

INTRODUCTION

To GANNI, when it comes to becoming a more responsible company, being honest is more important than being perfect. We want to be open about our commitment to more responsible business practises and strive to improve every day. As a fashion brand, we view it as our moral obligation. We take a holistic approach, looking at everything we can from the materials we source and the partners we work with to what impact our production has on the environment.

Our Code of Conduct (CoC) underpins the 'way we do business'. It is based on international regulations set by the International Labour Organization (ILO), the UN Universal Declaration of Human Rights, including the Code of Labour Practice used by Fair Wear Foundation (FWF), and the UN Guiding Principles on Business and Human Rights.

The purpose of this CoC is to ensure an ethical and fair business of all parties, people and animals involved. 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.

GANNI expects that all suppliers and their subcontractors sign and comply with this Code of Conduct and that when necessary it will be translated into the national language by the supplier and communicated with employees in a way that the supplier deems fit and reasonable.

In addition to meeting the requirements put forward in this CoC, we expect that our suppliers comply with all national/regional laws, administrative practises, and standards in the country they operate.

We aim to operate with an open dialogue between GANNI and its suppliers to improve the economic, environmental and social situation to better the fashion industry as a whole.

TRANSPARENCY

Transparency is a fundamental part of our business relationship and the core of sustainability work. We expect our suppliers to be transparent with us on their ability to adhere to our policies, standards in relation to this Code of Conduct. In addition, supply chain traceability is imperative to improve social and environmental.

As such:

- We require all our suppliers to be transparent with the production facilities we are linked to, from material source to final manufacturing.
- Suppliers are expected to provide complete and accurate business records and documentation as mandated by law or for at least 12 months. The act of intentionally hiding, falsifying or altering information for the purposes of deceiving is strictly prohibited.
- The supplier reports the use of any subcontractor and provides the subcontractor's full company name, contact person, and address. The supplier must ensure that subcontractors have taken part of and acknowledge our Code of Conduct and the supplier will be liable if any action is taken in violation of the Code of Conduct. The use of subcontractors must be confirmed by GANNI in writing before starting any production.

ANTI-CORRUPTION

Businesses should work against corruption in all its forms, including extortion and bribery. GANNI prohibits all employees, or anyone associated with them from offering, promising, giving, soliciting or accepting any bribe. This is communicated to all GANNI staff through our employee handbook and Code of Ethics and to our suppliers through this Code of Conduct. This means that suppliers cannot offer gifts or other similar items to any GANNI employees in exchange for favours. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly, and with integrity in all our business dealings and relationships wherever we operate.

PEOPLE

To promote human rights across our direct and indirect business operations, we require our suppliers and extended supply chain to comply with our Principles. The national laws of the supplier and of subcontractors must be complied with at all times that is being warranted by the suppliers. In situations where the framework would turn out to be in violation with mandatory national laws of the supplier and the subcontractors the national law applied by the supplier must immediately inform GANNI hereof in writing. This applies to all the principles and sections.

EMPLOYMENT IS FREELY CHOSEN¹

GANNI supports the UK's Modern Slavery Act in eradicating forced labour and human trafficking. We are committed to respect human rights and work to combat any kind of modern slavery. There shall be no use of force, including bonded or prison labour. The supplier warrants that no part of the labour force or people involved at the working place of the supplier and subcontractors or in other parts of the production line are subjected to forced and compulsory labour. More detail is described in Appendix 01 - Involuntary labour policy.

GANNI supports the development of an open and robust labour market, however, GANNI is aware that migrant workers can be vulnerable to unfair working conditions, exploitation and forced labour. To further address this issue, Appendix 02 - Migrant Worker Policy, outlines how GANNI expects its suppliers to treat migrant workers in their own operation and throughout the supply chain.

THERE IS NO DISCRIMINATION IN EMPLOYMENT²

Every employee is treated with respect and dignity at all times. There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement on the grounds of gender or sexual orientation, race, color, age, pregnancy, marital status, religion, political opinion, union membership, nationality, ethnic origin, social origin, disease or disability.

NO EXPLOITATION OF CHILD LABOUR³

There shall be no use of child labour. Employees at the suppliers and their subcontractors must be at least 15 years old or over the age required for completion of compulsory education in the country of manufacture, whichever is higher. Juvenile Workers, who are older than the applicable legal minimum age but are younger than 18 years of age, must be protected with special consideration, pertaining to working hours, work type and working conditions, and shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals. More detailed is described in Appendix 03 - Child labour policy.

¹ ILO Conventions 29 and 105

² ILO Conventions 100 and 111

³ ILO Convention 138 and 182

FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING⁴

The supplier must acknowledge and uphold the freedom of association and the right to collective bargaining. Employees should be free to form and join organisations of their choice.

When the right to freedom of association and collective bargaining is restricted under law, the employer must not hinder other forms of collective bargaining and workers' organisations. Workers' representatives must not be discriminated against and must have access to all workplaces necessary, to carry out their role⁵.

Employees should not be subjected to punishment, intimidation or harassment due to the exercise of their right to join or to refrain from joining any organisation, or due to their union activities.

PAYMENT OF A LIVING WAGE⁶

Wages and benefits paid for a standard working week shall meet, at a minimum, national legal level, or collective bargaining agreement, whichever is higher. In any event, a fair living wage should always be sufficient to meet the basic needs of employees and their families, and provide some discretionary income. All fringe benefits required by law or contract are provided.

No deductions from wages for disciplinary measures can be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. All workers must prior employment be provided with written and easy information about the conditions in respect of wages for the pay period.

WORKING HOURS⁷

Working hours in a week, and overtime hours shall comply with national laws or collective agreement, whichever provides greater protection for workers. No worker shall work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary and shall not exceed 12 hours per week, shall not be demanded on a regular basis and overtime pay shall always be compensated at a premium rate, in accordance with the law.

⁴ ILO Conventions 87 and 98

⁵ ILO Convention 135 and Recommendation 143

⁶ ILO Conventions 26 and 131

⁷ ILO Convention 1

SAFE AND HEALTHY WORKING CONDITIONS⁸

Employee safety is top priority. The supplier and their subcontractors must provide a safe and hygienic working environment and bring about conditions free from risk of injury or threat to the health and well-being of workers. Best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards.

We expect our supplier and their subcontractors to implement effective regulations, procedures and trainings, to prevent accidents and minimise health risks as much as possible.

NO HARSH OR INHUMANE TREATMENT⁹

Every employee is treated with respect and dignity at all times. Physical abuse, threats of physical abuse, unusual punishments, sexual and other forms of intimidation shall be strictly prohibited.

LEGALLY-BINDING EMPLOYMENT RELATIONSHIP

There should be a legally binding employment contract. Every worker should get a written contract and all legal social security charges should be paid stated in the contract. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment.

ENVIRONMENT

Our suppliers and their subcontractors must comply with all relevant local and national environmental protection laws and regulations and aim to meet international environmental protection standards, particularly with respect to water, energy, hazardous chemicals, air emission, and waste.

ELIMINATE CARBON

GANNI has committed to a 50% absolute reduction in GHG emissions by 2027.

⁸ ILO Convention 155

⁹ ILO Convention 190

We expect our suppliers to go beyond compliance and take measures to continuously improve energy efficiency in buildings, production processes, and transportation. We require suppliers to provide us with carbon and energy data upon request. Suppliers shall make reasonable efforts to use renewable energy or less carbon-intensive energy sources. Where needed, GANNI will work closely with suppliers to help them to achieve adherence.

EU REACH STANDARD

We require all our suppliers, whether production is placed outside or inside Europe, to comply with the European legislation and regulations of chemicals. All suppliers must sign and adhere to our Restricted Substance List (RSL) which is based on the European chemical legislation REACH standard with a higher level of requirement. Suppliers are to adhere to all applicable laws and regulations regarding prohibition or restriction of specific substances including labelling laws and regulations for recycling and disposal.

RESPONSIBLE MATERIALS

GANNI defines responsible material according to GANNI Fabric Score, which is available upon request. We expect our suppliers to provide supportive documentation and certifications.

The use of material originating from animals must be sourced with respect to the animal and the environment. We expect our supply partners to abide by the Five Freedoms, more details are specified in the Appendix 04 - Animal Welfare Policy.

MONITORING AND EVALUATION

To ensure that the Code of Conduct is followed, GANNI reserves the right to, at any time, send representatives or external auditors to inspect the supplier and subcontractors. The supplier warrants that GANNI and/or its representatives can at all times announced, semi-announced or unannounced be given full access to the premises (including relevant documents) and surroundings of the supplier and subcontractors.

If the Code of Conduct is not followed, the condition must be improved. Violations of the Code of Conduct which are found at subcontractors must be remediated to the same standards as direct suppliers. GANNI will engage with the supplier to identify the root cause and set an action plan to implement the needed improvements. GANNI is dedicated to supporting the supplier's continuous improvement. GANNI will participate in remediation, in collaboration with other buyers as appropriate, and in proportion to its responsibility for the adverse impact. However, non-improvement of conditions can be grounds for discontinuation of our collaboration and termination of any contracts with the supplier.

GANNI - CODE OF CONDUCT

The undersigned hereby confirms that:

As a supplier of GANNI, I commit to having read GANNI Code of Conduct and all applicable Appendixes, and accept the terms required of us as a supplier and of our subcontractors. We confirm that we will oblige to the internationally agreed standards for responsible business behaviour as formulated by the International Labour Organisation (ILO), the UN Universal Declaration of Human Rights, including the Code of Labour Practice used by Fair Wear Foundation (FWF), and the UN Guiding Principles on Business and Human Rights. We confirm that we will keep an honest and transparent business relationship with mutual respect and understanding. We also understand that continuous non-compliance to the principles will force GANNI to withdraw from the business relationship.

In case of discrepancies, we as suppliers will inform GANNI and suggest corrective actions immediately, to avoid hindering the usual business process.

Date:

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Gry Anna Nordensgaard
Production & Product development director

Date:

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Name:
Title:

INVOLUNTARY WORKER POLICY

GANNI supports the UK's Modern Slavery Act in eradicating forced labour and human trafficking. We are committed to respect human rights and work to combat any kind of modern slavery.

Suppliers shall ensure that all work is voluntary. Supplier shall not traffic persons or use any form of slave, forced, bonded, indentured, or prison labor. Involuntary labour includes the transportation, harbouring, recruitment, transfer, receipt, or employment of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of their exploitation. These standards apply equally to permanent, temporary, and agency workers, as well as piece-rate, salaried, hourly, part-time, night workers, homeworkers, young workers and migrant workers.

We expect our suppliers and subcontractors to adopt and maintain terms of employment for their employees that comply with local law and our Code of Conduct.

Below explained some of the most common form of involuntary labour in the Textile and Fashion Industry in recent years, and to remind our suppliers of their commitments and obligations on this important issue:

1. Mandatory overtime

All overtime must be voluntary without the threat of penalty or dismissal.

- Suppliers shall ensure that all workers have the right to refuse to work overtime hours.
- Suppliers shall not impose overtime where workers are unable to leave the work premises.
- Under no conditions shall a supplier impose punitive measures such as salary deductions, apply coercion of any kind, denial of future opportunities for overtime, or take disciplinary action against Workers for refusing overtime

2. Production Quota

Supplier shall not set production quotas/ targets or piecework rates at such a level that Workers need to work beyond regular working hours (excluding overtime) to earn the legal Minimum Wage.

3. Recruitment Fees

Workers shall not be required to pay employers' or their agents' fees for their recruiting and/or ongoing employment.

- This includes recruitment, application, recommendation, hiring, skills test, placement, processing, renewals, and/or recurring fees of any kind.
- If such fees are found to have been paid by Workers, such fees shall be repaid to the Worker.

- If suppliers choose to follow a hiring process that results in recruitment fees — or in cases of unavoidable recruitment costs, such as when pre-employment health examinations are required by law — the employers themselves must bear these costs.

4. Control of Employee Documents:

- Workers shall retain possession or control of all identity documents, such as passports, identity papers, travel documents, and other personal legal documents.
- Supplier shall not require surrender of workers' original identity documents, withhold workers' original identity documents, or restrict workers' access to original identity documents for any reason.
- Supplier may obtain and retain copies of Workers' original identity documents.

5. Freedom of Movement

- Workers can freely resign from their employer after the worker has been provided reasonable notice.
- Supplier shall not confine or restrict Worker's freedom of movement inside the place of production or supplier-provided facilities.

Situations of forced labour - using coercion or fraud to hire and retain workers - or any involvement in acts of trafficking in humans can have serious consequences for a supplier. These are Zero Tolerance issues for GANNI.

If any involuntary labour is suspected, further investigation and immediate remedy must be conducted by a third party chosen by GANNI. This may include visiting with affected workers, factory management and any involved subcontracting parties, community; and ensuring that workers currently in forced or indentured conditions are taken care of.

Once a full investigation has been conducted and the forced labour concern confirmed, Supplier must cooperate with local initiatives and authorities to ensure the worker is offered safe surroundings and provided with financial assistance and other support. The supplier must implement a remediation program as directed by GANNI. The supplier shall be responsible for the costs of victim reparations, audits and administrative costs for case management and monitoring.

The supplier in question must rectify the situation in a timely manner. Non-improvement of conditions can be grounds for discontinuation of our collaboration and termination of any contracts with the supplier.

MIGRANT WORKER POLICY

GANNI supports the development of an open and robust labor market and believes that migrant workers positively contribute not only to the development of their countries of destination but also to their countries of origin. As such, GANNI is committed to ensuring that migrant workers are recruited ethically, live decently and are successfully integrated into the factory workforce and local communities. Due to the conditions associated with global movement of people and current recruitment systems, migrant workers can be disproportionately vulnerable to situations amounting to forced labor, harassment, discrimination, unsafe and unhealthy living conditions, and other human rights abuses.

These guidelines refer to:

- International migrant worker: a person who is engaged in a remunerated activity in a country of which he/she is not a citizen, and whose employment could be temporary, provisional or unauthorised;
- Internal migrant worker: a person moving within his/her own country to pursue employment.

The following principles are established:

1. No worker pays for their work or right to work. The recruitment process of migrant workers must be paid for by the employer;
2. Fair, and transparent employment contract conditions. No worker contract can include a clause that financially punishes the migrant for terminating a contract before the end date;
3. All migrant workers should have a proper visa and/or work permit, and be registered as required by law.
4. If undocumented workers are found via audits or other means, the supplier is responsible to enroll the workers to obtain work permits.
5. There must be no difference in treating migrant workers and other workers, with specific reference to: freedom of movement; working conditions; freedom of association; access to information.
6. No worker should be subject to any discrimination in hiring, compensation, access to training, promotion, termination or retirement on the grounds of gender or sexual orientation, race, color, age, pregnancy, marital status, religion, political opinion, nationality, ethnic origin, caste, disease or disability.
7. Workers retain control of their identity documents and/or other valuable personal items and have full freedom of movement;
8. Access to information. Access to information regarding the above requirements, as well as health and safety, rules and regulations, etc. must be guaranteed, by using a language that can be understood by the migrants.

Violations of the Code of Labour Practices which are found at subcontractors must be

remediated to the same standards as direct suppliers. Once a full investigation has been conducted and violation of the labour rights were confirmed, Supplier must cooperate with local initiatives and authorities to ensure the worker is provided with financial assistance and other support. The supplier shall be responsible for the costs of reparations, audits and administrative costs for case management and monitoring.

For Suppliers in Turkey, under current regulations, the following points apply to the registration process:

- Applicants for work permits must first register for temporary protection identification cards.
- Work permits are valid for the same city (or in some cases province) where the identification card was issued.
- There is a six-month waiting period between receipt of the temporary protection identification card and eligibility to apply for a work permit.
- Employers must file for the permit on behalf of the employee via www.turkiye.gov.tr
- An annual fee for registration must be paid by the employer
- In general, the number of foreign workers should not exceed ten percent of the number of Turkish workers in a factory

CHILD LABOR POLICY

Child labor and young workers

Child labor is not accepted. Suppliers shall employ only workers who are at least 15 years of age, or the applicable minimum legal age for employment, or the applicable age for completion of compulsory education, whichever is highest. Juvenile employees working beyond the legal limits, under hazardous conditions and certain types of industrial work will also be classified as Child Labor violations. Our suppliers are also required to observe all legal requirements for the work of juvenile workers, including those pertaining to hours of work, wages, work type and working conditions.

The use of Child Labor has negative impacts on children and consequentially all of society. Companies must protect the rights of children and young workers:

- Suppliers are required to have systems in place to ensure that child labor is not employed directly by the suppliers or by any partner/subcontractors.
- Implementing internal policies that prohibit the recruitment of under-age workers.
- Implementing a system of age verification at the recruitment stage. Check original ID or certificate for proof of age.
- For juvenile employees, keep a register, and ensure young workers do not work in hazardous conditions and/or night shifts.

If any Active Child Worker or Historical Child Worker is found either through an external audit or self-review, Supplier shall notify GANNI immediately. Suppliers must cooperate with local initiatives and implement a remediation program as directed by GANNI.

Immediate Steps

When an Active Child Worker has been identified, Supplier shall immediately ensure that the Worker is:

- Physically safe
- The employment relationship between the production facility and the child worker(s) must be formally terminated.

Remedy

1. The remediation program shall last for six months or until the child reaches the Minimum Age, whichever is longer.
2. Supplier shall provide funds and work with relevant governmental and civil society actors in order to provide for the welfare of the worker, including provision of:
 - Tuition expenses and reasonable additional requisite expenses to enable the child worker to return to school
 - The supplier is obliged to compensate the child's family for at least the legal minimum wage the child would have earned. These wages should be paid monthly (not as a lump sum) until the child has reached the Minimum age.

- Administrative costs for case management and monitoring.

The supplier in question must work on a detailed and time-bound plan to ensure child welfare. The plan should cover the current case and include a plan to ensure that the production site does not currently and will not in the future employ underage workers and will work towards full compliance with GANNI Code of Conduct. Non-improvement of conditions can be grounds for discontinuation of our collaboration and termination of any contracts with the supplier.

ANIMAL WELFARE POLICY

At GANNI we believe animals have the right to be treated with care, respect and dignity. We believe that no animal should suffer in order for our products to be manufactured.

We are committed to sourcing animal-derived raw materials that respect animals and the environment. We expect our supply partners to abide by the Five Freedoms established by the World Organization for Animal Health (OIE):

1. Freedom from Hunger and Thirst
2. Freedom from Discomfort
3. Freedom from Pain, Injury or Disease
4. Freedom to Express Normal Behaviour
5. Freedom from Fear and Distress

FUR & EXOTIC SKINS

As a member of the Fur Free Alliance, GANNI prohibits the use of fur. Leather and hides from exotic animals, and endangered or threatened species defined by the International Union for the Conservation of Nature (IUCN) or the Convention of International Trade in Endangered Species (CITES) must not be used in GANNI.

WOOL & HAIR

GANNI believes that wool can only be sustainable if it protects the animals, preserves the land, and is fully traceable. We oppose the practice of mulesing, and are committed to sourcing 100% responsible wool by 2021 through procurement of Responsible Wool Standard and recycled wool certified by GRS or organic wool certified by GOTS. Please see below for specific requirements for different types of wool.

- Global Recycled Standard (GRS) certified Recycled wool: We prioritized recycled wool over virgin wool whenever possible to minimize our environmental impact and contribute to closing the textile production loop.
- Responsible Wool Standard (RWS) certified Wool: The standard applicable to all breeds of sheep, and mulesing is strictly prohibited. It ensures the protection of animal welfare in respect to their five freedoms; promotes progressive methods of land management and provides full supply chain transparency from the farm to the final product.
- Global Organic Textile Standard (GOTS) certified Organic Wool: GOTS is the leading textile processing standard for organic fibres, including ecological and social criteria, backed up by independent certification of the entire textile supply chain.

- Responsible Mohair Standard (RMS) certified Mohair - RMS ensures mohair comes from farms that have a progressive approach to managing their land, practice holistic respect for animal welfare of the goats and respect the Five Freedoms of animal welfare.
- GANNI prioritized the use of Alpaca complying with IAA (International Alpaca Association) regulation to assure animal welfare, good livestock practices and sustainable breeding. IAA and Textile Exchange are working on Responsible Alpaca Standard (RAS), GANNI will follow closely on the development of the standard and prioritize the use of certification as soon as it is available.
- We prioritize recycled cashmere certified by GRS, The Good Cashmere Standard® (GCS) or Global Organic Textile Standard (GOTS) Certified Cashmere whenever possible.

LEATHER

GANNI is aware of the high environmental impact and methane emissions from the leather industry. Additionally, GANNI is actively exploring innovative materials to substitute for animal-derived materials. We are committed to phasing out virgin leather in ready-to-wear by 2021, and in accessories by 2023.

- Global Recycled Standard (GRS) certified Recycled leather: We prioritize recycled leather *whenever possible*. Using recycled leather made of waste significantly reduces carbon emissions and has a lower environmental impact compared to virgin leather.

SILK

By 2022, GANNI will exclusively use Global Organic Textile Standard (GOTS) Certified silk or Global Recycled Standard (GRS) certified Recycled Silk. GOTS Certified organic silk restricts the use of chemicals, limits water pollution, and ensures social criteria in line with the International Labor Organisation (ILO). The silkworms are fed mulberry tree leaves from organic agriculture, and a holistic approach to responsibility is enforced throughout the production.

DOWN & FEATHER

GANNI prioritizes innovative alternatives to substitute the use of down filling.

All virgin down and feather must be Responsible Down Standard (RDS) certified to ensure it has been sourced responsibly. We do not allow down and/or feathers from birds that have been live-plucked or force-fed.