



Sustainability Report

It's complicated
but not impossible



What we do:

Create products that are premium, preppy, timeless and designed to have a long life.

What we promise:

To act on our ethical, environmental and social responsibilities.

What we believe:

A sustainable approach to designing beautiful products is the future of continued good business.

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57%

Amount of products were made in tier one factories that used the Higg Index Factory Environmental Module.

SUSTAINABLY SOURCED COTTON

57%



79%

79% of products comes with a sustainability hangtag.

3 New partnerships signed during 2020

9 Grievance cases reported

6 Deviation from policy reported

£4,322.89
Donated to WaterAid from the 7 Rules archive auction

ACHEIVEMENTS

1 Launched the sustainability roadmap

2 Sustainability hangtags implementation

3 Launched the 7 Rules

79% of our collection is now sustainably labeled

GANT has been in the business of fashion for more than 70 years. And while making timeless and long-lasting garments has always been a focus, it is our ability to be open to change while developing and enhancing our company, that will keep us in business for 70 years more.

It is with this resourceful spirit that we see sustainability as a long-term investment and a foundation for a profitable business. For a long time, we've been working on improving our processes and exploring solutions to ensure that sustainability is a thread that runs through everything that we do. In 2019, we published a strategy with clear and ambitious goals that we aim to reach by 2030, with specific yearly targets along the way. Our will to create new traditions by challenging norms will help us build on this legacy of innovation and take on the sustainability challenge.

Each year brings a new set of obstacles to overcome, and 2020 was no exception. The whole world, including GANT,

was heavily impacted by the Covid-19 pandemic. Several stores and factories have had to close down temporarily while many of our employees have had to work from home. We have quickly adapted our ways of working with these new unprecedented circumstances and will continue to evaluate and adapt our operations in order to bring our customers the best experience possible.

Even though it has been a very different year, our sustainability efforts have continued—79% of our collection is now sustainably labeled, we entered a new partnership with WaterAid, and we launched our circular commitment, The 7 Rules by GANT.

All this is thanks to our fantastic employees who have done an incredible job, especially under such arduous circumstances. I would like to personally thank them all and also thank our community that continues to support us. With the end of the pandemic in sight, there is much to be hopeful for.



Patrik Söderström
CEO

Our 7 strategies are our roadmap and we want to become a brand known and loved for improving the waterways of the world by 2030.



Jessica Cederberg Wodmar
Global Sustainability and
Innovations Director

Working with sustainability and clothes are two of my greatest passions. I am proud to be working at a company that has a credo of Never Stop Learning, because that is a true enabler when it comes to sustainability. More so than ever when looking back at 2020.

Early in 2020, I had the great opportunity to visit our local subsidiaries to launch our sustainability initiatives: “It’s complicated but not impossible” and “The 7 Rules”. We’ve done a massive job over the last years with building a strong sustainability foundation and in 2020, we were ready to invite our consumers to this journey. During this tour, I had the chance to meet the big GANT family around Europe and we were all excited about what was about to come.

As we all know, this year didn’t turn out as planned, but the GANT team is driven by curiosity so we didn’t let the pandemic stop us from delivering on our promises.

Throughout the year, we have activated five of our 7 Rules, inviting and educating our consumers to take care of their beloved clothes. We are ready to launch our rental and recycling services as soon as it’s safe to invite our consumers to experience this. You will be able to read more about each rule and what we have achieved in this report.

In 2021, we aim to set our Science Based Targets to align our climate goals with science and source more than 90% sustainability sourced cotton. I believe that we together create the future we want to have, and the GANT family is a curious, passionate, great bunch of people that will continue to find more sustainable and innovative ways of improving our business. Together with our great suppliers and consumers we are a strong community that can make a positive change for all.



2020, A year like no other

2020 will be remembered as the year when covid-19 shaped both our lives and the way we do business. It has been a year like no other and has challenged everything we do. The GANT motto to Never Stop Learning and our will to create new traditions by challenging norms have been great strengths for GANT during this year.

Stores have been closed and we have seen a big shift to sales in our e-commerce platforms. Factories have been closed for parts of the year and staff have been working from home. These are just some of the challenges we have been able to tackle during the year.

It has also impacted how we work with sustainability. Our plans on setting Science Based Climate-targets were postponed to next year, as well as some activations that were planned for The 7 Rules.

Even though it has been a unique year in many ways, our sustainability focus hasn't stopped and we believe that sustainability is a prerequisite for doing business. This report shows the progress we have made during 2020.

2020 Performance

	<u>Baseline 2017</u>	<u>Performance 2020</u>	<u>Planned actions 2021</u>	<u>Target 2025</u>	<u>Target 2030</u>
Water stewardship	Started collaborating with Waterkeeper Alliance. • Partnered up with SEAQUAL. • Water Policy already in place.	Partnered up with WaterAid 57% of our products were made in tier 1 factories that used the Higg Index Factory Environmental Module to measure water usage and pollution	Initiate more partnerships related to Water Stewardship and evaluate water risks within our supply chain.	Reduce GANT's water use in manufacturing by 50%.	Only use as much water as can be naturally replenished in all our operations.
Combating climate crisis	Published first sustainability report. • Set 2017 as baseline for climate targets.	Total amount of greenhouse gases emitted were 143 000 tonnes*. 77% was due to production, 14% due to extraction of raw materials, 4% logistics, 3% HQ office, warehouse and shops, 2% packaging materials, 0,2% business travels Science Based Target postponed to 2021 due to Covid-19 pandemic	Assess climate impact in our value-chain in order to set a Science Based Target	Implement 50% renewable energy across our own operations no later than 2025, as well as incentivizing implementation of renewables within our supply chain.	Implement 100% renewable energy across our own operations. Decrease our climate footprint by 30% throughout all operations.
Fiber staircase	Partnered up with Better Cotton Initiative to promote a more sustainable cotton industry. • Became member of the Chemical Grop, Rise. • Developed the sustainable fiber staircase. • Reached 88% made from natural materials. • 100% paper product packaging Material is Forest Stewardship Council Certified. • Mulesing free wool, certified down and feathers, no fur or angora.	Reached 57% sustainably sourced cotton, 52% cotton sourced via BCI and 5% organic cotton. Reached more than 50% sustainably sourced materials. Labeled 79% of our collection with sustainability hangtags, starting from FW20. New membership in Leather Working Group	Reach more than 90% sustainably sourced cotton.	100% of key materials sustainably sourced by converting all key materials from conventional to more sustainable. • 100% of our cotton will be sustainably sourced by 2022. All conventional cotton will be replaced with more sustainable alternatives such as Better Cotton Initiative, organic cotton, recycled cotton, regenerative cotton and transitional cotton. • We commit to zero deforestation and to the protection and sustainable management of natural forests by only choosing certified cellulose by 2023.	Only source cotton through the best available farming practices at hand to support our overall vision.
Circular fashion system	Launched collection from upcycled material. • Continued partnership with end-of-life organization.	Launched GANT 7 Rules New partnership with TexAid	Continue the roll out of the 7 Rules services in retail and digitally and continue to inform and inspire our consumers to a more circular consumption.	Circularity will have been implemented as a key parameter within design, usage and end-of-life. • At least 50% of all plastic packaging we use in B2C is 100% recycled content.	At least 50% of all plastic packaging we use in B2B is 100% recycled content.
Transparency in supply chain:	Continued mapping of tier 1 factories.	Published GANT first transparent supply chain list on the webpage.	Continue to increase transparency by mapping strategic partners in tier 2.	100% transparency on all suppliers in Tier 1 and strategic partners in Tier 2 by 2023. • 100% traceability on key raw materials.	Continuously maintain transparency in our supply-chain
Promoting never stop learning	Launched the TV show "Couple Thinkers". • Conducted a new materiality analysis. • New risk analysis was conducted with the management team. • Launched new sustainability training.	Launched new Sustainability concept for the Retail Sustainability training.	Continue with the retail training roll outs.	We will continue to establish partnerships with Never Stop Learning organizations.	Continuously incorporate Never Stop Learning within the Sustainability Roadmap and the Seven Sustainability Strategies to meet a rapidly changing industry
Respectful and secure work environments	Continued membership of Amfori BSCI. Code of conduct already in place. 90% Factories in Asia, Africa & Turkey assessed by 3rd party. • Published Modern Slavery Act Statement.	100% of all product suppliers have signed Code of Conduct 100% of the factories in Asia, Africa and Turkey have been assessed by third party auditor. Started to implement new requirements on third party audits for european suppliers. 9 grievance cases received, 6 within HR and 3 within the supply chain. Grievance cases was evaluated in accordance with the established grievance-process.	Launch a new global HR Employee Engagement Tool to capture feedback from employees on a regular basis.	100% of suppliers in Tier 1 and strategic partners in Tier 2 in social compliance programs by 2025	Ensure that suppliers down to farmers in the GANT supply chain are 100% part of social compliance programs

It's complicated but not impossible

GANT has since the start in 1949 focused on creating clothes with a timeless design and where durability and functionality have been a top priority. Today, we work in the same mindset, and “Never Stop Learning” is the leading credo through everything we do. Our belief in the power of curiosity drives our sustainability initiatives. We constantly seek out new ways to act on our ethical, environmental, and social responsibilities. We see great potential in taking on the sustainability challenge. We believe the best way to succeed is to join hands with other frontrunners in our industry and act in accordance with science-based facts.

At GANT, we have for the last couple of years improved our processes and worked through our full operation chain and in 2020 we decided to let our consumers take part. Early this year we launched our first consumer-facing sustainability activation where we, with a film, described our ways of working with sustainability and the mindset we do this with: “It's complicated, but not impossible”.

We want our consumers to understand, know, and easily access any information about how we work with our sustainability efforts and how we believe we need to tackle this. We don't think it's an easy topic and we know that there are always improvements to be made, things to learn and ways to become better. Understanding the difficulties enables us to make better choices.

All of our sustainability communication, and the way we internally see this topic, springs out of this mindset. This is how we'll continue to communicate this in all of our work across this area and it's our leading message. We believe that we can make change happen and that transparency and honesty is the only real way forward for any company.





THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

GANT is a signatory of the United Nations Global Compact. The United Nations Sustainable Development Goals are crucial for sustainable development, both in our industry and the world. We aim to align ourselves with these goals by integrating them into our strategic plans. Our prioritized goals are highlighted below, but we acknowledge that we, as a global company, need to work with all 17 goals.

Goal 4: Quality Education

Goal 6: Clean Water and Sanitation

Goal 12: Responsible Consumption and Production

Goal 14: Life below Water

Goal 17: Partnerships to Achieve the Goal

Taking action together

The sustainability challenges that the fashion industry face are large. We know that creating significant change requires joint efforts, collective action, and cooperation. This is why we proudly commit to important global plans and alliances to create a positive impact.



These are our long-term commitments and partnerships for GANT.

THE FASHION INDUSTRY CHARTER FOR CLIMATE ACTION

By signing The Fashion Industry Charter for Climate Action, GANT is committing to a 30% reduction in greenhouse gas emissions by 2030 and to participating in working groups convened by the United Nations to develop roadmaps for the commitments in the charter. This effort brings fashion stakeholders together to develop a unified position on tackling climate change, including the vision of achieving net-zero emissions by 2050.

THE FASHION PACT

The Fashion Pact was established during the 2019 G7 Summit at the urging of French president Emmanuel Macron. Signatories commit to joining forces with other leading fashion companies to take action within three main areas: climate, biodiversity, and oceans. Fashion Pact has over 60 signatories that represent one-third of the fashion industry. GANT is proud to be among them.

THE SUSTAINABLE APPAREL COALITION

The Sustainable Apparel Coalition is the leading alliance for sustainable production of apparel, footwear, and textiles. It has a vision of an industry that produces no unnecessary environmental harm and has a positive impact on the people and communities with which it works.

THE HIGG INDEX

The Higg Index is a suite of tools that enables brands, retailers, and facilities of all sizes to accurately measure and score the sustainability performance of a company or product at every stage of their sustainability journey. The index delivers a holistic overview that empowers businesses to make meaningful improvements to protect the well-being of factory workers, local communities, and the environment. In 2020, 58% of GANT products were made in Tier One facilities that use the Factory Environmental Module. This measures the environmental impact of a factory within areas such as environmental management systems, energy, and water use.

GANT IS A SIGNATORY

GANT is a signatory of the UN Global Compact which is the world's largest corporate sustainability initiative. It's a call to companies to align strategies and operations with universal principles on human rights, labor, environment, and anti-corruption, and take actions that advance societal goals. As signatories, we continue to support this critical initiative and remain dedicated to supporting the 10 principles of the Global Compact with respect to human rights, labor, environment, and anti-corruption. We look forward to the years ahead as the Global Compact's activities advance our company's sustainability commitment.

TEXTILE EXCHANGE

Since 2019, GANT is a member of Textile Exchange which is a non-profit organization working to inspire and equip people to accelerate sustainable practices in the textile value chain. Textile Exchange standards work to support the integrity of product claims by providing verification from independent third parties. GANT holds scope certificates for the following Textile Exchange's standards: Organic Content Standard (OCS); Responsible Down Standard (RDS); Global Recycled Standard (GRS) and Recycled Claim Standard (RCS).

RISE

RISE is an independent, state-owned research institute, which offers unique expertise and over 100 testbeds and demonstration environments for future-proof technologies, products, and services. RISE is an expert in innovation in the textile industry and helps GANT to phase out harmful substances from our production.

AMFORI BSCI

GANT has been a member of Amfori BSCI for many years. Our membership in BSCI allows us to perform due diligence and improve social performance in our global supply chain. In BSCI we share common social and ethical standards with other members through the Code of Conduct,

and access tools to identify risks in our supply-chain. The Code of Conduct include 11 principles that range from fair remuneration and occupational health and safety to no child labour and no bonded labor. We also receive access to a strong monitoring system and social-audit results for our factories and a network of auditors specialized in performing audits according to the BSCI-standards.

LEATHER WORKING GROUP

Leather Working Group is a not-for-profit membership organization and responsible for the world's premier leather manufacturing certification. The organization aims to improve the environmental impact of the leather industry by assessing and certifying leather manufacturers. GANT's aim is to only source leather from tanneries that have been audited by Leather Working Group. GANT is committed to supporting sustainable leather manufacturing across the globe, which is why we are proud members of the Leather Working Group (LWG). The LWG is an international organization made up of stakeholders, across the leather supply chain, working to promote environmental best practices within leather manufacturing and related industries. LWG-certified tanneries responsibly manage and use resources, such as energy and water, and actively work to reduce their emissions to the environment. By supporting the Leather Working Group, we want to push the industry into a more sustainable direction.

Commitments & Partnerships

THE BETTER COTTON INITIATIVE (BCI)

The Better Cotton Initiative (BCI) is a global not-for-profit organization and the largest cotton sustainability program in the world. BCI exists to make global cotton production better for the people who produce it, better for the environment it grows in, and for the sector's future. Approximately 50 % of all the cotton that GANT used in 2020 came from Better Cotton-farms.

TEXAID

In 2020, GANT joined TexAid, who is now one of GANT's circular fashion partners. TexAid is taking care of GANT garments that cannot be sold in stores, outlets, or by internal sales. Since GANT stands for timeless, classic design with high quality, our focus within circular fashion is to make the circular loop as large as possible. With this partnership, we can extend the loop even further. By having a partnership with TexAid, we know that the GANT products that cannot be sold in our own channels are always taken care of in accordance with the EU waste hierarchy. We are, in the most sustainable, transparent, and traceable way, extending the lifetime of our garments.

WATERAID

GANT aims to be a brand known and loved for improving waterways in the world. In 2020 GANT entered a new partnership with WaterAid. WaterAid is working to make clean water, decent toilets and good hygiene normal for everyone, everywhere within a generation. The international not-for-profit organisation works in 34 countries to change the lives of the poorest and most marginalised people. Since 1981, WaterAid has reached more than 28 million people with clean water and decent toilets. GANT is proud to support WaterAid's important work.



Our 7 Sustainability Pillars

We see sustainability as a thread that runs through everything we do. For this reason, we have created the GANT 7 Sustainability Pillars, a roadmap with ambitious goals each year until 2030. In 2020, the 7 pillars were launched to lead the way for all our operations, to be able to reach our sustainability targets. These pillars will be described and included within this report with the following headlines:

-
1. Combating Climate Crisis

 2. Water Stewardship

 3. Sustainable Fiber Staircase

 4. Circular Fashion System

 5. Respectful And Safe Work Requirements

 6. Promoting Never Stop Learning

 7. Transparent Supply Chain

Combating the climate crisis

Building a

The need to combat the climate crisis has never been more important. It's a challenge to all industries and at GANT we take our responsibility seriously. In 2017 we set a baseline to know that we're on the right track. We work continuously to reduce our environmental footprint and have targets, and measure changes, for our own operations and throughout our value chain.



better
tomorrow

Combating the climate crisis

We'll continue to change how our products are produced and worn, so we have set ambitious targets for ourselves. If we're to reach them by 2030 we need to disrupt the current ways of working.



That's why we're exploring new solutions to increase the pace of implementation, and reach our long-term target of aligning with the Paris Agreement. We're exploring new business models to prolong the life of our garments and create circular loops.

In 2020, we launched our circular commitment, The 7 Rules. We'll continue to integrate new processes and services into our business model to be responsible. To decrease our climate footprint by 30% in all operations by 2030, we'll continue to explore and launch solutions to include circularity into our business model.

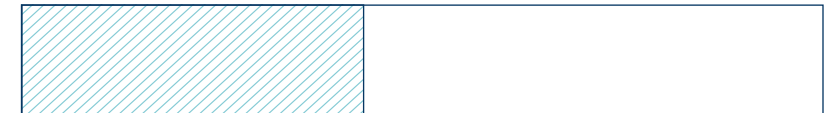
Since many years back we have a sustainable fiber staircase in place, which we are using to implement materials with lower climate impact in our products. We are aligned with The Fashion Pact's definition to decide which materials that are preferred. We also use the Higg Index Factory Environmental Module to measure the climate impact of the factories we work with.



In 2020, our goal was to set accredited science-based targets. Due to covid-19, this goal has been revised and science-based targets will be set during 2021. Having these targets in place will help us to build an even stronger foundation for reducing our climate footprint.



45%



In 2020, almost 45% of our material was lower climate impact materials.

57%

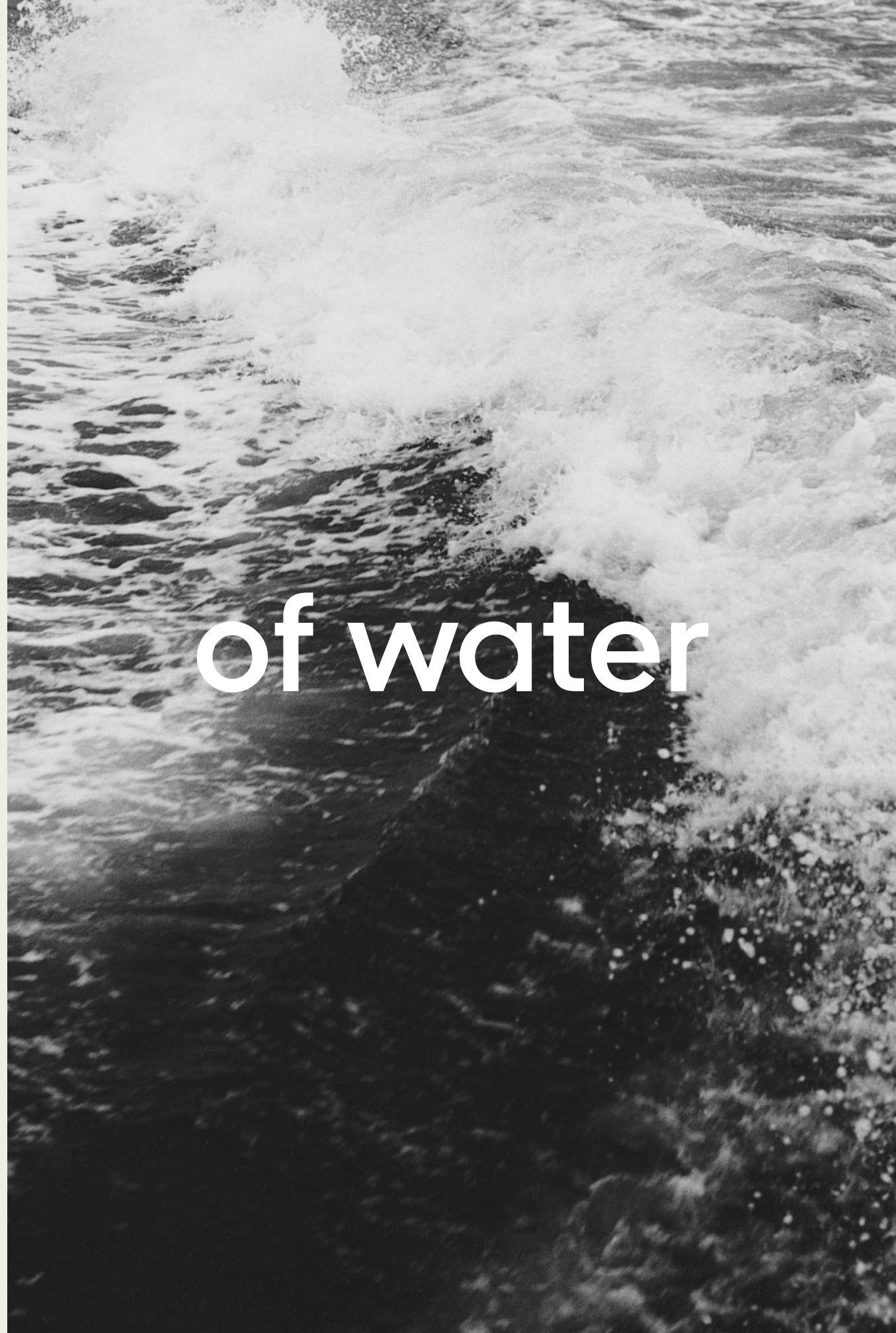


57% of our products are produced in factories that use the Factory Environmental Module.

Water stewardship

The worth of water

GANT was born where America meets the Atlantic. Coastal living is part of our heritage, and water is central to our commitment to creating a more sustainable future. Our vision is that by 2030, GANT will be a brand known and loved for leading the journey to protect the waterways of the world.





We acknowledge that we're part of a water-intensive industry and we're committed to reducing any negative impacts to water, both in our own operations and in our supply chain.



Water is a critical resource for the fashion industry and is used throughout the value chain; from raw materials to when a garment is washed by the consumer. It's estimated that the demand for clean water will exceed supply by 40% by 2030.

GANT has set targets to reduce the water usage within our production and promote industry-leading technology to mitigate the impact. We continuously calculate our water footprint in line with the GANT Water Policy and strive to reduce it within our supply chain by partnering with leading suppliers and promoting closed-loop systems to reduce water usage. We acknowledge that our industry has an

important role to play in achieving Sustainable Development Goal number 6 and 14 to ensure availability of clean water and sanitation for all as well as to contribute to healthy marine and coastal ecosystems.

We're working with partners including the Sustainable Apparel Coalition to build capacity within our supply chain. Thanks to this, we have the possibility to track our water footprint using the Higg Index Tools, for example, the Higg Index Factory Environmental Module, to collect supplier water use data. In the module, we can also benchmark our supply chain towards the average factory and share best practices.

All suppliers who produce GANT clothes are obliged to be in compliance with the GANT Water Policy, as well as laws and regulations. This is especially important since it reduces the use and release of hazardous chemicals in processing, both to improve the health of workers and mitigate any damage done to the surrounding environment.

What is needed is scalability, impact, and action based on facts and science. We support multi-stakeholder programs and have committed to all their ocean targets, as for example committing to ensure that at least 50% of all plastic packaging we use in both B2C and B2B packaging is 100% recycled by 2025 and 2030 respectively. This is in line with the G7 Fashion Pact agreement that GANT is a part of.

When it comes to water stewardship, we would like our industry to continue to advocate for collective action and policy changes. Our vision is that by 2030, GANT will be a brand known and loved for leading the journey to protect the waterways of the world.

At GANT, we always try to involve all of our employees to participate in local water initiatives set up by the company. Previously we have picked up litter around waterways close to our local offices. Due to the pandemic in 2020, we were unable to organize any collective activity in any of our markets, but in 2021 we will make sure to have alternative activities for all of our employees that are possible to do from home and alone.



TAKING ACTION TOGETHER

In 2020, GANT initiated a new partnership with WaterAid. This partnership consists of various activations that coincide with GANT's own sustainability pillars, as well as The 7 Rules by GANT. As part of The 7 Rules we included our new partnership in two of our activations to promote a more circular consumption. For REGIVE we aim to give back to create a more beautiful and sustainable world in the ways we can besides our strategic work. In 2020 we highlighted our partnership with WaterAid to promote their work around the world to enable water, sanitation and hygiene for everyone. For the rule REUSE, we had our consumers participate in an archive auction where we sold some of our archive's statement pieces and donated all proceedings to WaterAid. The auction was held in March along with the release of The 7 Rules and the donation to WaterAid was £4,322.89, thanks to our customers.

Water stewardship

KEY AREAS AND ACTIONS TO ENSURE WE MEET OUR TARGETS:

Incentivize water footprint reduction within our value chain. Sourcing cotton from BCI and using more sustainably sourced types, such as organic cotton, are ways for us to reduce our water consumption in one of the stages of our supply chain.

Invest in water innovations, which will reduce water consumption in production set to launch in our 2021 collections.

Join global partnerships that drive action and long-term impact when it comes to water conservation around the world. In 2020 we joined partnership with WaterAid, an organization that works for clean water, decent toilets and good hygiene around the world, as basic human rights.

During 2021 we will level up our water strategy by assessing water-risks in our supply-chain and develop a roadmap to mitigate these risks.

We continually work with local water activities and initiatives that support local water projects and organizations in all of our operating markets.

WE HAVE SET TARGETS TO MEET OUR WATER GOALS:

In 2021:

GANT will continue to support water initiatives to protect the waterways of the world.

By 2025:

GANT will reduce water use in manufacturing* by 50%.

By 2030:

GANT will only use as much water as can be naturally replenished in all our operations.

We continue the implementation of a sustainable fiber staircase, focusing on our water footprint.

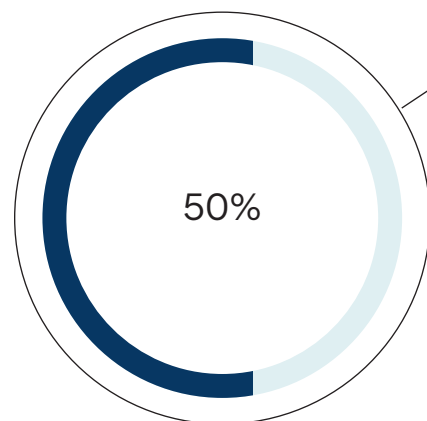
*raw material extraction and production phase



OCEAN PREP

In 2020, we continued to produce products within our Ocean Prep program, which were produced in partnership with SEAQUAL™. This collaboration allows us to bring together two of our goals: To create high-performance garments for the on-the-go professional and to support the ocean. The partnership allows us to help remove some of the approximately 165 million tons of plastic floating in the seas.

SEAQUAL™ takes a mix of ocean plastic and recycled bottles from Spain and upcycles it into fiber to make yarn for our Ocean Prep™ garments. The sea plastic is gathered by fishing boats in the Mediterranean. They do this to help the environment and protect their own livelihood.



We reached more than 50% sustainability sourced materials during 2020.

Sustainable Fiber Staircase

Building

We work with a sustainable fiber staircase that takes both impact and scalability into consideration. This is done because the way we choose materials has an impact on water, energy, climate, biodiversity, land use, air emissions, and waste.

the staircase

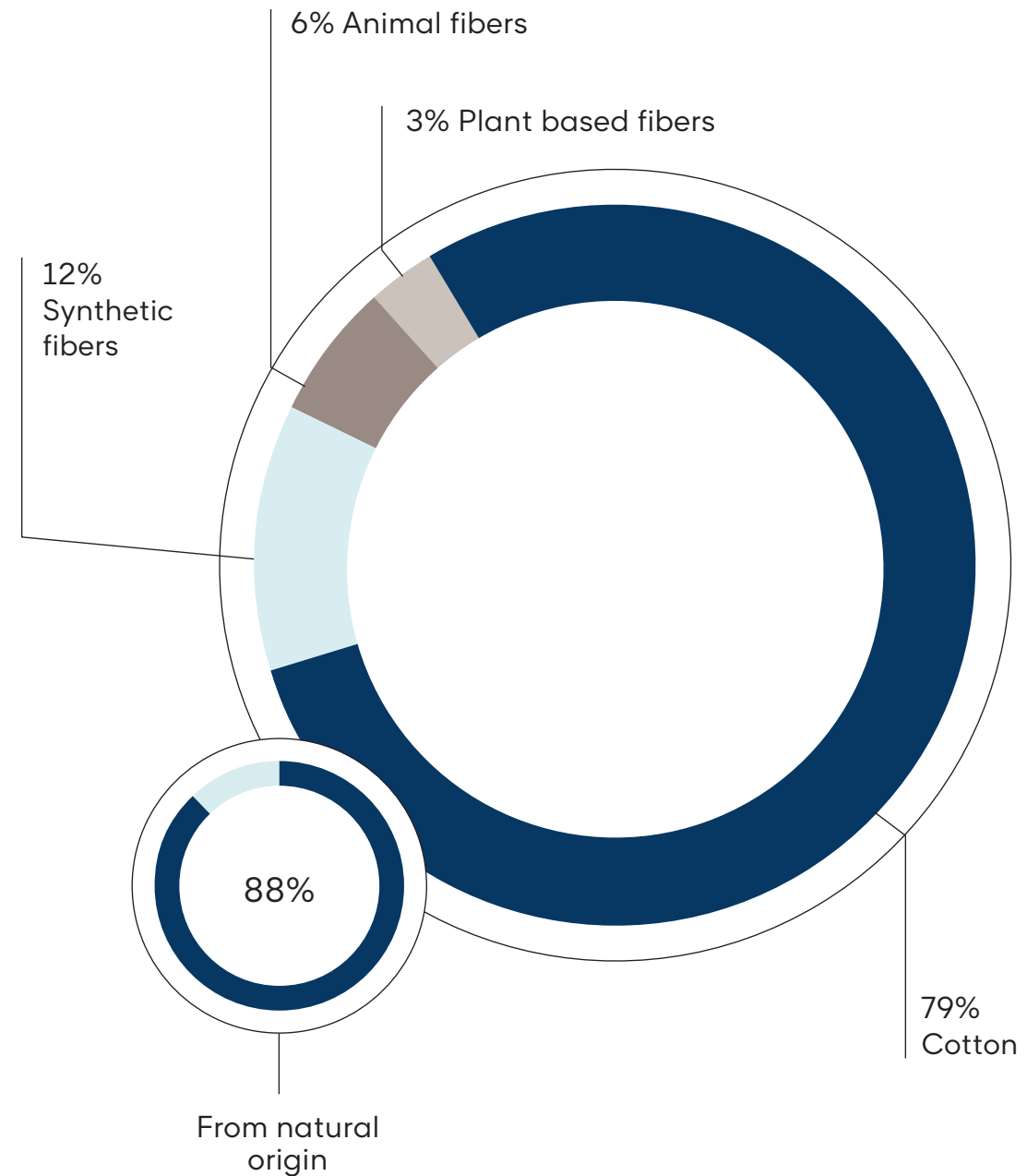


Building the staircase

In 2020, we reached more than 50% sustainably sourced material, and starting with the season Fall-Winter 2020, 79% of our collection comes with the newly introduced sustainability hangtag. We have continued our strategic partnerships in order to continue to support the much-needed change to more sustainably sourced materials. We've also initiated new partnerships to elevate our fiber staircase.

High quality, durability, and authenticity are key elements of GANT products. We believe in designing for longevity, circularity,

and durability to prolong the lifetime of the materials used in our garments. Thus, we have strategic programs in place to mitigate resource scarcity and to take care of the existing resources, as it's crucial to ensure future availability. We also seek out new and innovative raw materials, as well as sustainable ways of farming important crops, such as cotton. Our sustainable fiber staircase is based on science and life-cycle assessment data. We work with both the Higg Material Sustainable Index and the Textile Exchange Material Change Index.



57%

In 2020, 57% of all cotton was sourced sustainably through the Better Cotton Initiative and as organic cotton or recycled cotton.

At GANT, we make the conscious choice to work with natural materials that are both renewable and biodegradable. However, we have many challenges to overcome when it comes to the cultivation and processing of natural materials, as well as the lack of large-scale circularity technology. We participate in global partnerships to drive action and long-term impact and we work with sustainable scalability and premium quality.

79%

In 2020, 79% of our collection came with a sustainability hangtag, starting with the Fall-Winter 2020 collection

**TAKING ACTION TOGETHER
JOINING THE TEXTILE EXCHANGE**

In 2019, GANT became a member of the Textile Exchange, a non-profit organization working to inspire and equip people to accelerate sustainable practices in the textile value chain. Textile Exchange's standards work to support the integrity of product claims by providing verification from independent third-parties. In 2020, GANT was audited for the following Textile Exchange's standards: Organic Content Standard (OCS); Responsible Down Standard (RDS); Global Recycled Standard (GRS), and Recycled Claim Standard (RCS). We passed the audit and are therefore now certified for all standards above.

80%

All e-com plastic bags are made with 80% recycled materials.

In 2020 our target was to source 50% of our cotton from better alternatives than conventional sources. We exceeded our target by achieving 57% of our cotton sourced from better alternatives.

OUR SUSTAINABLE FIBER STAIRCASE TARGETS:

In 2019:

We reached our target to source more than 30% of BCI sourced cotton.

By 2022:

100% of our cotton will be sustainably sourced. All conventional cotton will be replaced with more sustainable alternatives, such as Better Cotton Initiative, organic cotton, recycled cotton transitional and regenerative cotton.

By 2023:

We commit to zero deforestation and to the protection and sustainable management of natural forests by only choosing certified cellulosic.

By 2025:

100% of key materials sustainably sourced by converting all key materials from conventional to more sustainable.

By 2030:

We'll only source cotton through the best available farming practices at hand to support our overall vision.

We commit to eliminating problematic or unnecessary single-use plastic in B2C packaging by 2025 and in B2B packaging by 2030.

We commit to ensuring that at least 50% of all plastic packaging we use in B2C and B2B packaging is 100% recycled content by 2025 and 2030 respectively.





KEY AREAS AND ACTIONS TO ENSURE THAT WE MEET OUR TARGETS:

- Act on science-based facts and choose low-impact materials.
- Always prioritize scalability.
- Design for longevity and durability to prolong the lifespan of garments.
- Design for circularity, which in 2020 was introduced into our regular collections with designing pieces produced with leftover fabric as a part of our The 7 Rules section REMAKE.
- Participate in global partnerships to drive action and long-term impact. In 2020 we initiated a partnership with Leather Working Group.
- Mitigate scarcity of resources by driving innovation as part of our innovation program.



PURE PREP

Pure Prep offers comfort rooted in nature and is the next step in the evolution of GANT's heritage. It's part of our commitment to innovate, learn and move forward in creating a more beautiful, interesting, and sustainable planet. Pure Prep uses natural fibers, inspired by the innovation of our Tech Prep attributes, and manages the demands of a modern lifestyle, created with sustainability and natural comfort in mind. It was launched in 2020 with the categories shirts, jerseys, knitwear, and bottoms.

Our Pure Prep products are finished with Midori Bio dry, a plant-based finish. The application results in a softer hand feel and better wicking performance.

Sustainable Fiber Staircase

GANT WAY

Sustainability matters at GANT and it's something we continuously work on. We believe that building a more sustainable business can help to create a more sustainable world. Now, we have been taking the next critical step by introducing our long-term sustainability communication on our hangtags.

The labeling program, implemented in 2020, is a way for us to show transparency and guide our consumers when making a sustainable choice. It consists of a small, clearly visible, hangtag that showcases which products have been sustainably sourced.

This is a giant step forward for us as a brand and a company as we have implemented our sustainable fiber staircase from 2018 and been able to label almost 80% of our products with sustainability attributes hangtags. The label is only presented on a garment that has third-party certification to back the statement.

The GANT WAY umbrella has two distinctive labels. One of the labels focuses on the initiatives, which show the sustainable attributes of the product. These hangtags are found on approximately 75% of our full assortment. The initiatives visible on our hangtags are:

The second part of our GANT WAY umbrella labeling program consists of the GANT innovations. At GANT, we have always been innovators, ever since the brand was founded in 1949 we have kept on changing and improving its design. It started with the locker loop and the back collar button, today we keep on innovating with, but with the focus on sustainability.

Ocean Prep, Pure Prep and Tech Prep are GANT innovations, focused on finding new ways to make our garments more sustainable. With the Preps, we experiment with finishes, with material and through collaborations. Today, these concepts stand for approximately 4% of our assortment. We are constantly working to find innovative ways and techniques to improve our operations and production chains and we see this as a continued growing part of our assortment.



Better cotton initiative & organic cotton



Certified down



Recycled polyester & filling made of recycled polyester



Recycled material



SUSTAINABLY SOURCED COTTON THE BETTER COTTON INITIATIVE (BCI)

As a way to contribute to the much-needed change in the cotton industry, GANT is a proud and active member of the Better Cotton Initiative (BCI). The Better Cotton Initiative (BCI) is a global not-for-profit organisation and the largest cotton sustainability programme in the world. BCI exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future.

To achieve this mission, BCI-licensed farmers are educated to implement more environmentally, socially and economically sustainable production practices. This means using water more efficiently, minimizing the use of chemicals and the negative effects of pesticides, and improving livelihoods and economic development for cotton growers.

Better Cotton is sourced via a system of Mass Balance and is not physically traceable to end products. Mass Balance means that Better Cotton is sourced from BCI-licensed farmers and is then mixed with conventional cotton in a complex supply chain. The retailers have sourced the Better Cotton and the BCI farmers have seen the benefit, but Better Cotton may not be in the end product. BCI does this because the process is less complicated than physical traceability, keeping costs low to allow even more demand for Better Cotton, thereby enabling BCI to reach even more cotton farmers. When you see the BCI tag on our products you know you are supporting more sustainable practices at the farm level, and you are buying cotton from a committed BCI member who is investing in BCI. See bettercotton.org for more information.

In 2020, we sourced more than 50% of our cotton through BCI.





ORGANIC COTTON

We believe that supporting organic cotton farming is a conscious approach towards building a responsible and more sustainable business.

Organic cotton is produced and certified according to organic agricultural standards, meaning its production uses natural processes as opposed to artificial inputs like toxic chemicals. In 2020, more than 5% of our cotton was organic cotton.

Organic cotton is 80% rain-fed, which reduces pressure on local water sources in comparison to conventional cotton. Given that two-thirds of the world's population may face water shortages by 2025, it's more important than ever to invest in cotton that is produced more sustainably, and safer for farmers and their families.

We believe that buying organic cotton is an investment in a more sustainable future. By 2022, we plan to replace all of the conventional cotton that we use with either organic cotton, Better Cotton Initiative cotton, recycled cotton, transitional cotton or regenerative cotton.



PACKAGING

We continuously strive to minimize the negative environmental impact of our packaging. We only use paper bags and all our paper bags are FSC certified. Our packaging policy emphasizes the use of renewable and sustainably sourced materials.

CHEMICALS

To manage chemicals, GANT has a restricted substance list compliant with and stricter than REACH. GANT allows no PVC, biocides, or silver ions in products and continuously works to reduce the environmental impact of our products.

SYNTHETIC FIBERS

We use synthetic fibers for the performance and durability of the garment, for example in our outerwear. In 2020, we used 12% synthetic fibers and instead of phasing out synthetic fibers, the focus at GANT is to use them strategically, where best fitted. We also focus on moving over to recycled polyester and have already taken big steps; in 2020 all the filling in outerwear was made with recycled fibers.



All wool in GANT products is mulesing-free and according to GANT's animal welfare policy.

ANIMAL WELFARE

Our Animal Welfare Policy encourages, promotes, and secures good husbandry practices and respectful treatment of animals. Breeders and all parties handling animals should adhere to the Five Freedoms defined by the EU Farm Animal Welfare Council/World Organization for Animal Health (OIE).

- Raw materials originating from animals can only be a by-product of meat production.
- Wool must be sourced from producers with good animal husbandry; no mulesing is allowed. All wool used in GANT products is mulesing-free.
- Down and feathers must not come from farms practicing live-plucking or forced feeding. We're proud to be certified by the Responsible Down Standard. All down used in GANT products are certified down.
- No fur, endangered species, caged animals, rabbit hair, or angora is allowed at GANT.

Circular Fashion System

Closing

In 2020, we launched The 7 Rules: an initiative to provide tools for a more circular consumption and to build a lasting relationship with your clothes. We'll continue to adapt our internal processes to include a circular business model and develop ways to educate and raise awareness about how we all can make our clothes last for decades to come.



Closing the circle

To keep our industry compatible with what's good for the planet, we need to shift away from the current linear model ("make-sell-dispose") and adopt a circular model in which the clothes do not end up as waste in landfills. As GANT stands for timeless, classic design with high quality, our focus within circular fashion is to make the circular loop as large as possible. We believe in using renewable materials of the highest quality for garments that can be enjoyed for a long time – and then be passed on to get as many lives as possible. This mindset is how we have been working for a long time and will continue to do so. We are continuously assessing the amount of monofibers that we have in our clothes to increase the recyclability.

With the global initiative, The 7 Rules by GANT, we want to inspire and invite consumers to take joint responsibility to extend the life of their clothes. The 7 Rules is a way to educate consumers about garment care and encourage them to look after their loved pieces. The 7 Rules include RENT, REUSE, REFRESH, REMAKE, REPAIR, REGIVE, and RECYCLE. This is GANT's take on circular fashion and a way to invite people to learn how to give their clothes a longer life.

We also need to implement circular solutions into all phases of the value chain to maximize resources and minimize waste. One example is products made from leftover fabric, another is the recycled synthetics that we use in our outerwear.





CHALLENGE THE STATUS QUO

We acknowledge the necessity and see the opportunities of working towards the UN Sustainable Development Goal 12: Responsible Consumption and Production. Striving toward a shared global goal where everyone can and will take responsibility, spurs our curiosity and our commitment to never stop learning. This is something we apply in our everyday business, but we also see that it's vital to disrupt business models and try out new things. In 2020, we planned to introduce a new rental service in key GANT stores. However, due to the global covid-19 pandemic and lockdowns, many GANT stores have been closed, so the Rental service was not launched. GANT will keep on trying out new things and we plan to launch a rental service in 2021.



OUR CIRCULAR FASHION COMMITMENTS:

In 2020:

We launched our 7 Rules initiative to introduce new circular business models and give our consumers the tools to prolong the life of their garments.

In 2021:

We'll continue to develop and introduce services within our 7 Rules that were affected by lockdowns and closed stores.

By 2022:

We'll have educated all our designers on how to design for recyclability.

By 2025:

Circularity will have been implemented as a key parameter within design, usage, and end-of-life.

KEY AREAS AND ACTIONS TO ENSURE WE MEET OUR TARGETS:

Choosing recycled and upcycled materials as well as re-make programs. In 2020, we launched our first upcycled capsule collection which featured our hero product: the shirt.

Creating prerequisites for the product to have as long a life as possible.

Educating and engaging consumers in using GANT garments as long as possible and changing consumer behavior. This is a main focus within The 7 Rules.

Reusing GANT products and creating circular loops according to the EU waste hierarchy. This is done with our end-of-life partner TexAid that we partnered within 2020.

Circular Fashion System

Our goal is to make our clothes more sustainable, but we understand that it's a joint effort together with the consumers that buy them. The 7 Rules is our sustainability initiative to guide people towards a lasting relationship with clothes and encourage a circular consumption behavior.





In the spring of 2020, GANT launched The 7 Rules as a global initiative.

7 RULES

This is a long-term effort for GANT and will continue to be developed going beyond 2020. In the first year, the campaign trickled down into 7 concrete actions across several markets and channels. The 7 Rules focus on extending the life of garments by giving consumers the tools and education to be able to care for them in the best way possible and in line with the EU Waste Hierarchy.

The activities this year were heavily affected by the pandemic in the world and many of these were postponed. However, we'll launch the activations and initiatives that were held off as soon as possible. This is a commitment to GANT which we'll make sure is a part of our business for years to come.



REUSE

Reusing garments is key to reducing the environmental impact of each piece. Giving clothes a longer life – or even a second life – can boost a closet and benefit the planet. We believe that sometimes previously loved pieces can be as good as new. That's why GANT, from its earliest days, has created high-quality classics that last a long time. We will continue to support reusing qualitative products and inspire our consumers to take care of them in responsible ways.

In 2020 we held an archive auction, where all of the proceedings were donated to WaterAid. This was to inspire our consumers to reuse old pieces and to show that a GANT garment can last for decades with the proper care. In some markets, we also offered to cover the cost to resell old products to give them a new life on a third-party site.



REPAIR

Even great quality is affected by wear and tear and could eventually rip, break, crack or lose a button. We want to ensure that we extend our products' lifetime to a maximum and will start to communicate the availability to get your garments repaired through us when necessary. As our garments are made to last, we want to express a positive view of repairs and help our consumers to not throw away clothes that can be fixed.

In 2020, GANT introduced Life-Long Repair on Jeans to all customers. This is outside of the repair service we already provide across all our markets and is independent of how old the jeans are. We believe that a garment almost always can be repaired and we'll help our customers along the way.



REGIVE

GANT was born where America meets the Atlantic. The coastal lifestyle is important to us and to our consumers. Because of this, water plays a central role in our sustainability plan. The fashion industry consumes a significant amount of water every year. We are taking action to do what we can to conserve and protect this precious resource. Therefore, we have included giving back as a part of our circular commitment.

As part of this commitment, we're donating to WaterAid, a non-governmental organization focusing on water, sanitation and hygiene. Our partnership and the efforts of WaterAid was highlighted within this activation in 2020.



REMAKE

Sometimes it's good to have a makeover. REMAKE encourages everyone to think again and embrace the power of change. Seeing a forgotten piece in a new light is good for the planet – and adds fresh life to any closet. We are continuously offering inspirational tips about how to style your existing wardrobe and share creative ideas about how to repurpose pieces.

We have also included an upcycle program, where we take products from our ordinary collections and give them a makeover, as part of integrating a circular model into our operation. These are limited-edition pieces made from upcycled fabric from the factories that we're working with. For 2020, we launched upcycled shirts for both men and women and we'll continue with other product categories to create unique capsule collections.



RENT

Renting can be an environmentally friendly alternative to buying, as well as an easy way to explore the GANT world. To give our existing consumers the chance to try out higher priced products, try new product segments they might not usually buy, or just to give them the chance to shine a bit extra for a special occasion, we will provide a rental service starting off in our key cities.

We will integrate the rental service within our business model and will start off with offering the service in some of our flagship stores. This effort was postponed due to the pandemic, but will be available as soon as possible within our markets. We will also see if this can be available with digital solutions.



REFRESH

With just a little extra care, garments can be kept fresh and given a longer life. Some simple steps can make a huge difference.

We care about our products even after they leave the store. That's why we want to help our customers by giving them useful tips, inspiring advice and the essential tools to keep their purchases looking their best. We believe it's important that we do everything we can to help extend the life of your garments so they can be enjoyed for many years. Therefore, we offer our customers the tools and information to refresh their products.



RECYCLE

We take responsibility for what we put into the world. Recycling is part of the circle of consumption and should be a natural part of a garment's life cycle. That's why we are encouraging people to bring their GANT items into our stores so they can be taken care of responsibly.

When our consumers hand in their clothes, we'll pass them on to our partner TexAid who shares our values and our recycling philosophy. Clothes that can still be enjoyed will be reused. Those that can't will be put to other use, in keeping with the EU waste hierarchy. This service was affected by the pandemic and will be available in 2021, when possible.

2021

With a new reality, we're speeding up the process of offering some retail services digitally. We're aiming to launch all of our promises as soon as possible within each market and continue to integrate more circular behavior in our operations. We'll also continue to provide tools, information, and services to inspire our consumers.

Transparency

We see great potential in creating a transparent business and supply chain. Transparency is key at GANT. Managing and measuring the environmental and social impact in our supply chain is essential when striving for continuous improvement. It will help us to meet our 2030 goals.



is a key enabler

Transparency In Supply Chain

The fashion industry's value chains are complex and often global. They can be difficult to trace and track, but not impossible, and what you can measure, you can manage. Transparency is one of the key accelerators for sustainable operations, which is why it's a key focus area.

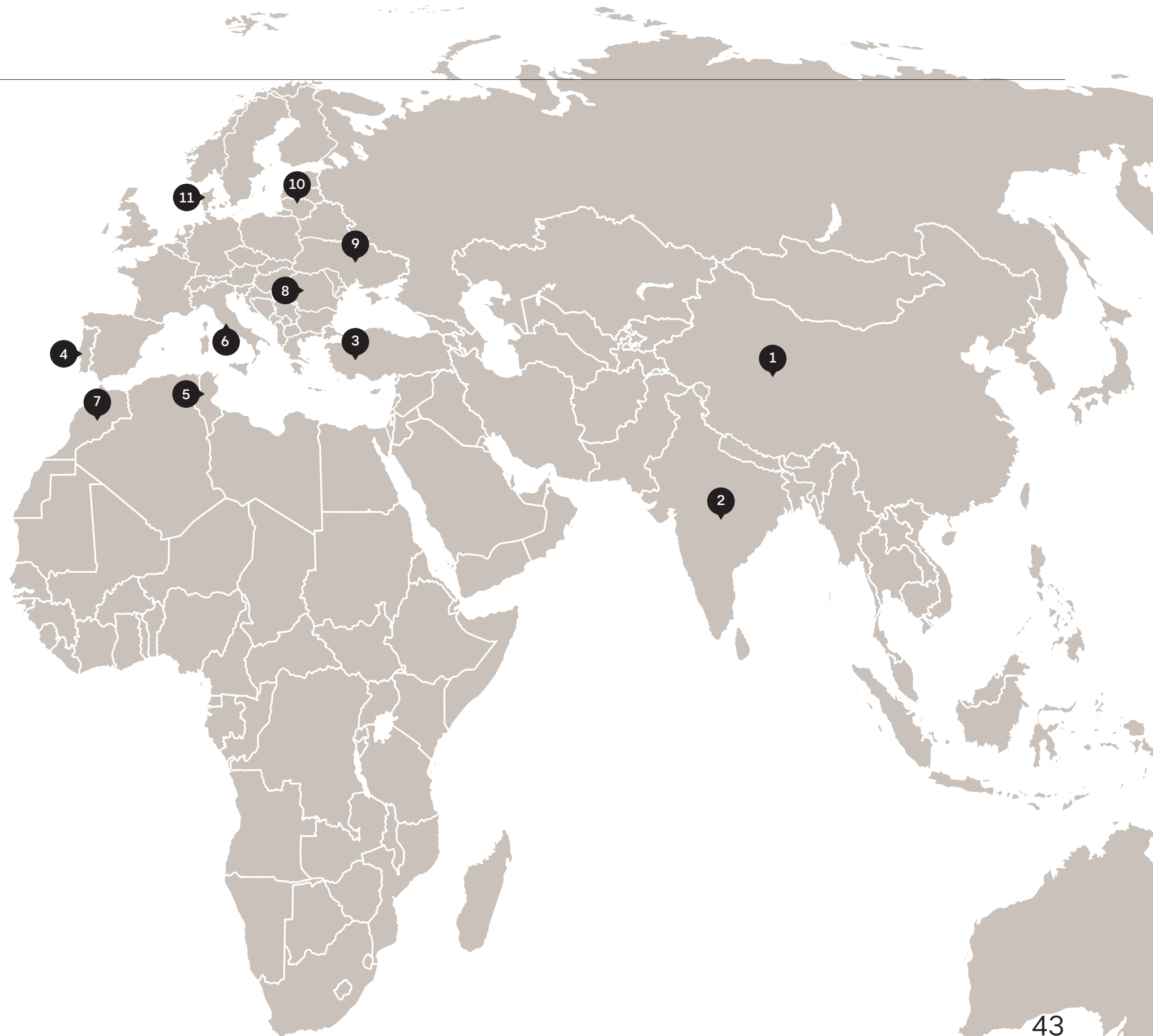
In 2020, we published our first Transparent Supply Chain list on our website. This list includes all GANT Tier 1 factories. We continue to map our supply chain and our goal to have 100% transparency on key raw materials by 2025.



Transparency In Supply Chain

GANT PRODUCTION LOCATIONS

1.	China	40%
2.	India	27%
3.	Turkey	22%
4.	Portugal	4%
5.	Tunisia	3%
6.	Italy	1%
7.	Morocco	1%
8.	Romania	<1%
9.	Ukraine	<1%
10.	Lithuania	<1%
11.	Denmark	0%



OUR SUPPLY CHAIN TARGETS:

By 2023

100% transparency on Tier 1 and Tier 2 for all strategic suppliers

By 2025:

100% traceability on key raw materials.

KEY AREAS AND ACTIONS TO ENSURE WE MEET OUR TARGETS:

- Strive for close partnerships with suppliers
- Invest in digital tools to accelerate transparency
- Ensure full value chain traceability through the sustainable fiber staircase
- Publish transparent supply chain list

TRACEABILITY ENABLES TRANSPARENCY

Building long-term relationships with our suppliers has always been GANT's way of working. We believe in mutually respectful, cross-cultural communication and engage in open dialogue to constantly improve our relations.

Digital tools, such as the Higg Index Tools developed by the Sustainable Apparel Coalition, can accelerate transparency. For example, the Factory Environmental Module (FEM) measures the environmental impact of our supply chain and helps us set targets in line with our goals and vision. 57% of our products are produced in factories that use the Factory Environmental Module. The Higg Index Material Sustainable Index enables us to choose materials with a low impact on the planet, based on life cycle assessment data. We also closely follow the development of the Textile Exchange Material Change Index to benchmark ourselves to the rest of the industry.



Never Stop Learning

The power

GANT has a belief that has guided us since 1949 when Bernard Gantmacher founded a shirt-making company in the college town of New Haven, Connecticut: Never stop Learning. We focus on continuous improvement, education, and innovation. It's how we educate ourselves and act on our ethical, environmental, and social responsibilities.

of curiosity





Curiosity reminds us that we have an impact on the environment, so we take responsibility for our actions and their consequences. It drives us forward, helps us engage with the world around us, and leads to new discoveries and experiences. It reminds us that we have an impact on the environment, so we take responsibility for our actions and their consequences.

Never Stop Learning has been leading the GANT journey for many years. In 2020, we were all forced to adjust to a new reality due to the global covid-19 pandemic and most of our employees have been working from home. With a credo driven by curiosity, we have been able to adapt to a new way of working where digitalization has been key.

Never Stop Learning

Since 2017, GANT has been providing retail training regularly for all our or retail staff members. The GANT Academy provides seasonal information, guidelines, sales and service training as well as inspiration for all store employees globally. The GANT Academy functions as a toolbox to inform, inspire and enrich GANT retail employees to develop their profession and to create a better retail experience for all our consumers. Our sustainability efforts and information plays a central role to provide to our staff members with all the necessary information. This is to be able to assist our consumers and build awareness of all of our products, services and efforts within sustainability. In 2020 we conducted 8 additional training sessions, all related to sustainability.

In 2020, we launched a new retail sustainability training for all store staff on our learning platform GANT Academy. Through this training, we educate our staff on sustainability to give them tools to talk about this topic in store.



Employees enjoying a yoga class at our head office.

AN ETHICAL WORKPLACE

Ethics and social responsibility is a crucial part of business, which means not only staying in compliance with all regulations and laws that control our business, but also moral codes of conduct that how we treat each other and our business partners. Sustainability is above and beyond. It means being able to do business tomorrow better than we do today. Our Code of Conduct helps to create an ethical and equal awareness at GANT. GANT also provides mandatory training for employees that includes important topics such as the Code of Conduct, Whistleblowing policy and Modern slavery.





KEY AREAS AND ACTIONS TO ENSURE WE MEET OUR TARGETS:

- Never stop asking questions and encourage learning externally
- Continue working with innovation as a key accelerator for impact and scalability
- In 2020 we launched a new concept for the Retail Sustainability training
- Keep raising awareness and educate ourselves internally
- In 2020, 90% of our office staff and 25% within retail have done training on sustainability

MATERIALITY AND RISK ANALYSIS

At GANT, we continuously monitor impacts, risks and trends in order to align our strategies to what is material to us. Every year, GANT updates the risk analysis due to changes in business intelligence and macro trends globally. In 2020, the world was heavily impacted by the covid-19 pandemic and so was GANT. The pandemic introduced many new risks that were mitigated. Stores and entire countries that were closed, factories that closed down temporarily, the health of our employees, just to name a few. All of GANT has been very agile and we adapted our ways of working to these new circumstances. We will continue to evaluate, adapt and refine our ways to meet all changing risks and material aspects.



Respectful And Secure Work Environments

Putting

people first

It's always critical to respect and support those we depend on. From our suppliers to our employees to our customers, people are at the core of everything we do at GANT.



Putting people first

We respect the human rights of all staff everywhere and the people working in our supply chains. A respectful and safe working environment should be a priority for any brand, to us that's a given.





NEW WAYS OF WORKING

2020 was a very special year and adapting to new ways of working have been crucial, both to ensure business continuity and the safety of our employees. Absence and sick-leave have increased compared to last year and new guidelines for working remotely were implemented to improve health and safety among our employees. The pandemic challenged our current ways of working and led to discussions about how we will work after the pandemic is over, resulting in new policies with more flexibility.

The pandemic has affected not only our employees working at our offices, but everyone within our supply chain as well. We rely on our Code of Conduct and the third party audits to enable a safe working environment for everyone. Audits performed during the pandemic have most of all explored which precautions the factories have taken to reduce the risk of infection. GANT has also adapted our own social auditing guidelines to the current situation to enable audits to be conducted in a safe way.

Respectful And Secure Work Environments

SOCIAL RESPONSIBILITY IN THE SUPPLY CHAIN

Building long-term relationships with our suppliers has always been important to GANT. We believe in mutually respectful, cross-cultural communication and we engage in open dialogue with suppliers to ensure that relationships continue to improve. In 2020, we worked with 67 suppliers and 90 factories. Due to the pandemic, it was a challenging year with new risks and challenges. Thanks to close collaboration with our suppliers we mitigated this throughout the supply chain together.

From a sustainability point of view, the global supply chain also introduces risks related to labor conditions and the respect of human rights. GANT works actively with due-diligence in order to address and mitigate these risks in the supply chain.

To make sure that our suppliers and their factories are working towards our standards, we have a Code of Conduct. The Code of Conduct communicates the required standards and is an important tool to ensure that the ethics of GANT are carried throughout the entire supply chain. The Code of Conduct is aligned with international conventions and frameworks, such as the OECD, the International Labor Organization's Conventions and Recommendations, the United Nations' Global Compact, Universal Declaration of Human Rights, Convention on the Rights of the Child and Convention on the Elimination of All Forms of Discrimination against Women. All our suppliers have signed the GANT Code of Conduct. By signing this, our suppliers are committing to, within their scope of influence, the social and environmental standards in the Code. They must take appropriate measures within their company policy to ensure their implementation and compliance.

GANT evaluates the compliance with the Code of Conduct through audits conducted by a third party. GANT is a member in AMFORI BSCI, but we also work with the following third-party standards: SEDEX, WRAP, ICS and SA8000. We conduct continuous third-party audits for all suppliers in Asia, North Africa and Turkey, since they are high risk regions/countries according to Amfori BSCI and Transparency International. In 2020, we also started to require audits from suppliers in Europe.

GANT works with continuous improvement and we always work together with our suppliers on the corrective action plans, as we strive for strong long-term relationships.

MODERN SLAVERY ACT

There is no place for modern slavery in a sustainable society. Modern slavery can be defined as servitude, forced or compulsory labor, or human trafficking. We have a zero tolerance policy for any abuse of human rights.

GRIEVANCE POLICY

GANT's policy is to operate within the country's laws and regulations, and all employees are expected to cooperate by adhering to all laws, regulations, policies, and procedures. The Grievance Policy and Mechanism is a tool for knowing how to proceed if any non-compliance with the Code of Conduct, policies or of the law is suspected. A reporter can choose to be anonymous. External expertise is enlisted if needed.

We react to and investigate risks that are reported from both internal and external stakeholders, such as the media or NGO:s. In the beginning of the year, alerts were raised due to the risk of forced labour in the Xinjiang province of China. GANT started an internal investigation to explore our links to Xinjiang. We also initiated a grievance case regarding this since one of GANT's suppliers was mentioned to have links to Xinjiang. The investigation showed that no GANT products were produced in factories in Xinjiang and there was no evidence that the GANT supplier had part in forced labor.

In total GANT processed 9 grievance cases: 6 within HR and 3 within the supply chain during 2020. The HR related grievance cases were related to negligent behaviour, fraud and one case of discrimination. The cases led to written warnings and termination of the employment.

Grievance cases were also initiated due to the BCI announcement stating that they would stop licensing cotton from Xinjiang because of the risk of forced labour in the region. It was also due to a suspected breach of GANT:s Restricted Substance List. In regards to the suspected breach of the RSL, the investigation and additional testing showed that there had been no breach.

Respectful And Secure Work Environments

PARTNERSHIPS FOR HUMAN RIGHTS DUE-DILIGENCE

Partnerships and other external initiatives are important accelerators for change. The UN Global Compact provides a universal language for corporate responsibility and provides a framework to guide all businesses to take action to advance societal goals. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labor, the environment, and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another. GANT is a signatory to the UN Global Compact and works to incorporate the Ten Principles into strategies, policies, and procedures to enable social, ethical, and environmental responsibilities throughout the value chain.

GANT IS A MEMBER OF THE BUSINESS SOCIAL COMPLIANCE INITIATIVE (BSCI).

Through BSCI, we receive tools to carry out human rights due diligence, including identifying and mitigating risks in our supply chain and supporting remedial action. Within BSCI, a Code of Conduct is shared between the members and regulates working environment issues, including workplace health and safety, working hours, industrial compensation, and the prohibition of child labor and bonded labor. Compliance of the standard is monitored through audits that are conducted by third party auditors.





OUR WORK ENVIRONMENT TARGETS:

In 2020:

100% of factories in risk countries audited by a third party

By 2023:

100% transparency on all suppliers in Tier 1 and strategic partners in Tier 2 by 2023

By 2025:

100% of suppliers in Tier 1 and strategic partners in Tier 2 in social compliance programs by 2025



KEY AREAS AND ACTIONS TO ENSURE WE MEET OUR TARGETS:

- Drive capacity building through continuous improvement and self-assessment programs according to policies and guidelines
- Continuous monitoring to ensure that suppliers have valid third-party audits
- Started to implement new requirements on third party audits for european suppliers
- Build long-term relationships and grow together with strategic suppliers
- Be part of global partnerships to drive action and long-term impact
- Promote Never Stop Learning and give back to the communities where we operate

Strategic priority	Materiality analysis	Risk analysis	Governance	Goals 2020-2030	Results and progress 2020	Area in COP	Area in ÅRL
Stakeholder engagement	Dialogue and communication with stakeholders, Associate/Memberships engagement, Communities	Customer (Service, Future business demand, Sustainable products, Responsible products)	GANT Employees, Suppliers, Significant business partners, Communities, Sustainable retailers, Organizations such as: Better Cotton Initiative, WaterAid, Fur free Alliance, Svensk handel, Amfori, TEKO, Sustainable Apparel Coalition, UN Global Compact, Textile Exchange, The Fashion Pact, UN Fashion Industry Charter for Climate Action	-GANT Continuous Improvement Environment in place by 2023 -New Compliance Program in place by 2023 -100% of all suppliers have signed Code of Conduct continuously	-New membership with Leather Working Group -New partnership with WaterAid	Human rights, Labour, Environment, Anti corruption	Human rights, Environment, Anti corruption, Social aspects and employees
Anti corruption	Anti corruption	Finance (Financial stability, Anti corruption, FX, Mergers/acquisitions/divertures, Stock, Trading interventions, Profitability and growth, Transparency, Business model, Ethics risk, Indirect sourcing, Liquidity, Theft and fraud)	-Code of Conduct -Code of Ethics -Bribery Policy -Guideline for Gifts -Corporate Entertainment Policy -Sustainability Roadmap	-GANT Continuous Improvement Environment in place by 2023 -New Compliance Program in place by 2023 -100% of all suppliers have signed Code of Conduct continuously	-No case of corruption was reported -100% of all product suppliers have signed Code of Conduct	Anti corruption	Anti corruption
Employees	Code of conduct and responsible management, Human resources	HR (Salary increase, Competence, Attractive workplace, Diversity, Right people on right places, EHS, Human resources)	-Code of Conduct -Bonus Policy -Pension Policy -Global Salary Policy -GANTipedia	-Conduct engagement survey to measure engagement and cultural index continuously -Engagement score 90/100 2020	-1659 employees -68% in retail and 32% in the offices -419 were recruited and 573 left the company -No new Engagement survey during 2020	Labour	Social aspects and employees
Ethics	Code of conduct and responsible management, Human resources	HR	-Code of Conduct -Code of Ethics -Work Environment Policy -Drugs and Alcohol Policy -Diversity and Equality Policy -Discrimination, victimization and harassment Policy	-100% sign Code of Conduct continuously -Full compliance to Code of Conduct continuously"	-90% of employees signed the Code of Conduct -6 case of non-compliance was reported. The cases were in relation to negligent behaviour, fraud and one case of discrimination. The cases led to written warnings or termination of the employees	Labour	Social aspects and employees
Equality and diversity	Human rights, equality and diversity	HR	-Code of Conduct -Diversity and Equality Policy -Discrimination, victimization and harassment Policy	-An equal and diverse workplace with equal opportunities continuously	-75% female, 25% male employees -65% female, 35% male managers	Labour	Social aspects and employees

Grievances	Human rights	HR	-Grievance Policy and Process	-0 reported non-compliances continuously -Full compliance with Grievance Policy and Process continuously	-9 grievance cases received, 6 within HR and 3 within the supply chain. -Due diligence work on grievance cases conducted -6 cases of reported non-compliances	Labour	Social aspects and employees Human rights
A healthier GANT	Human resources	HR	-Work environment Policy -Rehabilitation Policy -Providing preventive healthcare -A healthier GANT Activity Pack	-Providing team health initiatives continuously -Continue to have healthy employees and low sickness and absence rate continuously	-Absenteeism 11% -Sickness absence 4% -Working to move healthier GANT activities online due to pandemic	Labour	Social aspects and employees
Never stop learning internally	Human resources	HR	-Leadership programs -Retail programs -Enforce Never Stop Learning -Retail Academy	-All employees being part of the Never Stop Learning initiatives continuously -In 2020, continue to achieve that 100% of GANT employees receives sustainability training -Continue to establish partnerships with Never Stop Learning organizations continuously -Through 2030, continuously update the Sustainability Roadmap and the Seven Sustainability Pillars to meet a rapidly changing industry	-100% retail employees were trained through Retail Academy -90% in office have done training on sustainability -25% within retail have done training on sustainability	Labour Human Rights	Social aspects and employees Human rights
Social supplier management	Legal compliance, Code of conduct and responsible management, Human rights, equality and diversity, Social and environmental demands on suppliers, Traceability and transparency of the supply chain	Supply chain (Warehouse, Stock value, Sourcing, Technology risk, Social and environmental demands on suppliers, Transport distribution, Transport price) Sustainability (Animal welfare, Chemicals, Climate, Water, Energy, 4R, Social)	-Code of Conduct -Third party factory audits -Factory visits -Membership in Amfori BSCI -Working with GANT -Supplier agreement	-GANT Continuous Improvement Environment in place by 2023 -100% of suppliers in risk countries assessed by third party auditor continuously -Full compliance with Code of Conduct and Policies continuously -Continue to map strategic partners in Tier 2 in 2021 -Increasing transparency within our supply chain by mapping all suppliers in Tier 1 and strategic partners in Tier 2 by 2023 -Include 100% of suppliers in Tier 1 and strategic partners in Tier 2 in social compliance programs by 2023	-100% of apparel, home and underwear suppliers signed Code of Conduct -100% of the factories in Asia, Africa and Turkey have valid third party audits -Started to implement new requirements on third party audits for european suppliers -Production with 67 suppliers and 90 factories. -Published factory list for tier 1.	Human rights	Human rights

Modern Slavery Act	Legal compliance, Human rights, equality and diversity	Legal compliance (Taxes, Modern slavery act, Mandatory sustainability reporting, GDPR, IP infringement external, IP infringement internal) Supply chain	-The UK Modern Slavery Act 2015 -Code of Conduct -Grievance Policy and Process	-Conduct new Modern Slavery Act Statement annually -Full compliance with the Modern Slavery Act Statement -Increasing transparency within our supply chain by mapping all suppliers in Tier 1 and strategic partners in Tier 2 by 2023	-Due diligence performed continuously. -Grievance-case initiated in March 2020 due to risk of forced labor in Xinjiang. -90% of the employees at GANT HQ and UK HQ have done digital modern slavery act training	Human rights	Human rights
Digital & IT	Legal compliance, Future business demand	"IT (System Security, System support to the business, System compliance 2020, System availability, Third party IT system dependency) Legal compliance"	-IT Policy -IT Security Policy -Video Surveillance Policy -Phone Policy -Data Processing Agreement	-GDPR Compliant continuously -Green IT continuously	-No major GDPR compliance incidents. -GANT has performed improvements around anonymization and also updated our cookie banners to reflect current e-privacy standards. -Sustainability initiatives to increase reuse and recycling of phones, computers etc. -More sustainable data storage with cloud-solutions.	Labour Human Rights	Social aspects and employees Human rights
Products	Customer relations and satisfaction, Timeless Design, Product quality, Product health and safety	Design and development (Innovation, Fabric, Seasonal newness, Brand drivers, Already produced fabric, Trims, Sustainability choices, Speed creation, Ocean Prep, NOS, Customized) Customer	-Quality manual -Code of Practice -Working with GANT -Supplier agreement -Better Cotton Initiative -Textile Exchange	-In 2020 give consumers tools to prolong the life of their garments with the GANT initiative 7 Rules and introduce new circular business models -By 2022 we will have educated all our designers on how to design for recyclability -Fully implemented finished product traceability and compliance program by 2023 -By 2025 circularity has been implemented as a key parameter within design, usage and end-of-life	-Produced 12,8 million products -GANT 7 Rules launched including archive auction, lifelong repair on jeans and products made of upcycled material. Limited due to pandemic. -Partnership with Texaid	Human rights, Labour, Environment, Anti corruption	Social aspects and employees Human rights Environment
Transport	Logistics	Supply chain	-Transport Policy -Travel Policy -Standard Operating Procedure -Working with GANT	-Review Travel Policy in 2020 -Below 5% shipped by air continuously -Increase fill rate continuously	-Shipping of products** accounted for a total emissions of 4,5% of total climate impact*. -77% of all tonne-kilometers was shipped by sea, 17% by road. 5% by air and 1% by rail. -Business travels accounted in emissions of 0,2% of total climate impact* -Reviewed Travel Policy	Environment	Environment

Strategic priority	Materiality analysis	Risk analysis	Governance	Goals 2020-2030	Results and progress 2020	Area in COP	Area in ÅRL
Materials	Customer relations and satisfaction, Timeless Design, Product quality, Product health and safety	Sustainability, Design and development	-Environmental Policy -Reduce-Reuse-Recycle Policy -Sustainable fibers staircase -Better Cotton Initiative -Textile Exchange	-Source more than 50% of our materials from better alternatives to conventional sources in 2020 -100% of our cotton will be sustainably sourced by 2022. All conventional cotton will be replaced with more sustainable alternatives**** -We commit to zero deforestation and to the protection and sustainable management of natural forests by only choosing certified cellulose by 2023 -100% of key materials will be sustainably sourced by 2025 by converting all key materials from conventional to more sustainable -By 2030, we will only source cotton through the best available farming practices at hand to support our overall vision	-Reached more than 50% sustainably sourced material -Reached 57% more sustainably sourced cotton**** -88% made from natural materials. Raw materials in products were 79% cotton, 12% synthetic fibers, 6% wool, leather, down and feathers and 3% plant based fibers*** -Continued roll out of fiber staircase	Environment	Environment
Packaging	Legal compliance, Social and environmental demands on suppliers, Biodiversity, Air pollution, Energy and climate, Water consumption, Water pollution, Chemical management	Supply chain, Sustainability	-Packaging Policy -Environmental Policy -Working with GANT -Reduce-reuse-recycle Policy	-We commit to ensuring that at least 50% of all plastic packaging we use in B2C and B2B packaging is 100% recycled content by 2025 and 2030 respectively. -We commit to eliminating single-use plastic in B2C packaging by 2025 and in B2B packaging by 2030. -All paper product packaging continues to be from sustainably managed forests	-100% of shopping bags, silk paper, e-com boxes and gift boxes are Forest Stewardship Council certified -Greenhouse gas emissions from use of paper, plastic and wood from silk paper, polybags, shopping bags, hangers, silk paper, gift boxes, e-com boxes, shipping boxes accounted for a total emissions of 2% of total climate impact*	Environment	Environment

2020 Notes

Environment	Legal compliance, Social and environmental demands on suppliers, Biodiversity, Air pollution,	Sustainability, Supply chain	-Environmental Policy -Working with GANT -Supplier agreement -Code of Conduct -Partnerships	-7 Rules available for all subsidiaries in 2020 -Full compliance with Environmental Policy continuously -Support zero deforestation and sustainable forest management	-100% of the factories in Asia, Africa and Turkey have been assessed by third party auditor -3 grievance-cases initiated related to risk of links to forced labour in Xinjiang and a failed product-test. -Total land use for production and cultivation of raw materials was 113 square kilometers* -Air emissions from production and cultivation of raw materials, NOx, SOx, CO and particles were 1273 tonnes*	Environment	Environment
Climate	Energy and climate	Sustainability, Supply chain	-Environmental Policy -Working with GANT -Supplier agreement -Transport Policy -Packaging Policy -Partnerships	-Set accredited science-based targets in 2020 in order to meet the Paris Agreement -Decrease our climate footprint by 30% throughout all operations by 2030	-Total amount of greenhouse gases emitted were 143 000 tonnes*. 77% was due to production, 14% due to extraction of raw materials, 4% logistics, 3% HQ office, warehouse and shops, 2% packaging materials, 0,2% business travels -Became signatories of the UN Fashion Industry Charter for Climate Action -Became signatories of the Fashion Pact -Science Based Target postponed to 2021 due to Covid-19 pandemic	Environment	Environment
Energy	Energy and climate	Sustainability, Supply chain	-Environmental Policy -Working with GANT -Supplier agreement	-Implement 50% renewable energy across our own operations no later than 2025, as well as incentivizing implementation of renewables within our supply chain -Implement 100% renewable energy across our own operations by 2030	"-Total energy usage for cultivation of raw materials, production and HQ office, warehouse and shops were 131 GWh*. 85% were due to production, 8% due to HQ office, warehouse and shops and 7% due to cultivation of raw material -Renewable energy at HQ office"	Environment	Environment
Chemicals	Product health and safety, Chemical management	Sustainability, Supply chain	-Restricted Substance List (RSL) Policy -Membership Rise (The Swedish Chemicals Group) -Working with GANT -Better Cotton Initiative	-Implement new Chemical Management Program in 2020 -Partnership with Zero Discharge of Hazardous Chemicals, Leather Working Group and BlueSign according to staircase	-All suppliers committed to Restricted Substance List. -1 suspected breach of GANT:s Restricted Substance List. The investigation and additional testing showed that there were no breach of the RSL. -New membership with Leather Working Group -12 538 tonnes of chemicals were used in the production*.	Environment	Environment

2020 Notes

Water	Water consumption, water pollution	Sustainability, Supply chain	-Water Policy -Environmental Policy -Better Cotton Initiative -SAC HIGG Factory Environmental Module	-In 2020, GANT will continue to support water initiatives that protect waterways of the world. -By 2025, GANT will reduce its water use in manufacturing by 50% -By 2030, GANT will only use as much water as can be naturally replenished in all our operations"	-New partnership with WaterAid -Membership in Better Cotton Initiative -Membership with Sustainable Apparel Coalition and 57% of our products were made in tier 1 factories that used the Higg Index Factory Environmental Module to measure water usage and pollution -In 2020 GANT used 16,4 million cubic meters of water in the production*	Environment	Environment
Animal welfare	Animal welfare	Sustainability, Supply chain	-Animal Welfare Policy -Fur free Retailer listed -Working with GANT"	-Full compliance with Animal Welfare Policy continuously -100% traceable and certified animal fibers according to Animal Welfare Policy in 2025	-Sourced 100% certified down and feathers -Sourced 100% fur free products -Sourced 100% mulesing free wool	Environment	Environment
Other		Other (Catastrophic risk, Political, Natural hazard, Activist risk, Social involvement, Weather)	-Risk analysis	Continue assessing risk as part of the long term-strategy	-Conducted risk analysis. New risks, mainly related to Covid-19 pandemic, was addressed and mitigated.	Human rights, Labour, Environment, Anti corruption	Risks
UN Sustainable Development Goals	All above	All above	Prioritized goals: Goal 4. Quality Education, Goal 6. Clean Water and Sanitation, Goal 12. Responsible Consumption and Production, Goal 14. Life below water, Goal 17. Partnerships to achieve the Goals. We acknowledge that we as a global company need to work with all 17 goals.	Continue to address the SDGs in policies and strategies	SDGs implemented in 2030 Sustainability Roadmap	Human rights, Labour, Environment, Anti corruption	All above
GANT 7 Sustainability pillars	All above	All above		Execute on the GANT 7 Sustainability Pillars	GANT 7 Sustainability Pillars strategy was launched and published on GANT website.	All above	All above

**Emission factors for calculations from: EIA energy statistic buildings, UK Department for Business, Energy & Industrial Strategy - energy statistics, Statens energimyndighet, International Institute for Applied Systems Analysis - Global Energy Assessment, IEA Electricity emissions, UK Department for Business, Energy & Industrial Strategy - emission factors, Ecoinvent database v.3.3, SCA Ortviken Paper, LCA leather - overview and case study, ITG - Sustainability benchmark - carbon footprint leather, UNIDO - mass balance in leather processing, European Commission IMPRO-textiles, LCA benchmarking study textiles, Swerea/IVF - Kartläggning av kemikalieanvändning i kläder

**Shipping including: from suppliers either directly to subsidiaries, joint ventures and partners (markets) or to central distribution center (CDC). From CDC to market distribution centers (MDC) and/or customer for all sales channels (wholesale, own retail and E-com) as applicable. From MDC to subsidiary stores for all sales channels (wholesale, own retail and E-com).

***Based on weight. Plant based materials are viscose, lyocell, linen, modal, straw. Synthetic materials are acrylic, polyester, polyamide, elastane, polypropylene, polyurethane, rubber.

****Better Cotton Initiative, Organic cotton, Organic Fairtrade cotton, Recycled Cotton, Transitional cotton and Regenerative cotton."

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