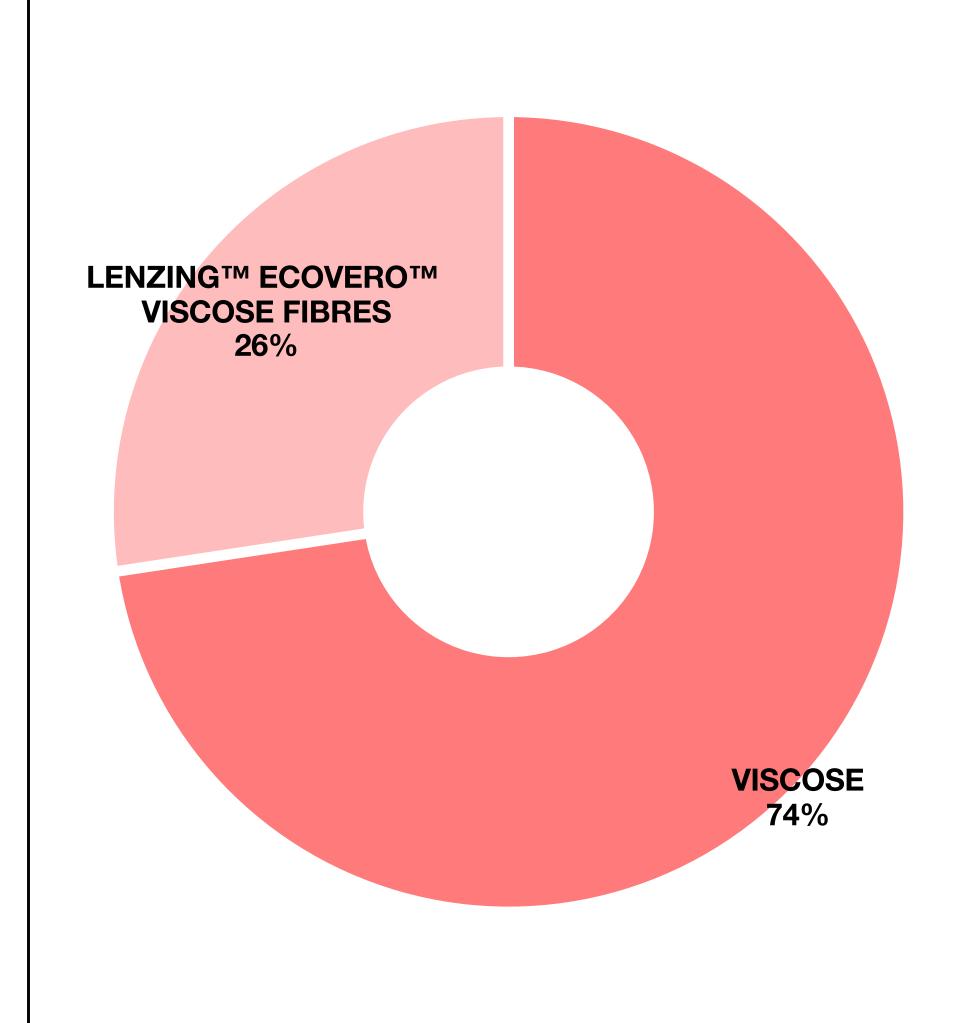




VISCOSE

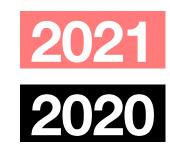
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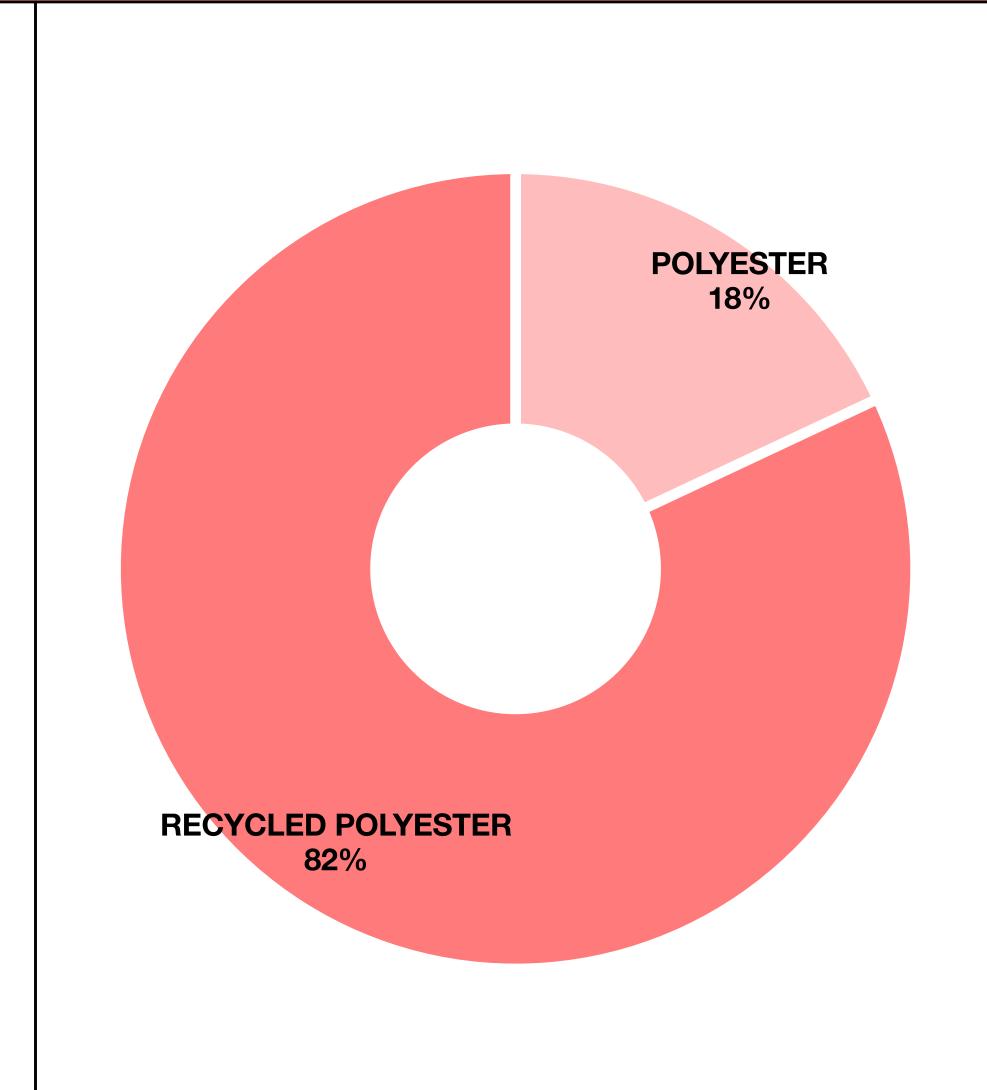




POLYESTER

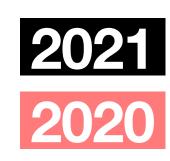
In 2020, we used a 50/50 split of conventional and recycled polyester. We're pleased to say that in 2021 the scales tipped in the right direction, as recycled polyester now makes up 82% of our total usage. In 2022, we will focus on switching the remaining 18% over to recycled polyester or a more suitable responsible alternative.

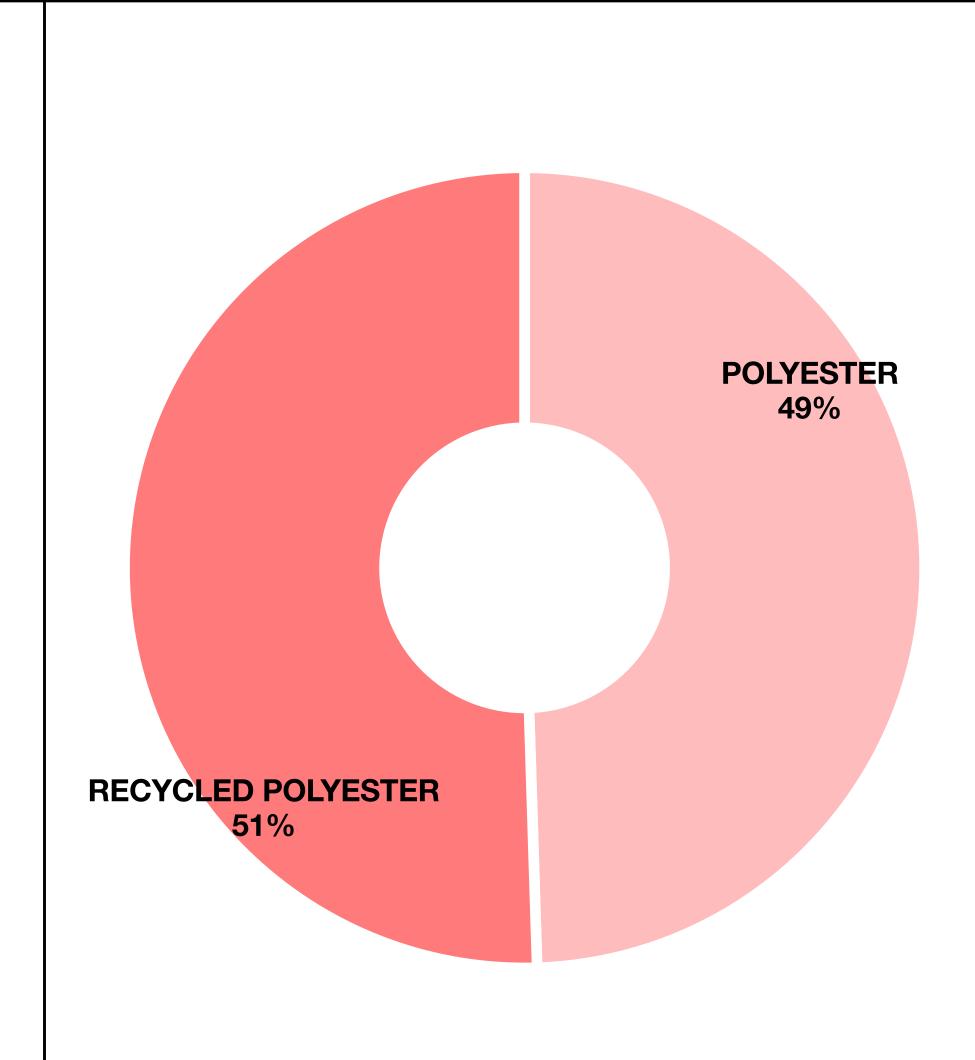


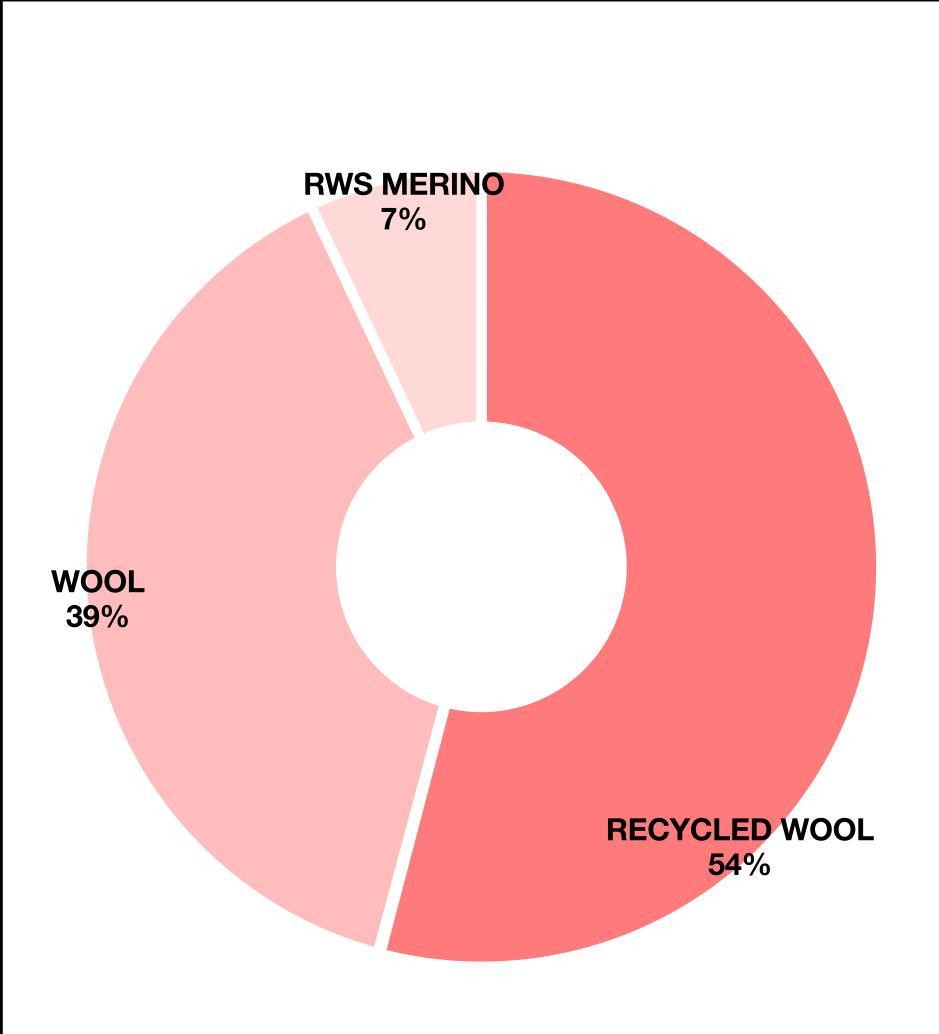


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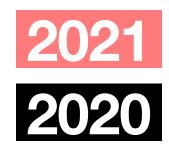


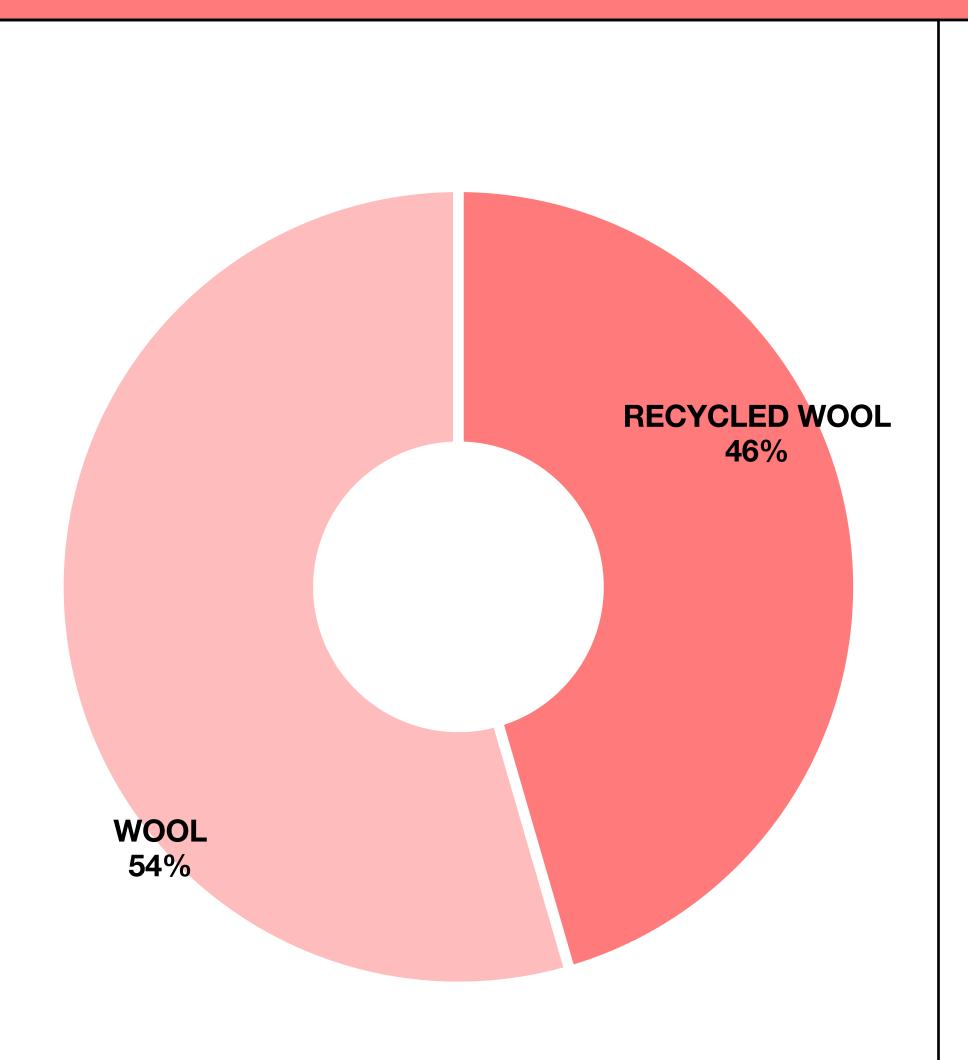
GOAL 27: 100% OF WOOL IN OUR COLLECTIONS THAT IS EITHER RESPONSIBLE WOOL STANDARD CERTIFIED, ORGANIC CERTIFIED BY THE GLOBAL ORGANIC TEXTILE STANDARD OR RECYCLED WOOL CERTIFIED BY THE GLOBAL RECYCLED STANDARD BY 2021.

STATUS: 60%

WOOL

In 2021, our percentage of recycled wool increased to 54%. We also started working to ensure any conventional wool GANNI uses carries an animal welfare standard such as the Responsible Wool Standard (RWS). This is an ongoing priority moving into 2022, as we recognise we still have some work to do to reach 100% responsible status.



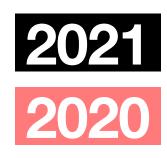


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STATUS: 60%

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GOAL 28: COMMIT TO RESEARCH AND DEVELOPMENT OF NEW FABRIC INNOVATIONS THROUGH OUR 'FABRICS OF THE FUTURE' PROGRAMME

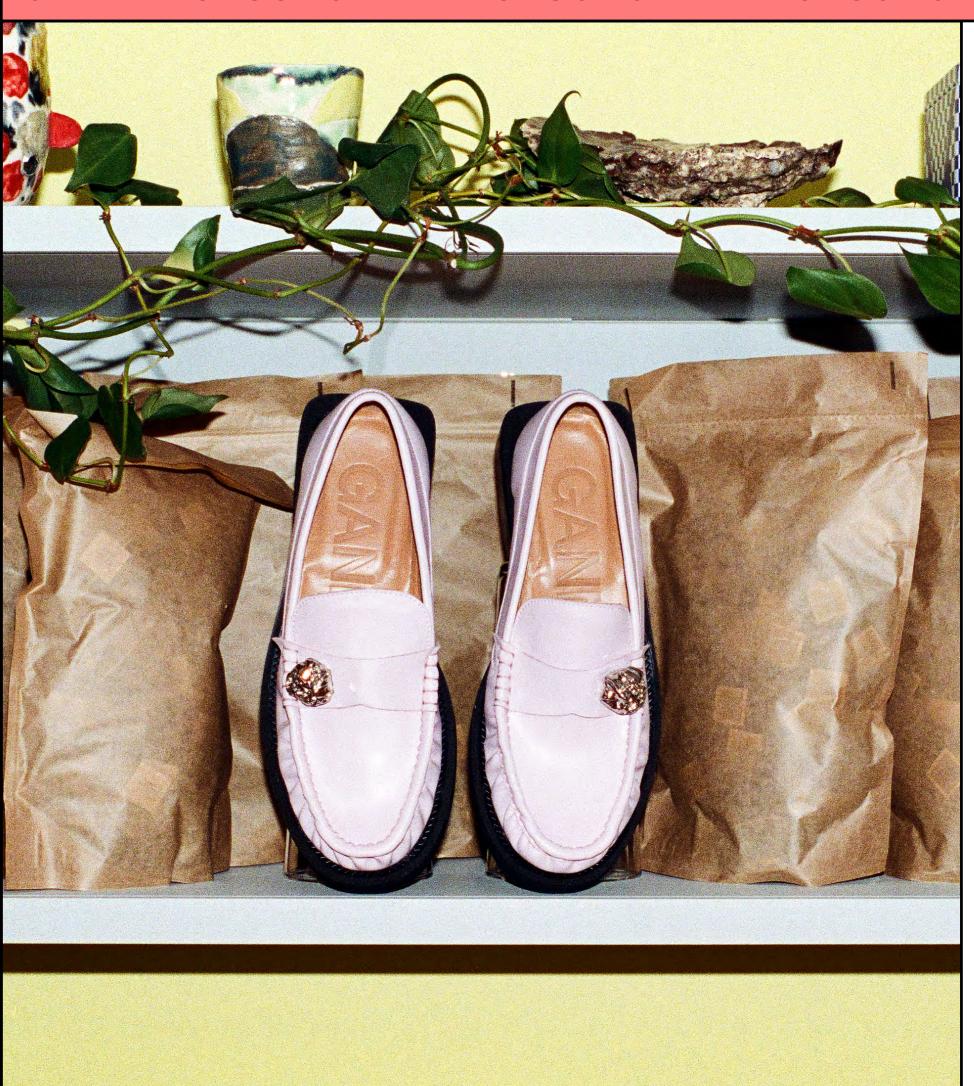
STATUS: 100%

In 2021 we had major advances with our Fabrics of the Future initiative, a process we started back in 2019. New innovations and start-ups gained momentum and started to accelerate at a speed that enabled us to start trialling fabrics of the future and launching them on the market.

We currently have 18 innovations in trialling phase, 5 of which will launch in 2022. It is our ambition to launch x5 Fabrics of the Future each year from 2022 onwards.

It's important for us to invest in these innovations as they can play a crucial role in both circularity and climate action. Our priorities are alternatives to virgin leather and fibre to fibre initiatives.

The innovations we have confirmed so far through FABRICS OF THE FUTURE are as follows:



VEGEATM

VEGEA[™] is an innovative material characterised by the high content of vegetal, renewable and recycled raw materials: grape leftovers from winemaking, vegetal oils and natural fibres from agriculture. By using plant waste, VEGEA[™] prevents the CO2 release that would have occurred if the waste was burnt. VEGEA[™] does not use any toxic chemicals, heavy metals, or other dangerous solvents in their production process.

We will be launching footwear in VEGEA™ throughout 2022.



CIRCULOSE® BY RENEWCELL

CIRCULOSE® is a new natural material made by turning recovered worn-out cotton clothes into a dissolving pulp. Pulp is used to make cellulosic fibres like viscose, lyocell and modal but what differs CIRCULOSE® from regularly used pulp is that it's made from textile waste instead of wood. In a breakthrough process powered by 100% renewable energy, discarded textiles are transformed into a new material that needs no cotton fields, no oil, and no trees.



INFINNA™ BY INFINITED FIBRE

Infinna[™], a unique, patented virgin-quality regenerated textile fibre with the soft and natural look and feel of cotton. Locally sourced in Finland by Infinited Fiber, old textiles, used cardboard and more are broken down and reborn as new fibres.

MYLO™ BY BOLT THREADS

Mylo™ material is made from mycelium and is not animal or petroleum-derived. Mylo is verified vegan and certified biobased (50-85%), meaning it's made predominantly from renewable ingredients found in nature. This certification is received through bio-based testing by DIN CERTCO. The processing and finishing chemistries for Mylo™ are intentionally selected using Green Chemistry principles. Mylo™ is free of substances of concern such as chromium and DMFa, two of the most noxious chemicals used in animal and synthetic leather respectively.

GOAL 29: BRAND CERTIFICATION FOR GOTS & GRS BY 2021.

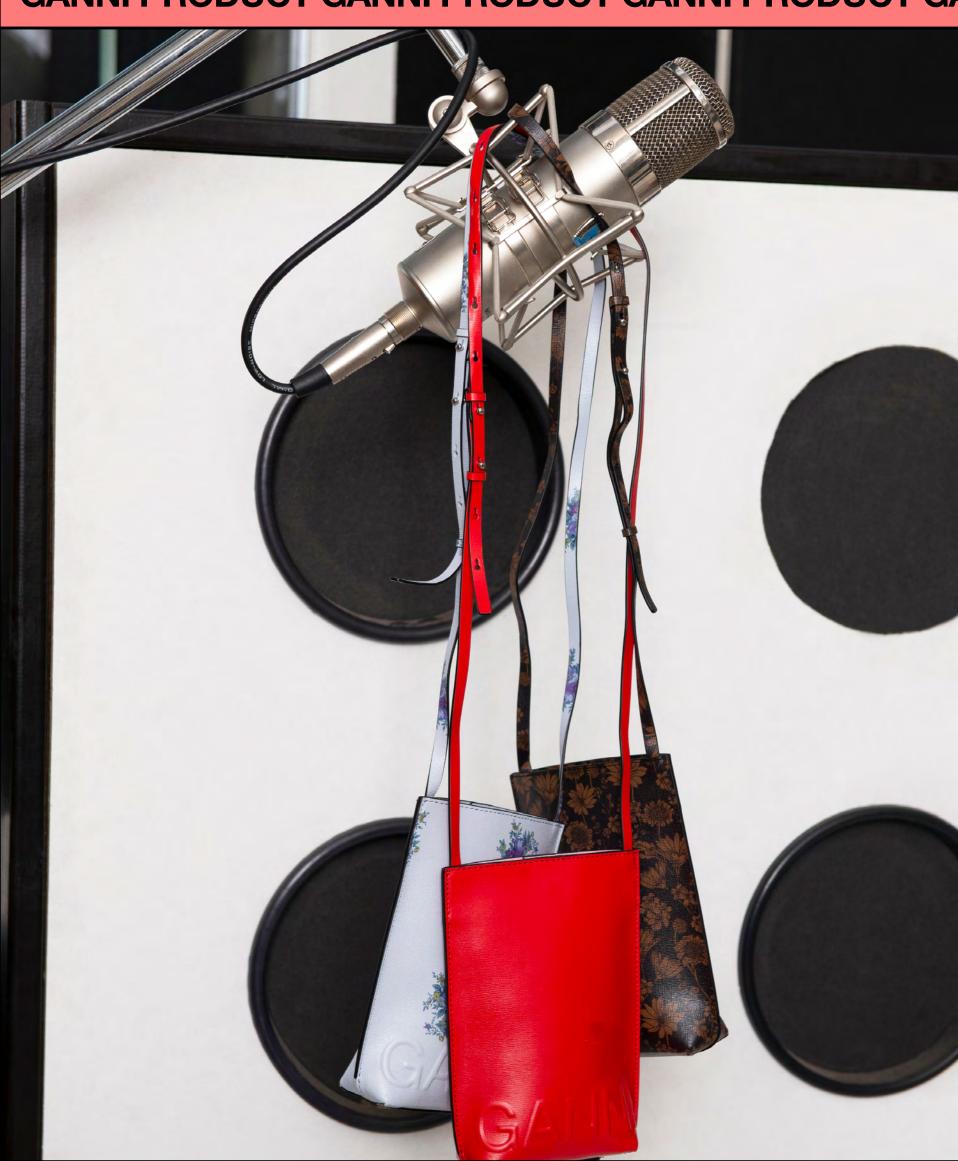
STATUS: 70%

In 2020's report we stated that we were aiming to obtain brand certifications for the Global Organic Textile Standard (GOTS) and Global Recycled Standard (GRS) in order to make strong environmental claims on our organic and recycled products and showcase our third-party certifications to our community, we cannot share without the certifications in place. Unfortunately, due to COVID-19, we experienced some delays in the Auditing process and therefore we will be audited for GOTS and GRS in March 2022.

GANNI makes a conscious decision to use some of the most rigorous third-party certifications on the market and with the rise of greenwashing it's even more important that we get the opportunity to show the depth and credibility that goes into our responsibility work to our community.



In 2021, we expanded the GANNI Repeat concept into a universe that encompasses circular business models such as Resale, Rental, Recycling and Repair. It is our ambition that at least 5% of our sales are generated from responsible business models by 2025.



GOAL 30: 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.

RTW STATUS: 100%

FOOTWEAR AND ACCESSORIES STATUS: 50%

We are pleased to say that November 2021 was the last Ready to Wear collection using virgin leather. The collection will still be sold into 2022, so the true carbon reduction will not be seen until 2023.

We're currently working on finding replacements for virgin leather for footwear and accessories, which presents a big challenge as quality and durability on footwear especially need to be robust, which we cannot compromise on. Through our Fabrics of the Future initiative we're launching various leather alternatives in 2022 which you will hopefully read in GOAL 28. We will keep you updated on our progress!





GOAL 31: ROLL OUT OUR GARMENT TAKEBACK SCHEME TO 6 MORE GANNI STORES IN 2020.

STATUS: GOAL TO BE REVISED

In 2020, we updated the Report saying that we were looking for a new partner to continue to roll-out our take-back scheme. As GANNI is a relatively small entity in the fashion industry, we cannot provide a big enough uptake of used clothing and therefore did not succeed in finding a new partner in 2021. We know we cannot solve this one alone. You can still continue to drop off old garments and shoes at our take-back points in Denmark and the UK. We will keep them in our store while we work on finding an alternative solution for used clothing.

GOAL 32: EXPAND RENTAL PLATFORM GANNI REPEAT TO OUR EU, UK AND US COMMUNITY IN 2020.

STATUS: 100%

GOAL 33: TRIAL REPAIR STATION BY 2021

STATUS: 100%

GOAL 34: IN LINE WITH THE CIRCULARITY COMMITMENT, TRIAL A RECOMMERCE MODEL BY 2023.

STATUS: 100%

This goal will be completed in 2022. Scroll down to the **SPOTLIGHT ON: RESPONSIBLE BUSINESS MODELS WITH GANNI REPEAT** for the details.



SPOTLIGHT ON: RESPONSIBLE BUSINESS MODELS WITH GANNI REPEAT

Background

In 2019, we partnered with Continued Fashion to bring the GANNI REPEAT concept to life. Since 2020, this has been the name of our rental platform, enabling our customers to participate in a circular fashion consumption model. On our continuous journey towards a more responsible way of consumption, we expanded the GANNI REPEAT concept in 2021 into a universe that encompasses circular business models such as Resale, Rental, Recycling and Repair.

OBJECTIVE

We believe that responsibility is a prerequisite for being in business in the future. In our quest to future-proof our business, we have further strengthened our commitment to responsible business models in 2021. With more than 73% of textiles ending up in landfills or being incinerated every year*, developing business models based on the circular economy is a must to reduce waste and close the loop in the fashion industry.

Our goal is to generate at least 5% of our sales from responsible business models by 2025. To achieve this goal, we have set up an internal incubation team to take on the challenge of developing responsible business models in our core business.

In September 2021, this new version of GANNI REPEAT kicked-off. Thanks to our agile approach, we managed to launch our first new project under the REPEAT umbrella in Q4 2021 and have four more projects planned for Q1 2022. These will give us the opportunity to test new visions as we take our next steps.

*Ellen MacArthur Foundation (2017). A New Textiles Economy: Redesigning Fashion's Future.

PROGRESS IN 2021

RESALE

In our 2020 report, we set ourselves the goal of testing a resale model by 2023 laying the groundwork through a research project with the Royal Academy of Fine Arts in Copenhagen. This year we have used the research to initiate our first move into resale. It is a top priority of GANNI REPEAT to ensure a responsible afterlife for our products that also has a convenient set-up for our customers, both buyers and sellers, and fits naturally with our products, which are increasingly being designed for circularity.

Smart Button

For our first initiative, we are partnering with Reflaunt, a resale-as-a-service provider that connects brands to a global network of marketplaces, to integrate a Smart Button under the My Account section of our web shop. The button allows customers to resell previous GANNI purchases through a network of secondhand marketplaces. Once an item has found a new owner through the Reflaunt network, the seller can choose to receive their payment via bank transfer or via a purchase credit with an additional 20% value for new GANNI purchases. In our first version, the service will be available in Denmark, Norway and Sweden from March 2022.



Peer-to-peer Marketplace

As a second initiative, we will set up a peer-to-peer marketplace where customers can buy and sell their pre-loved GANNI purchases. We will also work with Reflaunt as the operating partner on this. Similar to the Smart Button, sellers can choose between a bank transfer or a purchase credit with an additional 20% value to spend in our webshop once their item is sold. The platform will be launched in Denmark, Norway, Sweden and the UK in April. Other markets will follow later in the year once we have completed the initial testing.

In-store Second-hand

Last but not least, we would like to pilot a second-hand concept in our Postmodern store in Copenhagen where customers can trade in their pre-loved GANNI products. In return, they receive a GANNI gift card for further purchases at GANNI. The traded pre-loved products will be available in a special area in our Postmodern Store in Copenhagen for other customers to browse and buy.

RENTAL

In early 2020, we celebrated the successful expansion of our rental platform in the UK and US. However, with the rise of Covid-19, our rental activities have suffered a small setback as we have had to shut down rental in the UK and US. Despite recent events, we still believe that rental is an exciting opportunity that can help redefine ownership and accessibility and we will continue our efforts in this area.



New rental partners

In 2021, we tapped UK rental platforms HURR & Rotaro to reignite our rental efforts outside of Denmark. With each collection, we will offer key styles and occasion wear for rental on their platforms. Once the products come out of cycle, they will be available for purchase through our secondhand initiatives. As we dip our toes back into the rental waters and gain more experience, our goal is to attract more partners and eventually - when we do everything right - expand our own rental platform to more markets.

RECYCLING & REPAIRS

Last year, we successfully set up repair and customisation pop-ups in selected GANNI Stores in Denmark, the UK and the US. Following the positive response from our community, we are making further efforts to extend the life of our products by finding new ways to incentivise recycling and repairs for our community.

Sojo

As a first step in making repairs more accessible to our community, we have partnered with UK start-up Sojo to pilot a free tailoring service in our London community. The partnership was born out of the belief that repairs and alterations can be done easily and for free with just a few simple steps. Customers book the service through GANNI.com, which then works on a pick-up and delivery basis, all in true Copenhagen style by bicycle. The partnership began on 18 November with a pilot in London and will then be rolled out to the rest of the UK. An in-store tailoring solution is also being considered.





NEXT STEPS AND CHALLENGES

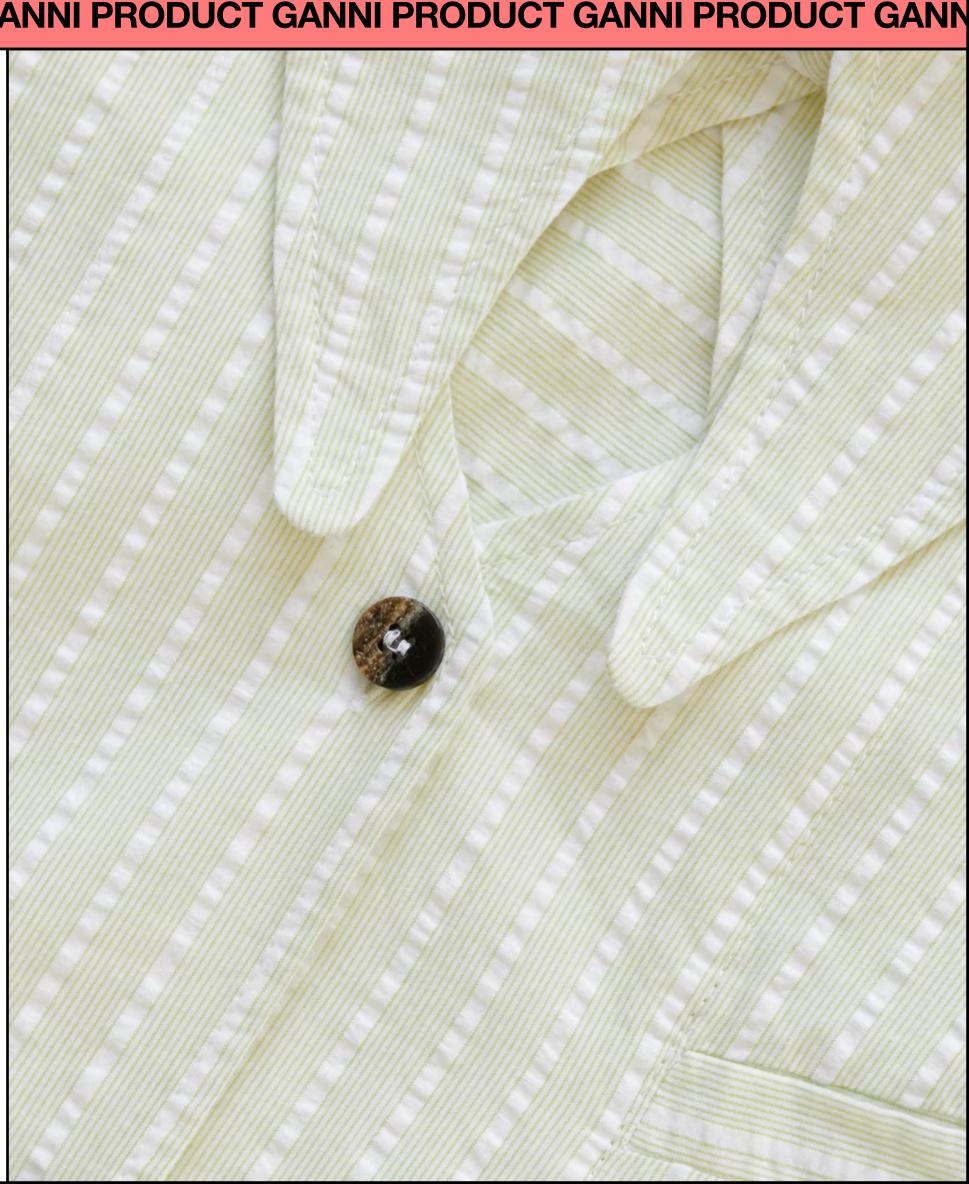
We still have a long way to go when it comes to developing responsible business models at our core. The next steps will be to test the solutions presented in each area of our GANNI REPEAT universe and expand them as markets mature and we start to get things right. There is still much to learn on our journey towards a circular economy for textiles. We may not get everything right, but we continue to invest in responsible business models.

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GOAL 35: 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.

STATUS: 80%

In the beginning of 2021 we partnered with Stockholm- based Steamery who supported us on creating a garment care guide and a denim care guide. Our Denim care guide can be found on ganni.com here and the wider garment care guide can be found on our GANNI.Lab instagram page here.





IN 2021, WE SAW A +300% GROWTH IN FOLLOWERS TO @GANNI.LAB INSTAGRAM ACCOUNT. GANNI.LAB IS WHERE WE SHARE OUR JOURNEY TO BECOMING THE MOST RESPONSIBLE VERSION OF OURSELVES.



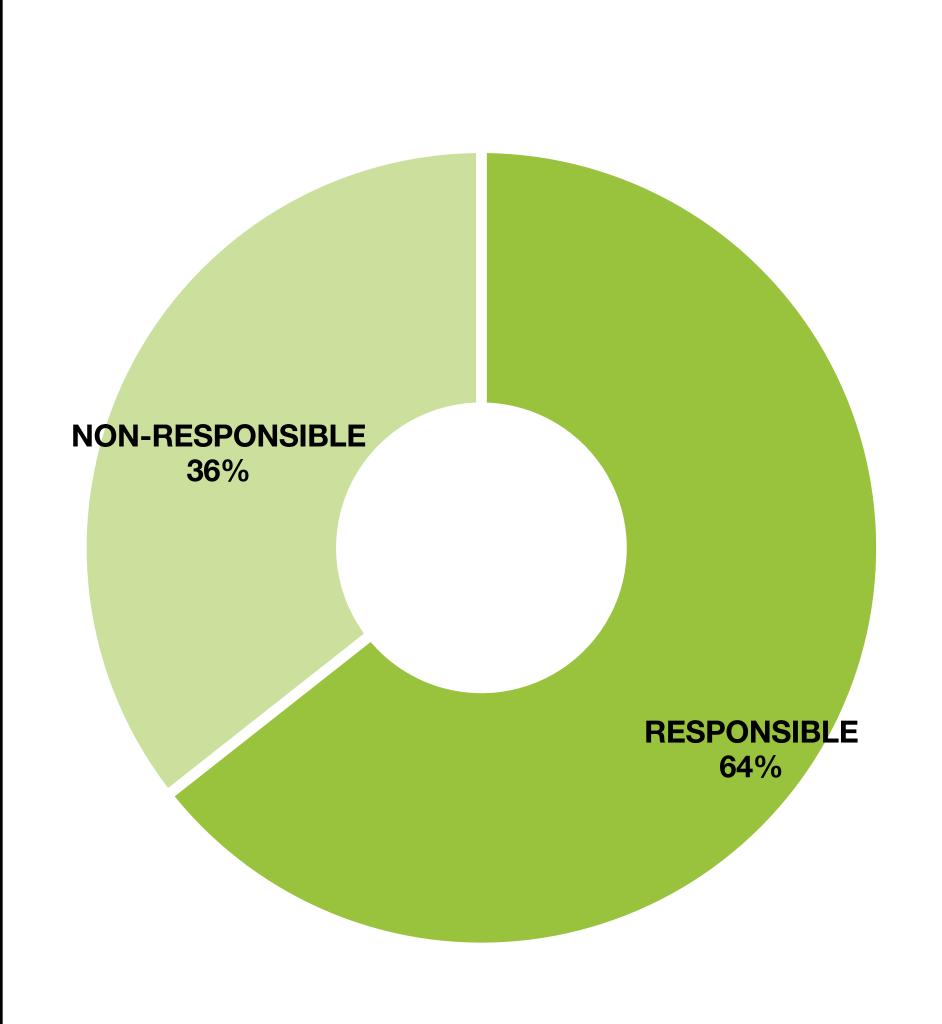
GOAL 36: COMMIT TO MEASURING THE IMPACT OF GANNI DECISIONS ON WORKERS, CUSTOMER, SUPPLIERS, COMMUNITY AND THE ENVIRONMENT BY 2021.

STATUS: 100%

In June 2021 we submitted our B Corp application. To prepare for it, the Responsibility Team worked together with 12 other departments across the business on data gathering, formalised policies and procedures and measured our impact on the environment, our workers, community and the consumers. We completed a 285+ impact assessment questionnaire that determines our score and eligibility to become a B Corp. On average, a business scores around 51 points and only businesses that score more than 80 points become B Corp.

Once our application is evaluated and the final score is announced, GANNI will join the global movement of more than 4,500 certified B Corp companies. Wish us luck!



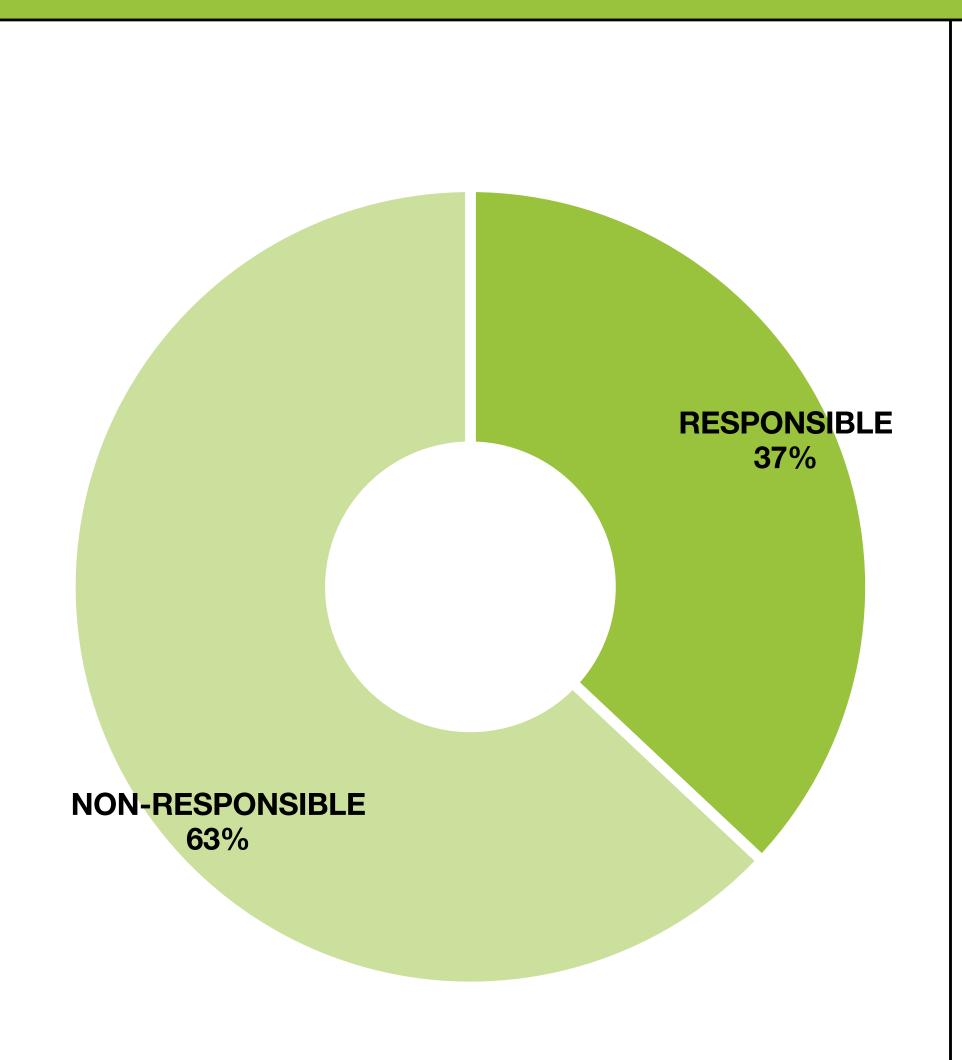


GOAL 37: REPORT ON THE % OF MORE RESPONSIBLE PRODUCTS SOLD IN COMPARISON TO CONVENTIONAL ANNUALLY.

STATUS: 100%

In 2020, we started reporting on the percentage share of responsible products sold in comparison to non-responsible products. For 2020, 37% of GANNI styles sold in 2020 were marked as responsible and with our increased focus on converting to 100% responsible materials in 2021 we saw this increase to 64.38% - a great step in the right direction.





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GOAL 38: PUBLICLY REPORT PERCENTAGE OF ANNUAL REVENUE ON RESPONSIBILITY INITIATIVES.

STATUS: 100%

We started publishing our percentage spend of revenue on responsibility initiatives during 2019. This has proven to be a helpful exercise in establishing where we are, especially as the work on responsibility is extending past the designated Responsibility team. In 2021, we saw a decrease in percentage spend on responsibility, yet the responsibility budget was 15.2% higher than the previous year. This is due to exceeding revenue targets for 2021 which were only realised at the close of 2021. This has helped highlight the risk in reporting annually, so from 2022 onwards we will be reporting on spend quarterly.

Please note - when reporting the percentage spend on Responsibility we are not including the cost increases of using more responsible materials versus the conventional alternative. This cost increase is often a blocker for the industry to switch to more responsible alternatives. At GANNI we see it as a moral obligation to make this switch and we're working hard to avoid increasing prices to our customers, but as innovative materials are substantially more expensive to purchase and as the relationship with suppliers are much more complex, it is questionable whether we can continue to absorb the additional cost ourselves.



0.79%



GOAL 39: MEASURE IF GANNI'S WORK ON RESPONSIBILITY INCREASES BRAND EQUITY.

STATUS: GOAL TO BE REVISED

In order for us to truly measure if our responsibility work increases brand equity, it requires a robust consumer research study, which we haven't yet prioritised. Whether it increases brand equity or not we see our responsibility efforts as our moral obligation and thus, our work in this area continues. We do have some early indications that our responsibility effort is being positively received.



JAN 2020 FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN 2021



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GOAL 40: LAUNCH THE SUSTAINABLE DEVELOPMENT ACCELERATOR ORGANISED BY THE UNITED NATIONS AND DELOITTE DENMARK KNOWN AS 'GANNI. LAB'.

STATUS: 100%

This goal was completed in 2020, see last year's report for the detailed case study.

GOAL 41: INVEST IN A MINIMUM OF 3 INNOVATIVE PROJECTS A YEAR THAT SUPPORT SUSTAINABLE DEVELOPMENT IN THE FASHION INDUSTRY.

STATUS: 100%

We have also been focusing on circular business models throughout 2021, building partnerships that support the development of a more sustainable future. Beyond that, we have been immersing ourselves in various research projects and industry charters to advance the industry together rather than in silos. Hopefully throughout this report, you can see the industry partners we have, from NGO's, to industry charters to fabric innovators. Transitioning to a more responsible fashion industry cannot be achieved alone.





GOAL 42: CONTINUE TO SUPPORT THE 3 SDG'S ALIGNED TO THE GAMEPLAN.

STATUS: 100%

This goal was completed in 2020, please see last year's report for the details. We continue to view the SDG's as the backbone framework to all of our work on responsibility: Focus areas of Responsible Consumption and Production, Climate Action and Gender Equality remain some of our biggest priorities.



GOAL 43: SET UP AN EXTERNAL RESPONSIBILITY ADVISORY BOARD BY 2020.

STATUS: 100%

We put an external Responsibility Advisory Board in place in late 2020 to help us navigate the ever-evolving landscape of responsibility. Bringing in external voices helps us to hold ourselves accountable and ensure that independent perspectives from GANNI's financial performance are represented in our decision making.

We have been in conversation with Aude Vergne, Chief Sustainability Officer at CHLOÉ since late 2021 and we are pleased to announce that Aude will join the Responsibility Advisory Board as of 2022. Pre-competitive industry collaboration is imperative for a more responsible and accountable fashion industry and we welcome this new luxury brand perspective into the conversation. We're looking forward to seeing what we can achieve together.



GOAL 44: UTILISING THE HIGG MATERIAL SUSTAINABILITY INDEX TO INFORM FABRIC PRIORITIES, KNOWN AS THE 'FABRIC SCORE' ON AN ONGOING BASIS.

STATUS: 100%

The GANNI Fabric score is based on the Higg MSI and paired with GANNI's Carbon Footprint Data and updated on an annual basis and shared with our Design and Product Development teams in order to set priorities for the year ahead.

See the updated GANNI Fabric score here.





In last year's report, I noted that I was hopeful for the future and seeing what we managed to achieve in 2021, I remain even more positive. With the willingness and buy-in from top management and your peers, you can make great progress in helping the fashion industry become a more responsible version of itself. What isn't shown in this report is all the people working hard everyday behind the scenes to make this happen not only the Responsibility team but the collective GANNI spirit. It's rare and something to be celebrated.

Remember to follow along on our journey and keep yourself updated at @Ganni.Lab. For any questions or suggestions please reach out to our team on sustainability@GANNI.com.

Lauren Bartley, Sustainability & CSR Director GANNI



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Based in Copenhagen and owned and run by husband-and-wife team Creative Director Ditte Reffstrup and Founder Nicolaj Reffstrup, GANNI has developed exponentially over recent years with its Scandi 2.0 sense of style full of personality and contrast. GANNI is all about making our community who wear our clothes feel even more confident and capable of anything. For us, acting responsibly is a moral obligation.

We are on a journey to minimise our social and environmental impact and strive to be a more responsible version of ourselves everyday. In 2020, we launched our GANNI Gameplan setting ourselves 44 tangible goals to be reached by 2023 across four main pillars; People, Planet, Product and Prosperity.

GANNI has offices in Copenhagen, London, Paris, New York & Shanghai and is represented in more than 600 of the world's top tier retailers as well as 37 GANNI retail locations across Europe, and the United States. GANNI.com delivers internationally to 35 countries including Australia, Canada and South Korea.

For the brand's newest collection 92% of the production volume comes from responsible styles, meaning at least 50% of the composition is certified recycled, lower-impact, or organic. GANNI is committed to having 100% responsible styles in the future. GANNI currently has 100% traceability on Stage 1-4 of their supply chain and has published all Stage 1 and 2 suppliers with the Open Apparel Registry to drive transparency.

Statement of corporate social responsibility in accordance with the Financial Statements Act §99a for Ganni A/S and Danish Fashion Co A/S

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