



**Sustainability report  
2021**

GANT

**List of content:**

Key highlights.....3

Message from CEO.....4

About GANT.....5

Vision & strategy.....6

Partnerships.....7

Sustainability from Dirt to Shirt

    Materials.....10

    Manufacturing and logistics.....13

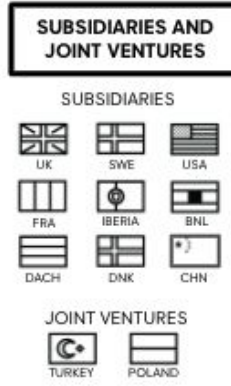
    Offices and stores.....17

    Garment use & End of life..... 19

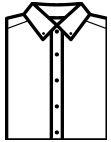
Sustainability notes.....21

Future.....26

# HIGHLIGHTS 2021



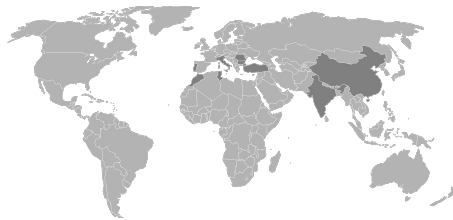
## PRODUCT



- 12,5** Million products produced
- 80%** of collection are labeled as a sustainable choice.
- 85%** Made from natural materials
- 71%** of all cotton was sourced sustainably as organic cotton and through Better Cotton

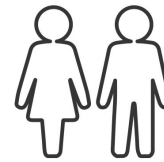
### Production

- 70 %** Asia
- 30 %** EMEA



**Launched** recycle program for consumers in GANT stores as a part of GANT 7 Rules

## PEOPLE



**71%** **29%**

### MANAGERS

- 65%** Women **35%** Men
- 5** Grievance cases
- 1** Breach towards internal or supplier code of conduct
- 5%** Absenteeism
- 8%** Sickness absence

**SIGNATORIES OF UN GLOBAL COMPACT** supporting the 10 principles of the Global Compact with respect to human rights, labour, environment and anti-corruption

- 100%** Apparel suppliers signed Code of Conduct
- 100%** Factories in risk countries assessed by 3<sup>rd</sup> party
- 80%** factories in non-risk countries assessed by 3<sup>rd</sup> party

**Factory list** available on website to promote transparency

**Members** of AMFORI BSCI



## PLANET

**MEMBERS** of FICCA the fashion industry charter for climate action and committing to 50% reduction in greenhouse gas emissions by 2030 and net-zero emissions by 2050.

**MEMBERSHIP** in Fashion Pact working to reduce impact on climate and preserve biodiversity and water.

**100%** of paper and carton packaging material is FSC certified

**105 550 TONNES** greenhouse gases from scope 1-3



**72%**



**15.5%**



**5.5%**



**7%**

## WATER

**TARGET** to reduce water use within manufacturing with **50 %** by 2025

**74%** of our products were made in tier one factories that has been enrolled into the SAC HIGG Factory Environmental Module.

**Initiated** the Conserve Every Drop Project with WaterAid to support a healthy and sustainable water supply in the region of Bangalore, India.

**NEW PARTNERSHIP** with WWF to elevate GANT's work for Water Stewardship.

**MEMBERSHIP** in Fashion Pact committing to reduce plastic-packaging





AT GANT, we have a long history of creating timeless, premium products that bring joy to our customers over a long period of time. We put our consumers first and care about our community. We connect with one another as we learn, evolve and challenge norms together. For me, this is an important success factor and one of the reasons for why we have been in business for more than 70 years. It is an incredible foundation to stand on, especially considering the challenges that 2021 has brought.

Without community we wouldn't be GANT. It is of utmost importance that we act on our ethical, environmental and social responsibilities in order to exceed the expectations our customers and other stakeholders have on us. Therefore, sustainability has its clear place in our vision of being the Future of American Sportswear. Our commitment to sustainability and being a transparent brand that supports and builds communities has never been more important than it is today.

We continue our journey towards achieving 100 % sustainably sourced key materials by 2025. The first milestone will be in 2022, when we aim to have only sustainably sourced cotton.

As part of our commitment to a more circular fashion industry, we have continued the 7 RULES initiative that was first launched in 2020. In 2021 we launched an initiative to take back GANT products back to our stores to prolong their life. In the spring of 2022, we also look forward to launching RENT-services in selected GANT stores.

Another highlight of the past year is the work we have done together with our partner organization WaterAid, where the innovative Conserve Every Drop project was initiated. The project will go on for two years and aims to secure valuable water-resources in India.

We are proud to be members and remain committed to working towards shared visions of sustainability together with partners such as Sustainable Apparel Coalition, The Fashion Pact, Fashion Industry Charter for Climate Action and UN Global Compact, to name a few.

At GANT we want to drive change for a better world. We could never do this on our own and that is why I want to thank everyone in our community that enables this work. We are on this journey together. With shared commitment, we can ensure that sustainability is a thread that runs through everything we do.

Patrik Söderström, CEO

# GANT since 1949

**About GANT**

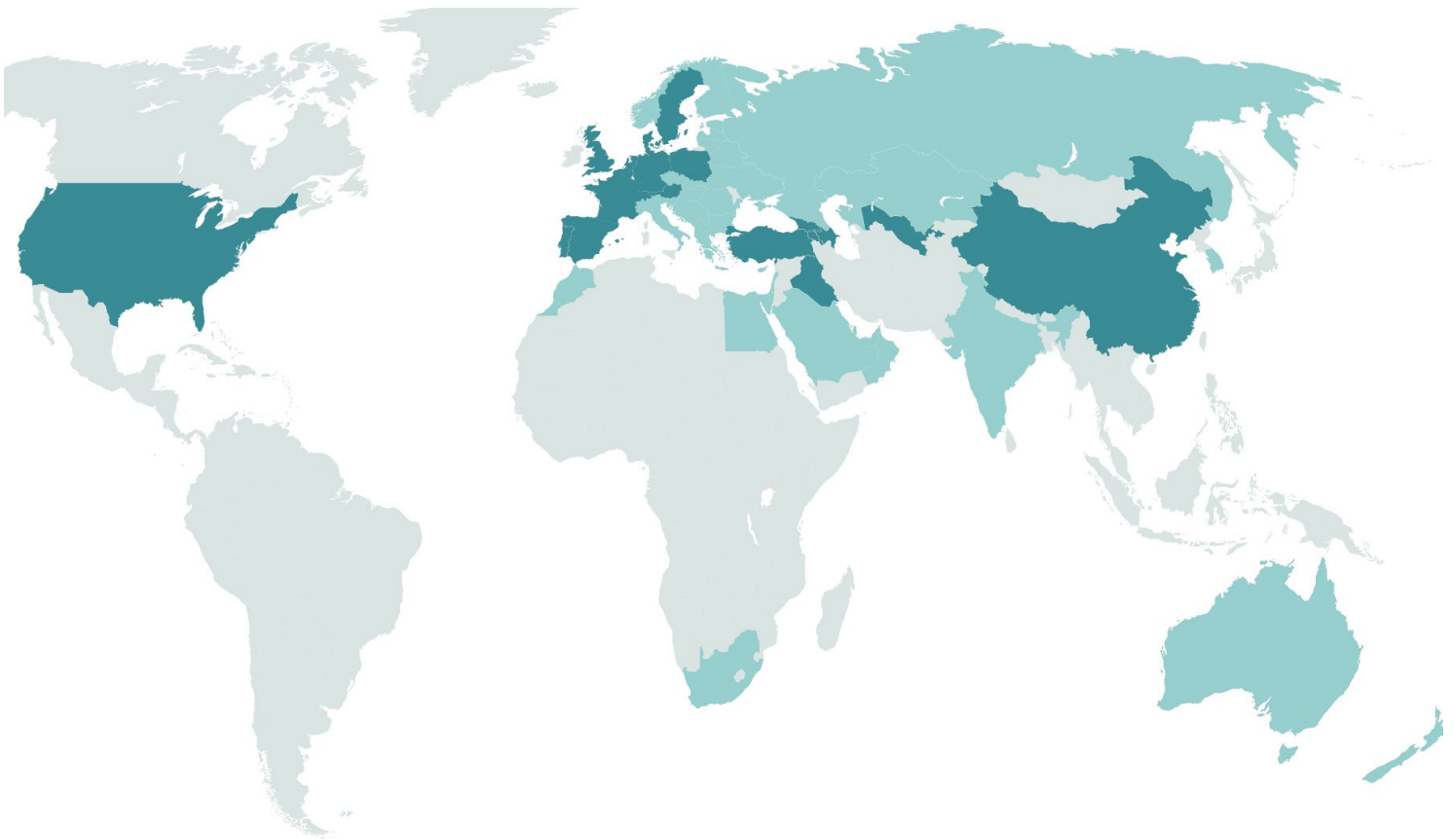
GANT was founded in the college town of New Haven, Connecticut on the East Coast of the United States. We've been pioneering preppy style since 1949. With our dedication to color and innovation, GANT changed the direction of modern American style and continue to challenge convention.

GANT is a company driven by a simple idea: Never Stop Learning. This motto inspires us to engage with the world and with each other. It builds on our past and steers us toward our future. With this promise we aim to improve every day, to listen and to learn throughout our continuous quest to create new traditions and challenge conformity.

Never Stop Learning is just as relevant when it comes to sustainability. At GANT, we say that sustainability is complicated, but not impossible.

There is much that still needs to be done and that is an opportunity we want to take on. Sustainability is a key enabler for our current and continued profitable business. While we know there are no easy solutions to difficult problems, we take responsibility for leading the conversation and act on our goals. Even though we are just one company on this planet, we'll never stop learning how to make it better.

Number of markets we have presence	81
Number of stores	600
Number of employees	2143
Number of suppliers	54
Licensees	Home, Footwear, Time, Eyewear, Underwear



■ Market presence through subsidiary or joint venture  
■ Market presence through partner

# It starts with the products

## It starts with the products

GANT is a premium sportswear brand. Our business is built on designing, developing and the marketing of premium products with high quality. For GANT, sustainability starts with our products. To design and develop timeless products of high quality that our consumers love and with a long lifespan is our most important goal.

The production and consumption of apparel, footwear products and accessories is related to environmental and social impacts and risks throughout the entire product life-cycle. To effectively manage and decouple these impacts and risks from the production and consumption of our products is the foundation for our long-term profitable business.

## Responsibility from Dirt to Shirt

Another way to put this is that at GANT, we want to take responsibility from dirt to shirt. It was with the shirt that the GANT business started more than 70 years ago, but the responsibility is of course as true for all our products. Responsibility from dirt to shirt means that we aim to address risks and impacts by doing our environmental and social due-diligence through the whole value-chain of GANT. This includes the materials used in our products, throughout the manufacturing and logistics; offices and stores; product use and end-of-life of the products.

## GANT Sustainability Strategies

The seven sustainability strategies of GANT give the strategic direction, communicate our commitments and roadmaps for how to manage social and environmental impacts and risks in our value chain. The 7 sustainability strategies are:

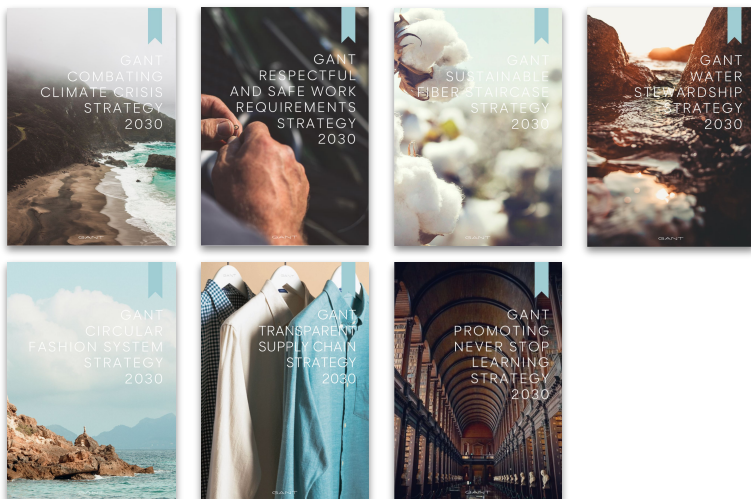
- Combating climate crises strategy
- Sustainable fiber staircase strategy
- Circular fashion system strategy
- Respectful and safe work requirement strategy
- Transparent supply chain strategy
- Water stewardship strategy
- Promoting Never stop learning strategy

These sustainability strategies were developed following extensive risk-and-materiality assessment with the involvement of internal and external stakeholders and the aim to meet our economical, social and environmental responsibilities both within our own operations and throughout our whole value-chain.

## Elevating the Water Stewardship strategy

In 2021 GANT and WWF initiated a partnership with the aim of aligning GANT’s water strategy with WWF’s model for Water Stewardship. During the year we conducted a water risk assessment with the help from WWF’s Water Risk Filter tool. The risk assessment takes water basin risk data and operational risk information into account, and is designed to be used for better understanding water risks across the value chain.

Through the water risk filter supplier’s with elevated water risks were identified. The most common risk in the assessment is the risk that factories may have an negative impact on as well as be negatively affected by poor water quality in the areas where they operate. The risk assessment will be used to inform and elevate GANT’s strategy for Water Stewardship in next year.



The 7 Sustainability strategies are available on GANT websites

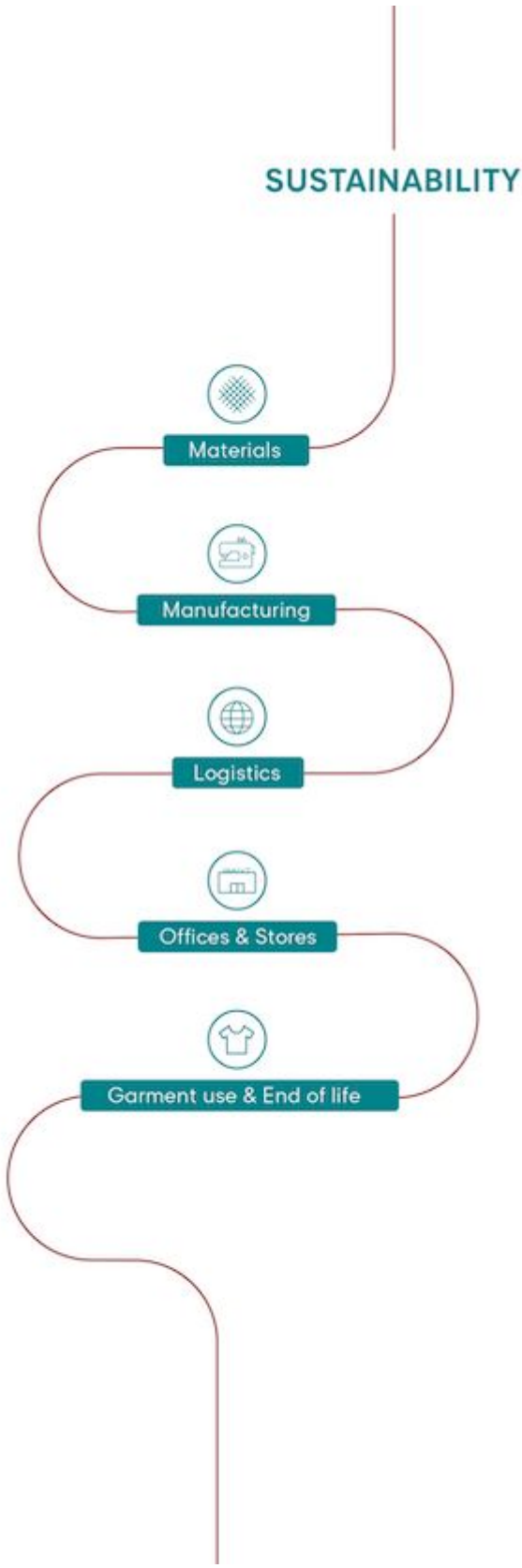
**A thread that runs through everything we do**

One of the key enablers to reach our strong commitments is that sustainability has to be integrated through all parts of GANT. That is why we say that Sustainability is a Thread that runs through everything we do.

*Sustainability is a Thread that runs through everything we do* is a vision without a definite or measurable end goal. It's still a worthwhile objective that aligns with our view that Sustainability is complicated, but not impossible. Key elements on our journey towards this vision is GANT's well-established motto of Never Stop Learning and our Brand values: Community, Creativity, Curiosity and Courage.

**Partnerships**

Partnerships is another key enabler. It drives ambition and improvements for GANT and in the industry. The partnerships are incredibly important to us as they allow us to adapt to best practices and enable sustainably sourced materials for our products. The organizations and initiatives that GANT partnered with during 2021 is presented on the next page.



**UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS**  
 As signatories to the UN Global Compact we are committed to advancing the sustainable development goals. GANT has prioritized 5 goals as most important for GANT's business.

<b>Goal 4.</b> Quality Education	<b>Goal 6.</b> Clean Water and Sanitation
<b>Goal 12.</b> Responsible Consumption and Production	<b>Goal 14.</b> Life below water
<b>Goal 17.</b> Partnerships to achieve the Goal	

Organisation	Description of partnership	Member/signatory/partner since
UN Global Compact	UN Global Compact is the world's largest corporate sustainability initiative. It is 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.	2018
Amfori BSCI	Members in Amfori BSCI share common social- and ethical standards with other members through the Code of Conduct. The Code of Conduct include 11 principles that range from fair remuneration to no child labour and no forced labour. BSCI enables access to social-audit results for factories and a network of auditors specialized in performing audits according to the BSCI-standard.	2009
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.	2019
Fashion Industry Charter for Climate Action	The Fashion Industry Charter for Climate Action brings fashion stakeholders together to develop a unified position on tackling climate change, including the vision of achieving net-zero emissions by 2050. Within the Charter, signatories participate in working groups convened by the United Nations to develop roadmaps for the commitments that have been set for the industry. An updated and more ambitious Fashion Industry Charter for Climate Action was launched during 2021.	2019
Sustainable Apparel Coalition	The Sustainable Apparel Coalition (SAC) 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. SAC enables the use of HIGG Index tools, which delivers a holistic overview that empowers businesses to make meaningful improvements that protect the well-being of factory workers, local communities, and the environment.	2019
Textile Exchange	Textile Exchange is a not-for-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.	2019
Better Cotton	Better Cotton (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.	2017
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.	2020
TexAid	TexAid is GANT's partner for taking care of 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.	2020
RISE	RISE is an independent, state-owned research institute, which offers unique chemical expertise 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.	2017
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 organization works in 34 countries to change the lives of the poorest and most marginalized people. Since 1981, WaterAid has reached more than 28 million people with clean water and decent toilets. In 2021 GANT and WaterAid initiated the innovative Conserve Every Drop Project together.	2020
WWF	For 60 years, WWF has worked to help people and nature thrive. As (one of) the world's leading conservation organizations, WWF works in nearly one hundred countries, to develop and deliver innovative solutions that protect communities, wildlife, and the places in which they live. With this partnership, GANT and WWF will address key environmental impact areas in the GANT value chain and beyond, with a special focus on water stewardship.	2021

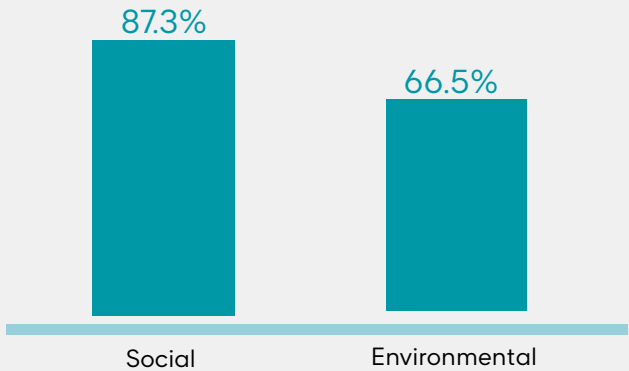


# HIGG Brand & Retail Module

GANT is proud to be a member of Sustainable Apparel Coalition (SAC). Every year, GANT replies to the HIGG Brand and Retail Module (BRM) as a way of benchmarking our work towards best practices and to share our performance with business partners. BRM evaluates social and environmental impacts across a wide range of business operations, from packaging and transportation of goods, to the environmental impact of stores and offices.

In 2021, GANT decided to have external assurance on the HIGG BRM report. With these verified scores as our new baseline we aim to continuously improve our performance.

### HIGG BRM - OVERALL SCORES



### HIGG BRM - SECTION SCORES

	MANAGEMENT SYSTEM	BRAND	STORES	OPERATIONS & LOGISTICS
SOCIAL	93%	77%	100%	78%
ENVIRONMENTAL	84%	68%	58%	54%

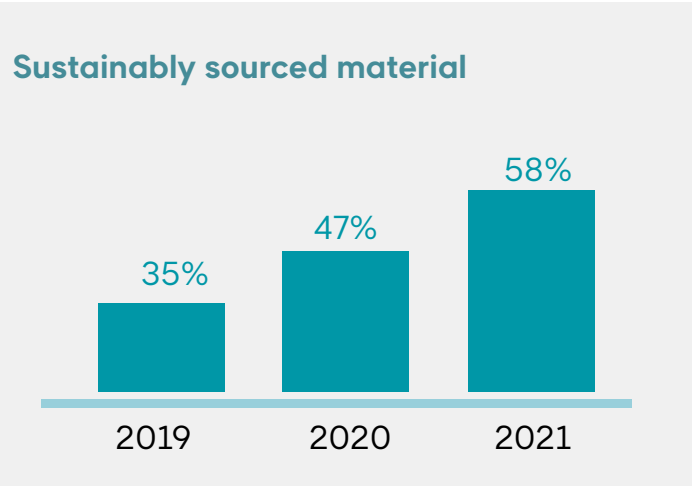
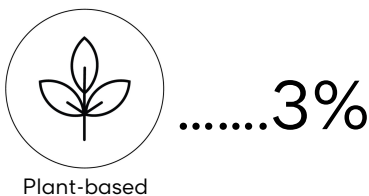
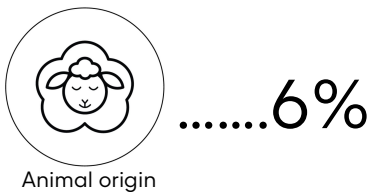
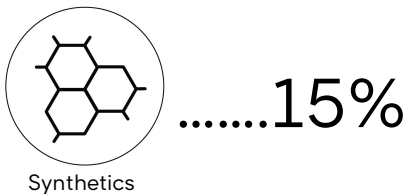
All BRM scores refer to HIGG BRM 2020 reporting cycle which was completed during 2021.

# Materials

The extraction and processing of raw materials and production of materials are significant contributors to GANT's environmental footprint. Additionally, risks related to labor and human rights can be high in this part of our value chain. Sustainably sourced materials and social and environmental due-diligence is a part of how we address these challenges at GANT.

### GANT's material usage

At GANT as much as 85 % of the materials we use comes from natural fibers. Cotton is the fiber we use most of in our products – amounting to 76 % of our total material use. Natural materials are renewable, don't emit microplastics and can at the same time enable the quality and durability that a GANT product should have.



Sustainably sourced material includes the share of materials within all fiber categories that have sustainability attributes. For cotton, this includes Better Cotton, Organic Cotton and recycled cotton. For Synthetics this includes recycled fibers. For animal fibers this includes certified wool, down and feathers and mulesing free wool. For plant-based materials and man made cellulosic fibers FSC and PEFC certified fibers are included.

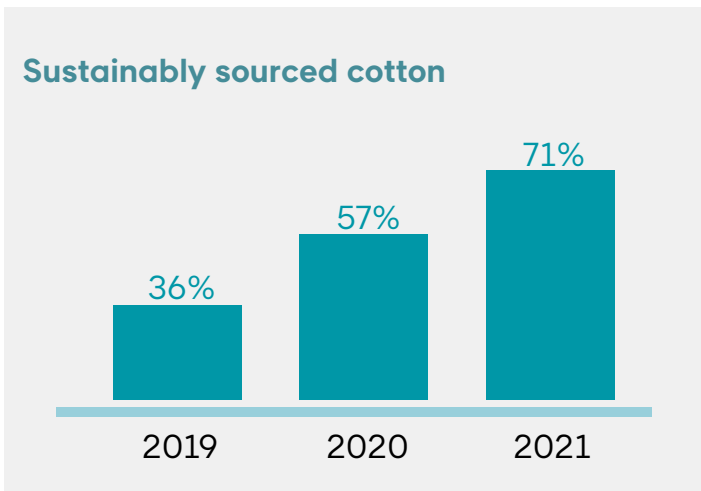
### The sustainable fiber staircase strategy

The choices we make when choosing raw materials for our products are crucial when it comes to the impact they have on people, animals, climate, water, environment and the planet. That is why we have developed the Sustainable fiber staircase strategy to manage these impacts. The staircase is based on science and life-cycle assessment data. We work with the HIGG Material Sustainability Index and the Textile Exchange preferred fibers. The staircase includes a roadmap for how to transition from conventionally sourced materials to more sustainably sourced alternatives. This includes:

- By 2022, all cotton should be sustainably sourced. All conventional cotton will be replaced with more sustainable alternatives such as Better Cotton, organic cotton, recycled cotton, cotton in conversion or regenerative cotton.
- By 2025, 100% of key materials will be sustainably sourced by converting all key materials from conventional to more sustainable alternatives.

## Cotton

Cotton is the most used material at GANT and is therefore a focus area for our sustainability work. Consequently, this is where GANT has made the most progress. In 2021, 71% of the cotton was sustainably sourced. This mainly comes from investing in Better Cotton (62%) and organic cotton (9%). When we have reached the target of having 100% sustainably sourced cotton in 2022, the plan is to continue to increase the share of cotton that is organically grown or in conversion of being organic and in that way continue to reduce our impact from raw materials.



There is currently a scarcity of organic cotton in the world. During 2021 GANT initiated the process of sourcing cotton in conversion in order to support farmers in India to make the transition from conventional cotton farming to organic farming practices. The first collection with cotton in conversion is planned to be launched in 2022.

## Synthetics

Synthetics is the second largest fiber category that is used by GANT and the biggest share is polyester. Approximately 15 % of our materials are synthetics. Around half the synthetic materials are used in outerwear products.

GANT has developed a sustainable polyester staircase as a roadmap to transition to more recycled polyester. As of today all synthetic fillings in our outerwear must be recycled. By 2025, all polyester used by GANT should be sustainably sourced, which means recycled and certified with Global Recycled Standard or Recycled Content Standard. In 2021, 14 % of the polyester was recycled.

## Animal fibers, down and feathers

Animal fiber comprises 6 % of GANT's material use. For animal fibers, down and feathers; animal welfare is of utmost importance. The GANT 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 EU Farm Animal Welfare Council/World Organization for Animal Health (OIE). The policy includes that:

- Raw materials originating from animals can only be a byproduct of meat production.
- Wool must be sourced from producers with good animal husbandry; no mulesing is allowed. All wool used by GANT is mulesing free.
- All mohair must be certified with Responsible Mohair Standard.
- All down and feathers must be certified with Responsible Down Standard (RDS), and not come from farms practicing live-plucking or force feeding.
- No fur, endangered species, caged animals, non-certified mohair, rabbit hair, or angora is allowed at GANT.

Less than 0.5 % of the material in GANT products are leather. By 2023, GANT aims to only source leather from tanneries that has been audited by Leather Working Group.

## Plant-based materials and man-made cellulose

Plant-based materials and man-made cellulose stands for a little less than 3 % of GANT's material use and consist mainly of linen, viscose and lyocell. GANT's target is that all man-made cellulose will be sustainably sourced in 2023.

GANT's Responsible Material Policy features requirements when it comes to the origin for man-made cellulosic fibers. This includes; for example, that fibers can not come from ancient or endangered forests; not come from vulnerable or endangered species of wood.

## Certifications and partnerships enabling credible claims

To ensure a positive impact from more sustainably sourced materials we use materials that are certified by a third-party organisation. GANT's membership in Textile Exchange, Better Cotton and Leather Working Group are key enablers for having sustainably sourced materials. GANT is certified to the following standards:

- Organic Content Standard (OCS)
- Responsible Down Standard (RDS)
- Global Recycled Standard (GRS)
- Recycled Claim Standard (RCS)
- Responsible Animal Fiber Standard (RAF).
- Global Organic Cotton Standard (GOTS).

## GANT Responsible Material Policy

Responsible sourcing of materials is of utmost importance to ensure that materials are produced in a way that respects human- and animal rights and does not degrade ecosystems or the biodiversity on which they are dependent. The Responsible Material Policy communicates the requirements that must be met for raw materials in all GANT products. While it is closely connected to GANT's fiber staircase strategy to ensure the use of more sustainably sourced materials, it also includes additional requirements. For example, the origin of cotton, animal welfare and the responsible sourcing of forest derived fibers.

The policy covers all main categories of materials such as cotton, animal fibers, synthetics and plant-based fibers. As an example it contains GANT's requirements for Animal Welfare and prohibits the use of fur, endangered species, caged animals, non-certified mohair, rabbit hair, or angora.

GANT is committed to respecting human rights and work to enable a safe and secure work environment for everyone. Due-diligence becomes more challenging further down in the supply-chain due to limited transparency and influence. The Responsible Material Policy requires suppliers that are sourcing cotton for GANT to have processes in place to prevent labor and human rights risks in the material production.

## More sustainable production techniques

GANT works together with suppliers that use more sustainable production techniques in the manufacturing of products and fabrics. This is mainly focused on wet-processes like washing and dyeing which are processes with significant use of energy and water, and risk of wastewater. GANT prioritizes working with suppliers that use equipment to reduce the usage of energy, water and wastewater discharge.

GANT's denim suppliers evaluate the environmental impacts related to manufacturing using an Environmental Impact Measurement score, EIM. The EIM score assesses impacts related to water, energy, chemicals and workers health and combines them into one score. With the help from EIM-methodology we aim to reduce the environmental impacts from the production of our jeans.

In 2021 a set of products were launched which utilized the innovative GiDelave technology for coloration. The GiDelave™ technology is a coloration process that radically reduces the water consumption of conventional dyeing, while also not generating any waste water. This means rich, vibrant color without conventional textile processing equipment and chemicals, high volumes of water, and large amounts of energy. We call this the Coloration project.

## Traceability

The value chains of the fashion industry are complex and global. At GANT we believe that transparency is one of the key accelerators of sustainable and ethical operations, which is why it is a key focus area for us. The information about where products, materials and fibers come from is fundamental in order to perform social and environmental due-diligence.

In 2021 GANT followed up on a number of reports from NGO's, researchers and media. The reports related to risk of discrimination and forced labor in India and the risk of cotton from Xinjiang entering global apparel supply-chains. None of them have directly addressed GANT in their reports but an investigation is always initiated to mitigate the risk of adverse impacts on human rights and the environment. One conclusion is that the reports mainly focuses on labor and human right risks in the tiers of the supply chain where GANT has limited influence like cotton cultivation, yarn spinning and fabric manufacturing. The reports show how important transparency and traceability in the supply chain is.

Our target is to have 100% traceability on key raw materials by 2025. Since cotton is the material that GANT uses most of, this is the material that has been the focus from the start. In 2021, GANT set up a framework for traceability and performed a traceability study for approximately 10% of GANT's products. In the beginning of 2022, a pre study will take place to prepare for accelerating traceability within the supply chain.

# Manufacturing & logistics

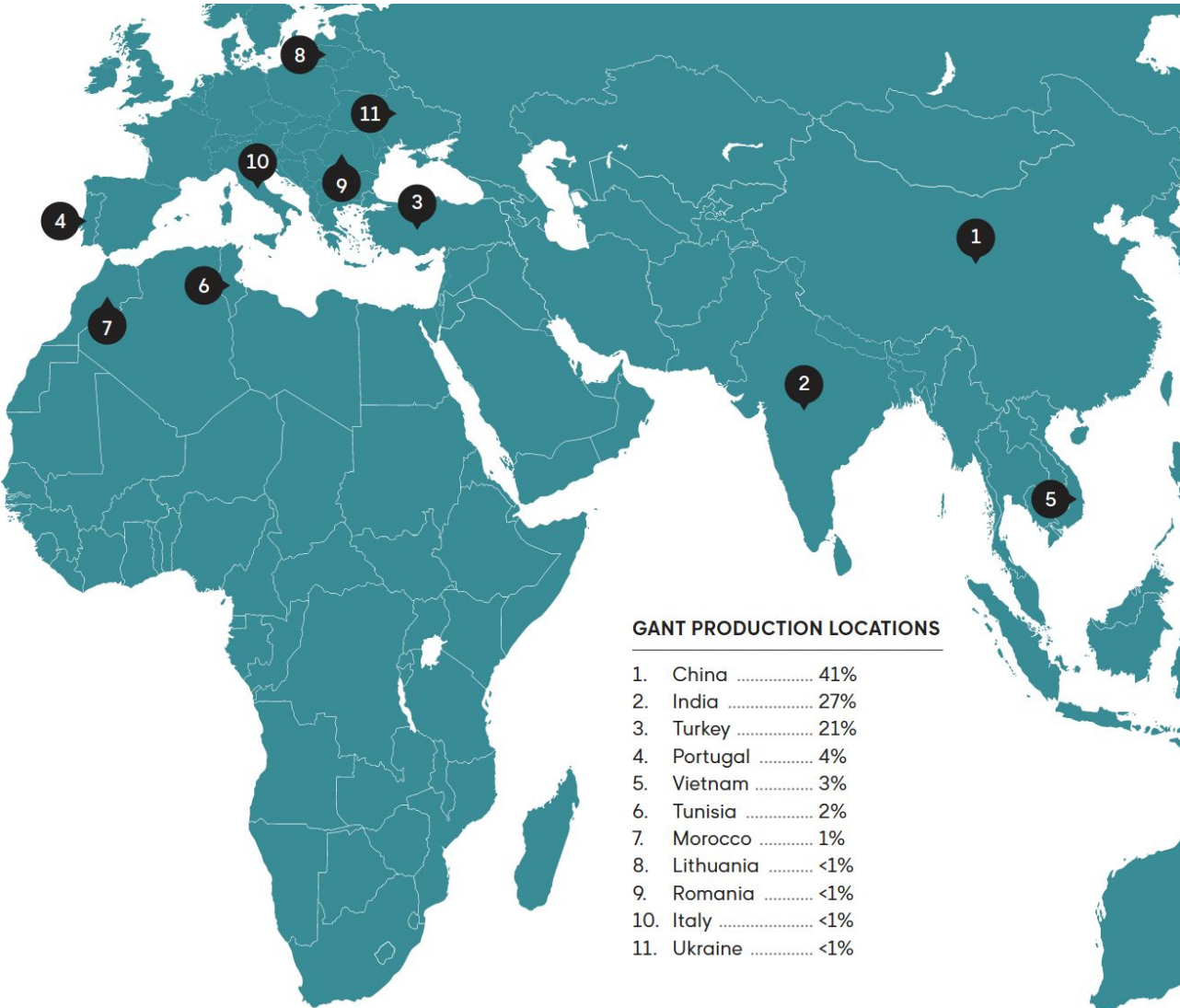
### Business partners

GANT has since the start in 1949 focused on creating clothes with timeless design where durability is a top priority. Working together with the right business partners is fundamental to achieve this. Meanwhile, the supply chain holds many of the significant environmental and social risks and that is why we work in close collaboration with our business partners to identify and mitigate such risks, but also to seize opportunities to contribute to a positive and sustainable development.

In 2021, GANT worked with around 50 business partners for the development and manufacturing of our products.

We believe in mutually respectful, cross-cultural collaboration and we engage in open dialogue with partners to ensure that relationships continue to improve. Approximately 70 % of the products are produced in Asia, mainly China and India. Around 30 % of the products are produced in the EMEA region, where Turkey holds the biggest share of production.

The people that produce our products are a fundamental part of our community. Their skills are essential in order for the products to meet GANT's quality requirements. It is therefore of highest importance for GANT to ensure a safe and respectful work environment for the people that produce our products, and that the remuneration they receive is sufficient to provide them with a decent living.



**Manufacturing during the Covid-pandemic**

The Covid-19 pandemic has continued to challenge our business partners and GANT during 2021. Factories have been heavily affected and temporarily closed down to stop the virus from spreading. GANT has worked closely with our business partners with the aim of supporting them during this period. All purchase order has been honored and GANT has also been flexible on delivery dates to manage the pandemic situation.

**Supply-chain due-diligence**

GANT has a risk-based approach to due-diligence and works actively to identify and mitigate risks related to human rights, labor, the environment and corruption throughout the supply chain. To identify risks in the supply chain, several sources are used, such as country risk classifications, third party audits and reports from NGO:s, researchers or media.

To communicate the required standards and ensure that the ethics of GANT are carried throughout the entire supply chain, all business partners must commit to GANT’s Code of Conduct and Sustainability Policies. As additional guidance we have also developed a Sustainability manual.

The Code of Conduct is aligned with international conventions and frameworks such as the OECD, the International Labor Organization’s conventions and recommendations, and 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.

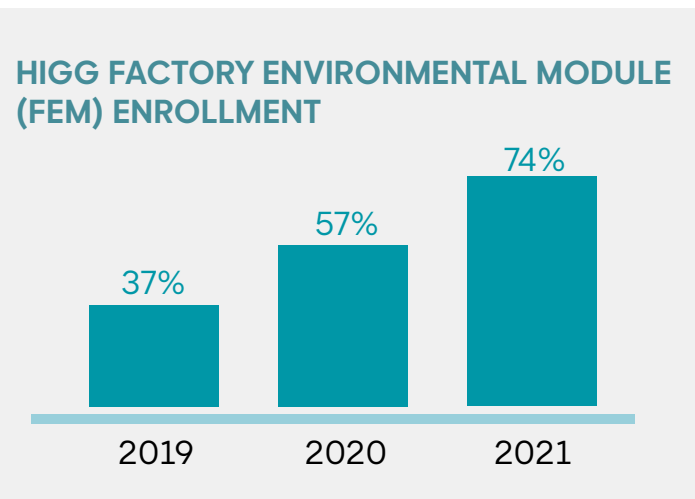
**GANT Code of Conduct**

The Code of Conduct for suppliers communicates GANT’s requirements for ethical business conduct. The Code of Conduct include requirements related to:

- Legal compliance
- Humane Treatment/Anti-Harassment and Abuse
- Fair Remuneration/Wages and Benefits
- Working Conditions/Health and Safety
- Management Systems
- Freedom of Association and the Right to Collective Bargaining
- Prevention of Involuntary Labour and Human Trafficking
- Working Hours
- Environment and Safety issues
- No Discrimination
- No Child Labour
- Labour Contract
- Ethical Business Behaviour

GANT evaluates the compliance with the Code of Conduct through audits conducted by a third party. GANT is a member of AMFORI BSCI, but also work with the following third-party standards: SEDEX, WRAP, ICS and SA8000. From 2021 we also recognize HIGG vFSLM as audit standard. Semi-announced third-party audits on a regular basis are mandatory for all suppliers regardless of country, however the implementation of audits in some European factories are still underway and have been slightly delayed due to the Covid-pandemic. By the end of 2021, 80 % of European factories had been audited.

The Sustainability policies include the Animal welfare policy, Environmental Policy, Packaging policy, Reduce Reuse Recycle policy, Transport Policy, Water policy, Responsible Material policy and the Restricted Substance List. The policies are an integral part of the supply-agreement with business partners and mandatory to follow. To follow up on the environmental performance of factories and to have as a foundation for dialogue with business partners GANT use the HIGG Factory Environmental Module (HIGG FEM). HIGG FEM is a requirement for all factories producing for GANT. In 2021, we reached that 74 % of GANT's products were produced in a factory that uses HIGG FEM for environmental reporting. In 2022 we are aiming for 100 %.



Share of products produced in factory using HIGG FEM

Metric	2021
Suppliers signing CoC and sustainability policies %	100%
Factories in risk countries audited %	100%
Factories in non-risk countries audited %	80%

Whenever deviations occur in third-party audits or through some other channel, GANT works together with suppliers on the corrective action plans as we strive for strong long-term relationships. The corrective action plans aim at addressing the deviations at its root cause in order to prevent them from happening again. All factories undergo audits regularly for the duration of the partnership. Depending on the result from the audit a new audit has to be completed within 1 or 2 years.

**Onboarding new business partners**

New business partners are brought into the business to support the expertise and capacity needed to produce our products. Before onboarding new business partners a sustainability screening is completed. This includes a sustainability screening questionnaire, reviewing the factory's third party social compliance audit report and HIGG FEM report. An assessment of which certifications that are held by the factory are included in the screening to ensure that the business partner can support GANT in reaching the targets in our Sustainable fiber staircase strategy. Suppliers are not onboarded unless they meet the sustainability requirements that has been set by GANT.

Meeting with GANT's sustainability team is a mandatory part of the onboarding process to discuss mutual expectations in the partnership and GANT's sustainability requirements.

**Factory list online**

At GANT we believe in transparency. Since 2020 a full list of GANT's business partners in the tier 1 stage is published on the GANT website. We continue to map our supply chain in order to reach our goal to enable transparency with tier 2 suppliers by 2023.

**Chemical Management**

The use of chemicals is present throughout GANT's value chain; both in growing natural fibers such as cotton, and also during production, particularly for dyes and finishes. Residues of hazardous chemicals in products can impact human health, and discharge of hazardous chemicals during production risks impacting the environment.

GANT has a restricted substance list in place which limits the use of substances in production processes or that can be present in the final product. The policy is compliant with and stricter than the REACH-legislation. GANT allows no PVC, biocides or silver ions in products and continuously works to improve the routines to ensure product quality, security and thereby reduce the environmental impact of the products.





The Chemical Management Program includes chemical testing of products which is based on a risk assessment.

**Packaging**

Packaging has the important purpose of protecting GANT products on its way to the consumer and making sure that it stays in the premium condition that is expected of a GANT product. In line with the GANT packaging policy, we aim for efficient packaging and appropriate solutions for our products. To continuously strive to minimize negative impact on the environment by our packaging, the packaging policy emphasizes the use of renewable and sustainable sourced materials. All paper and carton packaging including shopping bags and e-com boxes are FSC-certified.

As signatories to The Fashion Pact, GANT is committed to eliminating the use of problematic and unnecessary plastic packaging. For any plastic packaging that remains we aim to only use 100 % recycled plastic. At GANT we have not used any bags or hangers made of plastic in stores for the last decade. For e-com both carton boxes and plastic bags are used. The plastic e-com bags are made of 80 % recycled plastic. GANT's requirement is that all polybags used on garments which are necessary during the transports are made of 100 % recycled plastic.

**TRANSPORTS BY TYPE**

				
<b>2019</b>	71%	21%	6%	2%
<b>2020</b>	76%	17%	5%	2%
<b>2021</b>	72%	15.5%	5.5%	7%

**Transports**

GANT's transport policy aims to minimize negative impact on the environment by striving to always have full fill rates and minimize airfreight. Transport flows are optimized in order to enable cost efficiency and reduced environmental impacts.

2021 has been a challenging year from a logistics perspective. Lack of containers and availability on cargo ships required agility and adaptation to the circumstances. The majority of transport is still by sea, but during the year we have also seen a slight increase in air freight. A major change compared to previous years is that a bigger share of transports has been made by rail. Rail transport now makes up approximately 7 % of all transports.

**Logistic centers**

The GANT group utilizes logistic centers in several countries. The main distribution center is located centrally in Germany from which regional warehouses for GANT's markets are supplied with products. All warehouses are owned and operated by third parties.

Sustainability is an integral part of the procurement process of logistic centers. Business partners are evaluated from a sustainability perspective and shall commit to GANT's business partner Code of Conduct.



# Offices & stores

## GANT values

People are at the core of everything we do at GANT. That's why it's critical to respect and support those who we depend on, from suppliers to employees and our customers.

The GANT values bring us together with the goal to make us stronger, faster, and smarter. They create the foundation for how we connect with our peers. We are passionate and curious about everything we do. Through our performance and solution-driven mindset, we have the opportunity to make a difference.

## Community

Community has been at the heart of GANT since we were founded in 1949. We embrace each other's differences and thrive as a result.

## Curiosity

Curiosity is why we explore, learn, wonder and open ourselves up to the world around us. We understand that questions are more important than answers.

## Creativity

Creativity is how we grow, whether it's inventing beloved shirt details, creating new traditions or approaching things in a new way. Creativity is what shapes us.

## Courage

Courage carries us forward and makes us step out of our comfort zone. It is how we improve and challenge conventions and conformity.

## Never Stop Learning

Never Stop Learning is a key aspect of enabling sustainability as a thread that runs through everything we do.

Sustainability is therefore a recurring topic on GANT's global company meeting and since 2021 we have implemented a global, cross-functional task force dedicated to sustainability. The purpose of the task force is to Never Stop Learning together and to discuss different sustainability topics across functions and countries. In 2021 the topics for the task-force meeting were Water, Equality and Climate.

Sustainability training is mandatory for all new employees as part of the onboarding process. The training introduces topics such as sustainability, Code of Conduct, Modern slavery and whistleblowing to all newly employed at GANT.

## GANT Academy

GANT Academy is GANT's retail training initiative based on digital micro training for all retail employees. GANT Academy functions as a toolbox to inform, inspire and develop the GANT retail employees to develop within their profession and to create a better retail experience for all our consumers.

All store staff receive regular sustainability training through the GANT Academy with different topics in focus such as climate, sustainability hangtags and certified materials, chemicals and our partnerships.

GANT in numbers		2021
<b>Employees</b>		
Number of employees		2143
-whereof women		71%
Number of managers		342
-whereof women		65%
<b>Recruitment &amp; turnover</b>		
Number of employees recruited		1016
Number of employees leaving the company		907
<b>Training</b>		
Employees completed sustainability training		89 % in offices Available to all store staff

## A healthier GANT

A healthy lifestyle is a win-win for both employees and the company. Employees that feel good create better results. At the same time activities that promotes better health also contributes towards team building and creates engagement.

Every year we create an activity pack filled with exciting events and activities for our employees to attend and get inspired by.

### **Business ethics**

The GANT Code of Conduct applies to all GANT employees and is based on our values. It serves as a complement to every employee's general responsibility and accountability to exercise good judgement and obtain guidance on proper business conduct.

At GANT we respect human rights and work to ensure a safe and secure work environment for all employees, in all our offices and all our stores. We believe in an environment characterized by openness and fair treatment where all employees respect each other.

Furthermore, we should conduct business with the highest integrity and have zero tolerance for all kinds of bribery, corruption or unethical business conduct.

In 2021, GANT made an update to the whistleblowing process which is the way that employees or other stakeholders can raise concerns about breach of law or unethical conduct. A new website was launched at <https://whistleblowing.gant.com> which enables a safe way to raise concerns with improved anonymity.

### **100 % renewable energy in 2030**

GANT is committed to reducing energy use and implementing renewable energy in our operations. As signatories to the UN Fashion Industry Charter for Climate Action and The Fashion Pact the target is to have 50 % renewable energy in our operations in 2025 and to reach 100 % renewable energy by 2030. In 2021, GANT reached a share of 48 % renewable energy in our operations.

### **Guidelines for retail interiors**

GANT's guidelines for retail suppliers aim to promote the use of more sustainable materials and interior in our stores. GANT always strives to use materials that are sustainable, designed to have a long life and encourages re-use and re-design. We promote the use of third-party certified materials such as FSC, PEFC, OCS, GRS depending on the material type. All hangers in GANT stores are made of FSC-certified wood.

In GANT stores, our policy is to always use LED lightning in order to increase energy efficiency in stores.

### **Growth in e-com channels**

The pandemic has led to changes in consumers' shopping behavior and there has been a tremendous increase in our e-commerce channels. This shift has been enabled by agility and acting in accordance with GANT values of all employees.

From a sustainability point of view the increase of sales in e-com channels introduces challenges like packaging and product returns. We always aim to pack in a way so we don't transport air. All paper packaging is made from FSC-certified carton and e-com plastic bags are made of 80 % recycled plastic.

In GANT's e-com sites products that have sustainability attributes of some kind are labeled Sustainable choice in order to support the conscious choice of consumers in our e-com platform. There is also a possibility to filter for products with Sustainable choice.

### **Wholesalers**

Wholesale partners are an important sales channels for GANT and an important driver for sustainability. We engage with our partners and align our work with their sustainability requirements.

Every year GANT shares HIGG Brand and Retail Module (BRM) with wholesale partners and regularly replies to other types of sustainability questionnaires upon request.

# Garment use & End of life

## GANT 7 Rules

To enable a more sustainable consumption of garments 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. This is also a priority that can be seen among legislators in many of the markets where GANT is present.

GANT stands for timeless, classic design with high quality and our priority for circular fashion is to make the circular loop as large as possible. We believe in using renewable materials of the highest quality to make garments that can be enjoyed for a long time – and then be passed on to get as many lives as possible. This is a part of GANT’s heritage and business model.

The GANT 7 Rules build on the EU Waste Hierarchy and is our take on circular fashion and a way to invite people to learn how to give their clothes a longer life and to care for their products with reduced environmental impact. The 7 Rules by GANT aim to inspire and invite consumers to take joint responsibility to extend the life of their clothes. It is a way to educate consumers about garment care and encourage them to look after their loved pieces. The GANT 7 Rules include Refresh, Repair, Relove, Rent, Regive, Remake and Recycle. Read more about the 7 Rules on next page.

Furthermore, the GANT 7 Rules aim to implement circular solutions into all phases of the value chain to maximize resources and minimize waste.

## GANT Way

GANT Way is the umbrella name of GANT’s on product Sustainability claims. The initiative serves to support the consumers in making conscious choices at the point of purchase. It consists of hangtags on products as well as information in e-com stores that informs about GANT’s approach to more sustainably sourced materials as well as the use of production techniques which reduces environmental impacts in the production of garments. Approximately 80 % of GANT’s collection is labeled with the GANT Way hangtags.



GANT 7 Rules	
<b>1. Refresh</b>	With small means of extra care, garments can be kept fresh and given a longer life. GANT gives simple advice, tools and guidance on how consumers take care of their garments so that they last for a long time. In GANT websites we have collected advice for how to take care of garments in a more sustainable way.
<b>2. Repair</b>	Even great quality is affected by wear and tear and could eventually rip, break, crack or lose a button. 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. We believe in repairing and aim to help our customers along the way. This is why GANT offers lifelong repair on jeans since 2020 to all customers.
<b>3. Relove</b>	GANT garments have a timeless design and durability. They are made to have a long life and we want to inspire consumers to reuse their garments and eventually to pass them on to new owners.
<b>4. Rent</b>	An important part of the GANT 7 Rules is to enable new ways of consuming apparel products. This is why we aim to have a RENT-offering of selected products in stores. This will allow for more people to try out GANT products or utilize products only on special occasions. RENT is planned to be launched in spring 2022 in selected stores.
<b>5. Regive</b>	<p>As a part of GANT's commitment to sustainability we aim to contribute to sustainable societies beyond our own value-chain. Water is a human right and we want to help people in the world to have access to clean water.</p> <p>That is why GANT has partnered with WaterAid on the Conserve Every Drop Project. Conserve Every Drop is a two-year project funded by GANT which aims to improve water conservation in the Bangalore region of India. The project focuses on creating rainwater harvesting systems and restoring innovative recharge structures to protect and fill the groundwater to ensure a healthy and sustainable water supply in the region.</p>
<b>6. Remake</b>	With creativity waste can be used as a resource. GANT works together with suppliers to create limited REMAKE collections which utilizes leftover fabrics from manufacturing and other materials that otherwise would go to waste. As an example we have launched shirts and ruggers out of fabric that has been spilled from other designs and products.
<b>7. Recycle</b>	Recycling is a central part of a more circular fashion industry. Since 2021 it is possible for consumers to drop off used GANT products in our stores. Together with our partner TexAid we make sure that the product is reused or recycled depending on the state of the product.

# Sustainability notes

## Specification on frameworks

- GANT Holding AB, org.nr 556747-3581 draws this report
- All subsidiaries are included
- This is a report for the whole year of 2021
- GANT Underwear and GANT Home are included since they are operated by GANT Group companies
- GANT are signatories to the UN Global Compact and the annual sustainability report also serves as our Communication on Progress (COP) for the UN Global Compact

The aim of this report is to give an accurate and balanced picture of GANT's significant risks within the areas of human rights, labor, social conditions, environment and corruption and how these are being addressed and mitigated. The content of this report has not been subject to external assurance.

## Business model

GANT's business model is based on the granting of marketing and sales rights of GANT-branded clothing products, within a geographical area, to a master franchisee. The master franchisee purchases, at its own risk, products designed by the Company and manufactured by various third-party suppliers.

The Company purchases products from the third-party suppliers and resells to the master franchisees. The master franchisees pay a royalty to the Company based on its sales.

The GANT Group has its own subsidiaries that operate in Austria, Belgium, China Denmark, France, Germany, Ireland, Luxembourg, Netherlands, Portugal, Spain, Sweden, Switzerland, United Kingdom and the USA. These subsidiaries can operate both the wholesale and retail business in their respective countries and receive their margins associated with this form of distribution. The GANT Group also has operations in Turkey and Poland through joint ventures.

GANT also has agreements with licensees that manufactures and sells Footwear, Eyewear, Underwear, Home products and Time products under the GANT brand. The licensees pay a royalty to GANT based on their sales. The Underwear and Home licenses are operated by GANT Group companies.

**Risk and materiality assessment**

Materiality and risk assessment is a living and dynamic process at GANT. Through several different processes such as sustainability KPI's, the grievance process and monitoring of external reports and trends we continuously monitor impacts and risks in our value-chain. Significant risks are identified and mitigated properly and reported on in the annual sustainability reports. Key-risks identified by GANT is described in the table below.

**Stakeholder engagement**

GANT has many stakeholders with various interests in how we work with sustainability: employees, suppliers, significant business partners, legislators, our industry as well as retailers to mention some of them.

Through the different teams, GANT has an ongoing dialogue with stakeholders in order to understand and respond to expectations and concerns of stakeholders.

As an example we use questionnaires to evaluate our relation with business partners and regularly respond to questionnaires from retailers regarding how we work within sustainability. In 2021 we launched &Frankly as our tool to keep up the dialogue with employees globally. &Frankly allows for feedback from the employees when it comes to GANT's leadership and the work environment on GANT. To keep up with consumers expectations studies are made on a regular basis to understand preferences related to sustainability.

In addition to this, GANT is a member in several industry- and multisectoral organizations- and initiatives which enables us to align our efforts to stakeholders expectations. Through reporting like the HIGG BRM and CDP we communicate and share information about our performance with stakeholders in our network.

Risk/material issue	Reference to UN Global Compact	Reference to ÅRL	Learn more
Stakeholder engagement	Human rights, Labour, Environment, Anti corruption	Human rights, Environment, Anti corruption, Social aspects and employees	Page 22
Anti corruption	Anti corruption	Anti corruption	Page 18, 23
Employees	Labour	Social aspects and employees	Page 17-18
Ethics	Labour	Social aspects and employees	Page 18, 23
Equality and diversity	Labour	Social aspects and employees	Page 17-18
Grievances	Labour	Social aspects and employees Human rights	Page 23
A healthier GANT	Labour	Social aspects and employees	Page 17
Never stop learning internally	Labour Human Rights	Social aspects and employees Human rights	Page 17
Social supplier management	Human rights	Human rights	Page 12-16
Modern Slavery Act	Human rights	Human rights	Page 23
Digital & IT	Labour Human Rights	Social aspects and employees Human rights	Page 17-18, 23
Products	Human rights, Labour, Environment, Anti corruption	Social aspects and employees Human rights Environment	Page 6, 19-20
Transport	Environment	Environment	Page 16
Materials	Environment	Environment	Page 10-12
Packaging	Environment	Environment	Page 16
Environment	Environment	Environment	Page 25 (metrics)
Climate	Environment	Environment	Page 10-12, 24
Energy	Environment	Environment	Page 10-12, 18, 24
Chemicals	Environment	Environment	Page 16
Water	Environment	Environment	Page 10-12, 24
Animal welfare	Environment	Environment	Page 11-12
Other (Catastrophic risk, Political, Natural hazard, Activist risk, Social involvement, Weather)	Human rights, Labour, Environment, Anti corruption	Risks	Page 22

### Grievances and corruption

To ensure mitigation of corruption both within our own operations and across the supply chain, anti-corruption measures are integrated in our Code of Conducts and GANT's grievance process. The Grievance Policy and Mechanism is a tool addressing any non-compliance with the Code of Conduct, policies or if a breach of law is suspected. In 2021, GANT made an update to the grievance process which is the way that employees or other stakeholders can raise concerns about breach of law or unethical conduct. A new website was launched at <https://whistleblowing.gant.com> which enables a safe way to raise concerns with improved anonymity. The new tool enables communication and feedback with the reporter and a safe investigation.

AT GANT, we react to and investigate risks that are reported from both internal and external stakeholders such as the media or NGO:s. Reports from media, NGO's or researchers may result in grievance investigations even if they are not directly addressed to GANT. In this way, we stay alert on potential risks of adverse impacts in our value-chain.

In 2021, GANT processed 5 grievances cases in total. Three of these were HR-related concerning negligent behavior, discrimination and personal privacy. All the cases led to internal investigations and in one case external investigation was hired. One of the HR related grievances cases was deemed as a breach of GANT's Code of Conduct.

One grievance investigation was initiated due to a faulty sustainability claim that had been sewn into a product. The issue occurred due to a manual error and the products were taken back from the markets, due to the risk of misleading communication to consumers. Lastly, one grievance investigation related to the release of a report which indicated the risk of cotton from Xinjiang entering the global apparel supply-chain. GANT contacted all supplier's with increased risk in order to proactively investigate the risk of cotton from this region in our products. The investigation didn't show any links to Xinjiang. The report clearly shows the need to increase the transparency and traceability in the supply chain and GANT will continue its focus within this area.

### Modern Slavery

In a more equal and sustainable society there is no place for modern slavery, including servitude, forced or compulsory labour, or human trafficking. GANT does not tolerate any abuse of human rights and are committed to combating any kind of modern slavery.

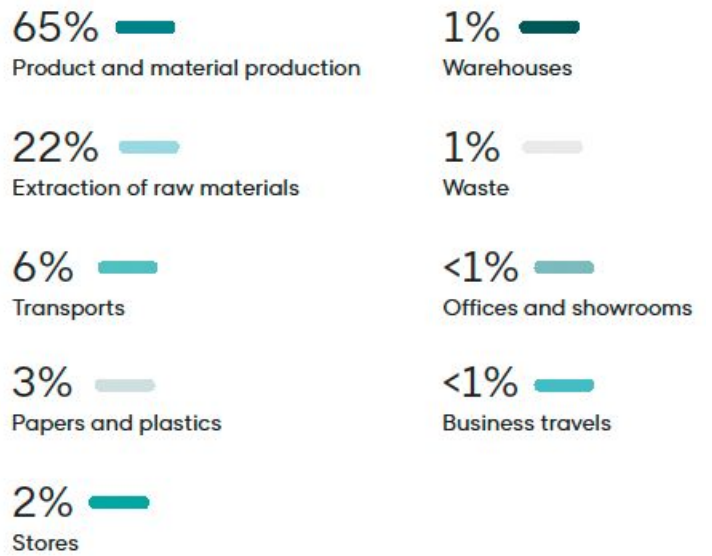
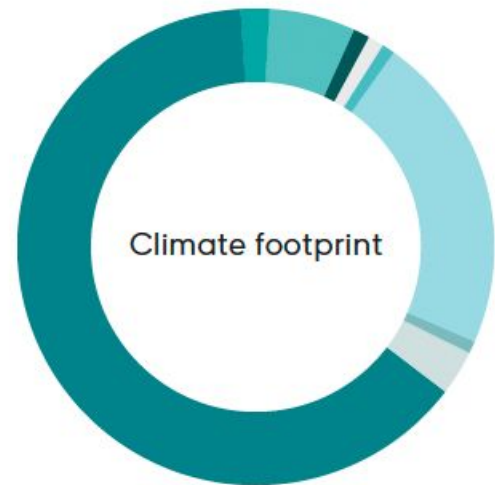
GANT takes our responsibility to mitigate risks of adverse impacts to human rights seriously and we have established policies and due diligence processes in order to proactively and systematically prevent these risks. We continuously assess risks of adverse human rights impacts; we communicate our values and standards through policies; we monitor performance and strive for continuous improvements. All suspicions and concerns should be reported to the management who will take immediate action accordingly.

Every year a Modern Slavery Act Statement is published, in which includes more information about how GANT works to prevent modern slavery in our value-chain.

**Climate**

At GANT we have set ambitious targets to reach by 2030 which will challenge our current ways of working. We are signatories of the UN Fashion Industry Charter for Climate Action and UN Fashion Pact and are committed to aligning our climate targets with science. During 2021 we did the preparations for submitting a science-based climate target in early 2022.

GANT's climate footprint in 2021 was 105 550 tonnes of CO2eqv. Product and material production and the extraction of raw materials used in our products makes up the biggest share of the climate footprint. Making timeless products of high quality is an essential part of our climate strategy and we also aim to reduce the climate footprint for every produced product by using more sustainably sourced materials in accordance with the fiber staircase strategy. GANT works together with suppliers that use more sustainable production techniques in the manufacturing of products and fabrics. This is mainly focused on wet-processes like washing and dyeing which are processes with significant use of energy and climate impact.



GANT climate footprint was 105 550 tonnes CO2e in 2021. The emissions are generated through the activities as can be shown in the diagram above. Emissions was distributed through scope 1 (246 tonnes), Scope 2 (1665 tonnes) and scope 3 (103 639 tonnes).

**How we calculate**

GANT applies the Greenhouse Gas Protocol standard for calculating CO2 emissions. GANT's climate footprint includes the extraction of raw material, yarn spinning, fabric weaving/knitting, coloration and finishes and final production assembly. These emissions are calculated using emission factors from HIGG MSI and HIGG Factory Environmental Module (FEM). Emissions from transports, business travels and the production of paper and plastics is calculated using emission factors from UK Government GHG Conversion Factors for Company Reporting 2021. Emissions from offices, showrooms, stores and warehouses are calculated with location-based emission factors from IEA. As a part of GANT's preparation for setting a Science Based Climate target in 2022 we have made recalculations of CO2 emissions and it's therefore not directly comparable to previous sustainability reports.



# Sustainability metrics

KPI	Boundary	2019	2020	2021
<b>People &amp; ethics</b>				
Number of employees	GANT group	1414	1659	2143
Female employees %	GANT group	72%	75%	71%
Employees in stores %	GANT group	68%	68%	73%
New employees during the year (HC)	GANT group	717	419	1016
Employees leaving the company during the year (HC)	GANT group	661	573	907
Absenteeism %	GANT group	5.5%	11%	5%
Sickness absence %	GANT group	2.7%	4%	8%
Number of grievance cases	GANT group	10	9	5
Suppliers signing CoC and sustainability policies %	Final manufacturing	100%	100%	100%
Factories in risk countries audited %	Final manufacturing	100%	100%	100%
<b>Environment</b>				
CO2 emissions (tonne)	Scope 1	291	95	246
CO2 emissions (tonne)	Scope 2	1 124	1 126	1 665
CO2 emissions (tonne)	Scope 3*	115 843	103 993	103 639
Energy use (MWH)	Offices, showrooms and stores	6464	6588	6937
Energy use (MWH)	Warehouses	3447	4523	4862
Sustainably sourced cotton %	Raw materials	36%	57%	71%
Sustainably sourced materials %	Raw materials	35%	47%	58%
Water consumption (m3)	Raw materials and production	17 544 641	16 466 273	16 291 866
Water pollution (m3)	Raw materials and production	4 144 739	3 831 758	3 802 539
Chemical use (tonnes)	Raw materials and production	13 407	12 538	12 447
Land use (sqm)	Raw materials and production	123 027 495	113 377 245	113 016 450
Sox (tonne)	Raw materials and production	426	397	396
Nox (tonne)	Raw materials and production	304	284	284
HIGG FEM** %	Final manufacturing	37%	57%	74%
*Includes: Raw materials, material and garment production, packaging, transports, warehouses, business travels and upstream emissions from energy use in offices, showrooms and stores.				
** Share of products produced in factory that report according to HIGG FEM				

# Future

## Shifting to something better

At GANT we believe in making things better and we understand that we can impact not only our own business, but also all our partners as well as our industry. We do this in the spirit of Never Stop Learning since there is always a need for knowledge to take actions on. Within sustainability there is always new research, technologies and ways of working that comes and we see that as opportunities that we can work with to see how we can evolve and become better.

We have focused on all the different steps from dirt to shirt and beyond to make the shift we want to see and also need to do, because we believe that sustainability is the current and future foundation and acceleration for our business.

We know that nothing is fully sustainable, we are no exception, and that when it comes to sustainability it is complicated, but we also know that it's not impossible and that every change and shift from doing conventional to something that is better is a step in the right direction. And that everything has an impact, some shifts are big and others small, but within sustainability everything counts and nothing can be seen as too small to change if it is for the better.

We are used to having long perspectives, being a brand with over 70 years of business we always look ahead to make sure we stay relevant. Closing the books on one year always comes with new learnings and insights, in 2021 we met some key milestones that really propelled us in the shift to something better. That shift is based on many years of strategic work and cooperation within teams inside and outside of GANT. It is with strong confidence and insight that it is together with all others we take on the sustainability challenges for the next 70 years.

Jessica Cederberg Wodmar  
Global Sustainability & Innovation Director

