

## INTRODUCTION

At GANNI, we believe it is our obligation to minimise our social and environmental impact, striving each day to become the most responsible version of ourselves. Committed to continuous improvement, we empower our employees to work independently and contribute to shaping the future of our organisation. Recognising the risks posed by forced labour and human trafficking due to globalisation, increasing migration, and complex supply chains; we take the issue of modern slavery seriously and are determined to play our part in its eradication.

This statement, released in compliance with Section 54 of the UK Modern Slavery Act 2015 and the California Transparency in Supply Chains Act of 2010 (SB 657), serves as our declaration for the financial year, January to December 2024, encompassing actions taken before 2024. It is a testament to our commitment to transparency and ethical practices within our supply chain. This document plays a pivotal role in our ongoing efforts to combat modern slavery, ensuring that the values we uphold resonate across every facet of our operations.

## ORGANISATIONAL STRUCTURE

### **Business Overview**

Founded in Copenhagen, GANNI is a Copenhagen fashion house led by the husband-and-wife duo Creative Director Ditte Reffstrup and Founder Nicolaj Reffstrup. Born from Ditte's joyful and uninhibited approach to fashion, GANNI embodies a vision of self-expression, empowering individuals to feel like their most confident selves. More than a fashion brand, GANNI has grown into a mindset – a movement that embraces a community of progressive-minded change-makers with a distinctive, unconventional sense of style, defining the GANNI Girl and ushering in a new era of luxury. With offices in Copenhagen, Paris, New York, and Shanghai, GANNI is present in over 700 of the world's most prestigious retailers and operates 70 stores across Europe, the United States, and Asia. GANNI.com delivers to 35 countries globally, including Australia, Canada, and South Korea.

As a certified B-Corp, GANNI is committed to progress over perfection, always striving to make better choices in every aspect of the business. The brand is dedicated to embracing innovation, particularly through its Fabrics of the Future program and circular initiatives. GANNI publishes an annual Responsibility Report, offering transparency on its progress, commitments, and impact as it continues its journey toward a more responsible future.

### **Integration of Sustainability Responsibilities and governance**

In our commitment to sustainability, GANNI has integrated responsibilities into our organisational and business strategies. The CEO holds the overall responsibility for driving our sustainability efforts, while the Sustainability department plays a crucial role in presenting strategies and targets, ensuring the integration of sustainability across various facets of our organisation. The Chief Sustainability Officer at GANNI is responsible for leading a dedicated Sustainability team comprising roles focused on social and environmental responsibility and material innovation.

## POLICIES & STANDARDS

We are committed to upholding internationally recognised human rights standards across all aspects of our operations. These standards are based on regulations set by respected organisations like the International Labour Organization (ILO), the UN Universal Declaration of Human Rights, the Code of Labour Practice used by Fair Wear Foundation (FWF), and the UN Guiding Principles on Business and Human Rights. Our goal is to ensure that our business is ethical and fair for everyone involved, including people and animals. We believe that a strong focus and continuous improvement of an ethical business and compliance to the principles below will ultimately benefit all parties and countries – both economically and socially.

### **1. GANNI's Supplier Code of Conduct:**

Our Supplier Code of Conduct sets the foundation for fair and responsible treatment within our supply chain. It outlines the expectations and standards we require from all business associates, fostering a collective commitment to ethical conduct.

## **2. Forced Labour Policy:**

Our Involuntary Workers Policy establishes a zero-tolerance approach to forced labor, slavery, and human trafficking. It ensures that workplaces within our operations, including suppliers and subcontractors, remain free from any form of involuntary labor.

## **3. Migrant Workers Policy:**

Addressing the unique challenges faced by migrant workers, our Migrant Workers Policy emphasises fair treatment, ethical recruitment practices, and the protection of their rights.

## **4. Child Labour Policy:**

Our Child Labour Policy reflects our unwavering commitment to eradicating child labor from our operations and supply chain, strictly prohibiting its use in any form.

In conjunction with these policies, we have implemented robust investigative and management procedures to identify, assess, and mitigate modern slavery risks, including regular audits, supplier assessments, supplier visits and collaboration with external organisations dedicated to promoting fair labour practices. We regularly review and update these principles, ensuring alignment with the latest best practices and emerging regulatory requirements.

# DUE DILIGENCE

## **Risk Assessment in the Supply Chain**

GANNI recognises the inherent human rights risks within our supply chain and integrates a due diligence process following OECD guidelines into our corporate structure. This process is designed to identify, prevent, mitigate, and hold ourselves accountable for any potential impacts on human rights throughout our supply chain.

## **New Supplier Evaluations**

GANNI diligently collaborates with new and existing suppliers to ensure our commitments to responsible and ethical business practices in the supply chain are upheld.

For a prospective Tier 1 Supplier<sup>1</sup> entering a new partnership with GANNI, the Sustainability team works closely with the Sourcing & Production team to undertake a thorough supplier due diligence process. This includes a country risk assessment and an initial assessment of proposed manufacturing facilities (including Tier 1+ Subcontractors<sup>2</sup>) by reviewing existing third-party social audits shared by the Tier 1 Supplier. If the supplier does not have a recent third-party social audit for a proposed facility, GANNI will work with the supplier to schedule a supplier visit or an audit prior to entering into partnership in order to inform our due diligence.

Based on the findings, which includes an assessment of known risks associated with a product type and sourcing location, we categorise suppliers into distinct four categories: Lower Risk, Medium Risk, High Risk and Critical Risk. Suppliers ranked as Medium Risk or High Risk with outstanding issues found in the third-party social audit are expected to provide a time-bound remediation plan, and show evidence of remediation in line with the risk severity at factory-level before entering a new commercial partnership with GANNI. Suppliers are expected to demonstrate engagement on these issues, and when required, issues are verified by a follow-up audit. Suppliers ranked as Critical Risk are those where either a zero tolerance issue is found or where the cumulative risk is deemed too critical for GANNI to enter a commercial relationship with the supplier.

**A note on social audits:** We don't expect manufacturing facilities to have 'perfect' results from third-party social audits, however we do expect suppliers to engage with such issues and demonstrate improvement over time. We recognise audits are not sufficient to get the full picture of a manufacturing facility, however they are a useful tool

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<sup>1</sup> Tier 1 Suppliers are suppliers that GANNI has a direct contractual relationship with, and that manufacture and assemble the final product.

<sup>2</sup> Tier 1+ Subcontractors are facilities that are not owned by the Tier 1 Supplier, where manufacturing processes take place.

to provide a snapshot in time of working conditions in a facility verified by a third-party; identifying areas for improvement and informing due diligence processes. Supplier visits are also an important part of our due diligence process, as they provide invaluable insight into the realities of a facility and a deeper understanding of the local context.

### **Monitoring & Continuous Improvement**

To ensure ongoing compliance, GANNI regularly evaluates the labour conditions of existing Tier 1 Suppliers and Tier 1+ Subcontractors, reaffirming their adherence to ethical standards, which include a prohibition against the use of any form of forced labour, child labour or human trafficking. Whilst we continue to regularly collect third-party social audits to continually monitor labour conditions and identify areas for improvement, it is not the only tool to monitor the supply chain conditions. GANNI's team often visits suppliers and subcontractors on-site and conducts assessments by reviewing supporting documentation.

GANNI's approach to ongoing monitoring of existing suppliers in the supply chain centres itself on continuous collaboration and open discussion with our suppliers. Our audit approach requires Tier 1 Suppliers categorised as Low Risk to conduct a new third-party social audit every two years, whereas suppliers categorised as Medium and High Risk require an annual third-party social audit. Our approach to follow-up actions is tailored to the severity and likelihood of issues. We tackle non-compliances with a strong focus on continuous improvement, collaboration, and shared values. In instances of non-compliance, GANNI works closely with the supplier to implement a corrective action plan, ensuring timely resolution through regular communications and site visits.

## TRAINING

### **GANNI Team Training**

Our Social Impact Manager completes various training courses addressing modern slavery, Uyghur and minority issues in China, and human rights risks in specific countries. The insights gained from these courses have been integrated into our broader social responsibility programme. Expert organisations like Fair Wear Foundation have facilitated these training sessions, enabling us to extend the knowledge to our suppliers and internal teams, including Sourcing & Production, and other teams closely engaging with our suppliers. Senior Management, including board members, receive regular updates on our due diligence efforts regarding modern slavery and labour conditions.

### **Supplier Training**

Regarding supplier training, we actively communicate about human rights policies, addressing ethical challenges such as modern slavery, migrant worker rights, and child labour prevention with our suppliers directly. We have hosted sessions with our suppliers across key regions, including Türkiye, China, Portugal, and Italy.

## WORKING TOGETHER

We know that we cannot tackle issues alone, so we have to team up with industry partners and join voluntary initiatives to hold ourselves accountable and learn from experts. The following is a list of initiatives where we engage in ongoing dialogues to address human rights and modern slavery concerns within our supply chains and beyond:

1. **Transparency Pledge** is a voluntary industry initiative to encourage brands to be more open. As a signatory of the Transparency Pledge, GANNI has committed to disclosing our factory list as a part of the apparel and footwear industry's efforts for more transparency to improve working conditions.

2. **Open Apparel Registry** is an open-source map and database of global apparel facilities, their affiliations and unique OAR IDs assigned to each facility to enable greater transparency and alignment of the supply chain. GANNI has been contributing to this supplier database since 2020.

3. **Fair Wear Foundation** is an independent, non-profit organisation that works to improve conditions for workers in the fashion supply chain. In 2022, GANNI became a member brand of Fair Wear Foundation. From 2024, we have since been part of the Fair Wear Academy.

5. **LRQA** is a global assurance provider supporting businesses with supply chain due diligence. GANNI works with LRQA to carry-out social audits and through their EIQ platform: a supply chain intelligence platform to monitor supply chain risk and inform due diligence processes.

6. **&Wider** is a technology-driven social impact organisation that specialises in human rights due diligence within global supply chains. In 2024 GANNI partnered with &Wider to roll-out worker surveys in two suppliers in India, gathering feedback from workers on GANNI's Living Wage Programme and broader labour conditions in the workplace.

## NEXT STEPS

GANNI is committed to improving the transparency of our supply chain by extending our visibility all the way to the raw materials. We will also broaden supplier monitoring beyond Tier 1, incorporating various approaches for Tier 2 and 3 suppliers. This ensures a comprehensive overview of working conditions, holding us accountable for practices throughout the supply chain.

Modern slavery represents one of the gravest violations of human rights, as detailed throughout this report. We are firmly committed to making a meaningful impact in eradicating it and preventing exploitation. Addressing this issue requires collective effort, and we remain dedicated to sharing our learnings and working collaboratively with others. To learn more about the steps we've taken and the progress we've made, we invite you to visit our website and review our 2024 Responsibility Report.

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