



people & planet
POSITIVE

SUSTAINABILITY REPORT 2021

GFG
GLOBAL
FASHION
GROUP

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A YEAR SPENT DEFINING THE FUTURE

For Global Fashion Group (GFG), 2021 has been a year of consolidating our performance and thinking ahead to define the future of fashion. In addition to advancing the sustainability targets we set two years ago, in this report we release our new People & Planet Positive Strategy. This includes carbon emissions reduction targets in line with the requirements of the Science-based Target Initiative.

Alongside the progress outlined in this report, these forward looking commitments position us to influence the fashion ecosystem in our markets and accelerate our People & Planet Positive agenda.

OUR REPORTING APPROACH

In the third year of reporting our non-financial performance, GFG's People & Planet Positive Report provides a summary of our approach, activities and progress in line with six strategic priorities: Climate Action, Circularity & Conscious Consumption, Fair & Ethical Sourcing, Diversity Inclusion & Belonging, Responsible Workplace and Responsible Business.

The report should be read in combination with our 2021 Annual Report, and relates to all subsidiaries of GFG's operations which were wholly or partially owned or controlled by GFG during the financial year period from 1 January 2021 to 31 December 2021, unless specified otherwise. See page 5 for more information on GFG's operations and business model.

We have examined the national, European and international frameworks and have prepared our report in line with the Luxembourg Law of 23 July 2016 on the Publication of Non-financial Information, Information on Diversity A1561, Article 8 of the EU Taxonomy Regulation and United Nations Sustainable Development Goals (SDGs). We continuously seek alignment with international standards to allow us to better communicate our performance, both internally and externally, and this year introduced some Sustainability Accounting Standards Board (SASB) metrics, from the E-commerce and Apparel, Accessories & Footwear Industry Standards, for the first time. We will report on more metrics and start to flag these to the reader in future years.

In this report, we provide a summary of our progress in delivering the targets set in 2019, with an end date of 1 January 2022. In the case of Diversity, Inclusion & Belonging and Responsible Business, we report on progress toward the end dates of 1 January 2023 and 2025. A status is provided for each to indicate whether it is on track to be met. The definition for each status is: Target met or exceeded (target delivered); On track (progressing as planned); Target not met (target missed). In addition we introduced new targets for our People & Planet Positive Strategy, developed during 2021, and will report progress towards these in next year's report.

This report is published on our website at global-fashion-group.com and we welcome our stakeholders to provide us feedback on the report via **email**.

ACKNOWLEDGEMENT

GFG's People & Planet Positive agenda is powered by the efforts of thousands of team members worldwide. To all who contributed to where we are today, a huge thank you for your hard work and for being part of this journey.



**PATRICK SCHMIDT**

Co-Chief Executive Officer

GFG HAS ACCELERATED THE IMPLEMENTATION OF ITS PEOPLE & PLANET POSITIVE AGENDA, AND ADVANCED OUR INTENT TO PROVIDE A MORE INCLUSIVE, ACCESSIBLE AND EMPOWERING EXPERIENCE FOR OUR CUSTOMERS.

In 2021, as the world continued to face the pandemic, the expectations for businesses to deliver real-time solutions and actions on overdue issues including climate change, diversity, and human rights, continued to increase.

During this time GFG has accelerated the implementation of its People & Planet Positive agenda, and advanced our intent to provide a more inclusive, accessible and empowering experience for our customers.

We have delivered most of our 2021 sustainability targets and achieved climate neutrality across all of GFG's operations and the sourcing of 100% green electricity for our 9 fulfilment centres. Whatever their location,

every customer at GFG can now access a sustainable shopping edit. Almost 5 million of them chose to shop products that benefit humans, animals or the environment and more than 10% of our NMV came from product meeting one or more of our sustainability criteria in 2021.

Adaptive fashion ranges are now available on two of our platforms, demonstrable evidence of GFG delivering on its purpose to empower everyone with the freedom of true self expression, through fashion. Similarly we progressed our Diversity, Inclusion and Belonging Framework from strategy to action by developing localised journey maps which are delivering on the specific goals, actions and aspirational targets that are relevant to each GFG region and the community in which they operate.

Looking forward, it is clear that sustainability and conducting business responsibly is an industry-wide duty. In this sustainability report, our third, along with a comprehensive view of the progress we have made, we share our new People & Planet Positive Strategy. For each of the six strategic priorities outlined - Climate Action, Circularity & Conscious Consumption, Fair & Ethical Sourcing, Diversity, Inclusion & Belonging, Responsible Workplace and Responsible Business - we have consulted widely with stakeholders to identify our key focus areas, and have a portfolio of targets against which will hold ourselves accountable and measure and report our progress on in the coming years. We are also pleased to include GFG's carbon emissions reduction targets in

this report, in line with the requirements of the Science-based Target Initiative. Furthermore, our joining of Global Fashion Agenda - the leading non-profit for industry collaboration on sustainability in fashion - as the only strategic partner operating across growth markets solidifies our intent and opportunity to help drive meaningful change together with our peers and industry stakeholders in our markets.

We have more work to do and 2022 will be another significant year for GFG. Our People & Planet Positive agenda has never been more important than it is today. It is central to our business strategy, to achieving long term sustainable growth and to delivering on our purpose of true self expression.

**CHRISTOPH BARCHEWITZ**

Co-Chief Executive Officer

IN ITS THIRD PEOPLE & PLANET POSITIVE REPORT, GFG'S COMMITMENT TO A MORE SUSTAINABLE AND PEOPLE-POSITIVE FUTURE IS UNDENIABLE.

2021 was again a year where the importance of sustainable business accelerated. The world has progressed on the path of 'living' with COVID-19, while the need for transformation in the way we live has become even more apparent. We face a climate and humanitarian crisis as a global community, and as a collective we must drive the necessary change.

Operating across four very diverse regions, all at different e-commerce maturity levels with varying locally specific challenges, GFG has continued this year to respond to this reality and to improve the consistency and performance of its People & Planet Positive agenda.

While there is still a lot more to do, as a Sustainability Committee we are confident the Group's forward-looking People &

Planet Positive Strategy is an appropriate plan, informed by stakeholder perspectives and rigorous research. We are confident that GFG has both the ambition and the foundations to transform its operations and influence the fashion ecosystem in its markets in the coming years.

GFG HAS CONTINUED THIS YEAR TO RESPOND TO THIS REALITY AND TO IMPROVE THE CONSISTENCY AND PERFORMANCE OF ITS PEOPLE & PLANET POSITIVE AGENDA.



CYNTHIA GORDON

Chairman of the GFG Supervisory Board and Member of the Sustainability Committee



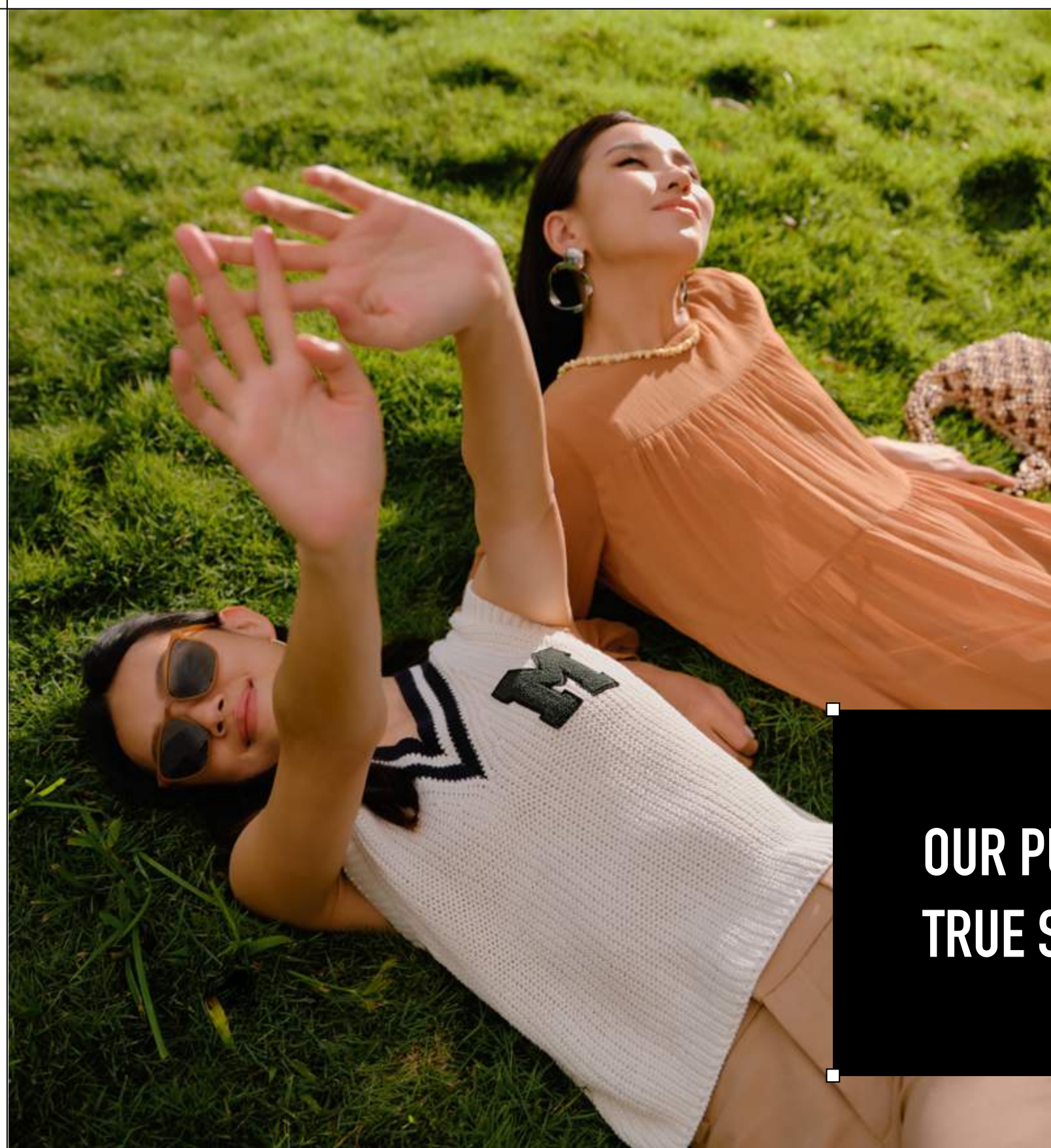
VICTOR HERRERO

Member of the GFG Supervisory Board and Chair of the Sustainability Committee

ABOUT GFG

GFG IS THE LEADING ONLINE FASHION & LIFESTYLE DESTINATION ACROSS ITS 17 COUNTRIES OF OPERATION AND FOUR MAIN BUSINESS SEGMENTS

GFG is the leading online fashion and lifestyle destination across 17 countries of operations and four main business segments: Dafiti (LATAM), Lamoda (CIS), ZALORA (SEA) and THE ICONIC (ANZ). As a global business with deep local roots in markets with diverse cultures and lifestyles, diversity is at the heart of the customer proposition and gives real meaning to the Group's Purpose of 'True Self-Expression'. From its people, to customers and partners, the Group exists to empower everyone to express their true selves. Covering the entire value chain of an online retailer, GFG provides customers with an inspiring and seamless shopping experience from discovery to delivery.



**OUR PURPOSE IS TO ENABLE
TRUE SELF-EXPRESSION.**

2021

FINANCIAL PERFORMANCE

REVENUE (€ M)	1,559.5
GROWTH AT CONSTANT CURRENCY (%)	17.2
GROSS PROFIT (€ M)	711.5
ADJUSTED EBITDA (€ M)	13.6

GROUP KPIS

NMV (€ M)	2,390.5
GROWTH AT CONSTANT CURRENCY (%)	23.9
ACTIVE CUSTOMERS (M)	17.0
NMV / ACTIVE CUSTOMER (€ M)	140.5
NUMBER OF ORDERS (M)	47.8
ORDER FREQUENCY	2.8
AVERAGE ORDER VALUE (€)	50.0

SUSTAINABILITY HIGHLIGHTS

LOW EMISSION DELIVERIES IN HONG KONG & INDONESIA

Building on the introduction of low emission delivery options to customers in LATAM, CIS and ANZ in 2020, this year SEA commenced walking delivery in Hong Kong and bicycle delivery in Indonesia.

[→ MORE](#)

DIVERSITY, INCLUSION & BELONGING FRAMEWORK EMBEDDED IN ALL REGIONS AND CREATION OF OUR 2022 JOURNEY MAPS

In each of our regions a documented journey map outlines the goals, focus areas, measuring commitments and initiatives that build out our actions toward bringing GFG's Diversity, Inclusion and Belonging framework and its principles to reality.

[→ MORE](#)

PUBLISHING A MODERN SLAVERY STATEMENT IN ANZ

In June, GFG published its first Modern Slavery Statement in ANZ, in line with the Australian Modern Slavery Act 2018, highlighting potential modern slavery risks in our operations and supply chain, our actions to mitigate those risks thus far, and actions planned for the future.

[→ MORE](#)

ADAPTIVE FASHION COLLECTIONS

We created an adaptive fashion edit in ANZ to better serve communities with disabilities.

[→ MORE](#)

ONE-STOP VOLUNTEERING PLATFORM IN LATAM

We launched dft social, a one-stop volunteering platform that enables employees in all LATAM countries to conveniently access volunteering opportunities from NGO partners. More than 600 employees participated in 2021.

[→ MORE](#)

REFRESHING OUR BUSINESS CONDUCT & ETHICS PROGRAMME

During 2021, we conducted a refresh of our Business Conduct & Ethics Programme, including our Code of Conduct and Speak-Up and Non-Retaliation Policy.

[→ MORE](#)

INTRODUCING THE GLOBAL RESPONSIBLE WORKPLACE COMMITMENT STATEMENT

Collectively, the GFG Executive team is committed to our approach to health, safety & wellbeing. In 2021, we introduced a documented statement outlining how the GFG Executive team will demonstrate this commitment, the responsibilities of each team member and the good governance they will assure to all our people.

[→ MORE](#)

LAUNCHING OUR RESPONSIBLE MARKETING PROMISES & PRINCIPLES

As the leading online fashion & lifestyle destination in growth markets, we launched our Responsible Marketing Promises to help us tell the stories that need to be told in the fashion industry in a socially responsible manner.

[→ MORE](#)

Bicycle delivery in Indonesia

SUMMARY OF 2021 IMPACT



RESPONSIBLE WORKPLACE

0

FATALITIES OR PERMANENT DISABILITY INJURIES

100%

DIRECTLY-OWNED DELIVERY FLEET ASSESSED FOR HEALTH & SAFETY COMPLIANCE



DIVERSITY, INCLUSION & BELONGING

84%

OF EMPLOYEES AGREE THEY 'FEEL A SENSE OF BELONGING AND CAN BE THEIR TRUE AUTHENTIC SELVES AT WORK'



CLIMATE ACTION

100%

RENEWABLE ELECTRICITY SOURCING FOR ALL FULFILMENT CENTRES SINCE 2020

7

COUNTRIES HAVE LOW CARBON LAST MILE DELIVERY

22%

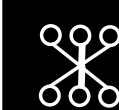
REDUCTION IN CARBON INTENSITY



CIRCULARITY & CONSCIOUS CONSUMPTION

220,000

ITEMS IN OUR SUSTAINABLE SHOPPING EDITS SHOPPED BY ALMOST 5 MILLION CUSTOMERS



RESPONSIBLE BUSINESS

50/50

GENDER BALANCE OF THE GFG EXECUTIVE TEAM

50/50

GENDER BALANCE OF THE THE SUPERVISORY BOARD



FAIR & ETHICAL SOURCING

73%

OF FACTORIES AND SUPPLIERS PARTICIPATED IN GFG TRAINING PROGRAMMES

7TH

POSITION FOR DAFITI OUT OF 50 BRANDS IN THE BRAZILIAN FASHION REVOLUTION TRANSPARENCY INDEX



80%

WASTE FROM GFG'S WAREHOUSES DIVERTED FROM LANDFILL

100%

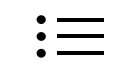
OF GFG COUNTRIES USE ORDER SACHELS MADE FROM RECYCLED OR COMPOSTABLE MATERIALS

100%

IMPLEMENTATION OF ISO 31000 AS PART OF OUR ENTERPRISE RISK MANAGEMENT PROGRAMME

100%

OF REGIONS AND GFG CORPORATE OFFICES HAVE BEST PRACTICES CODIFIED INTO A GOVERNANCE MANUAL



OUR STRATEGY



people & planet POSITIVE

To ensure our strategy is and will continue to be relevant to our industry, we first conducted desktop research drawing on a broad range of resources, including industry publications, investor reports, peer and competitor reports, NGO reports or campaigns and legislative instruments applicable to sustainability. This formed our initial understanding of issues that stakeholders deem material, the activity of peers and competitors and the broad expectations of a listed business in Europe.

Building on previous materiality assessments as well as insights we received from our stakeholders during our engagement throughout the year (see Appendix for a summary of GFG's primary stakeholders and our methods to engage with them), we refreshed our materiality matrix as a part of designing our new strategy. Comprehensive industry and peer research, insights from 16,000+ customer surveys and interviews with 30+ internal and external stakeholders including board members, executives, investors, NGOs, suppliers and employees collectively supported identification of our material issues.

Subsequently, we worked collaboratively with our regional teams to set the level of ambition for GFG in the key sustainability topics identified in our materiality matrix.

Internal workshops with employees and senior leaders, baseline assessment and modelling, stakeholder engagement and peer analysis at the local level has been crucial in aligning global expectations with our local operation contexts.

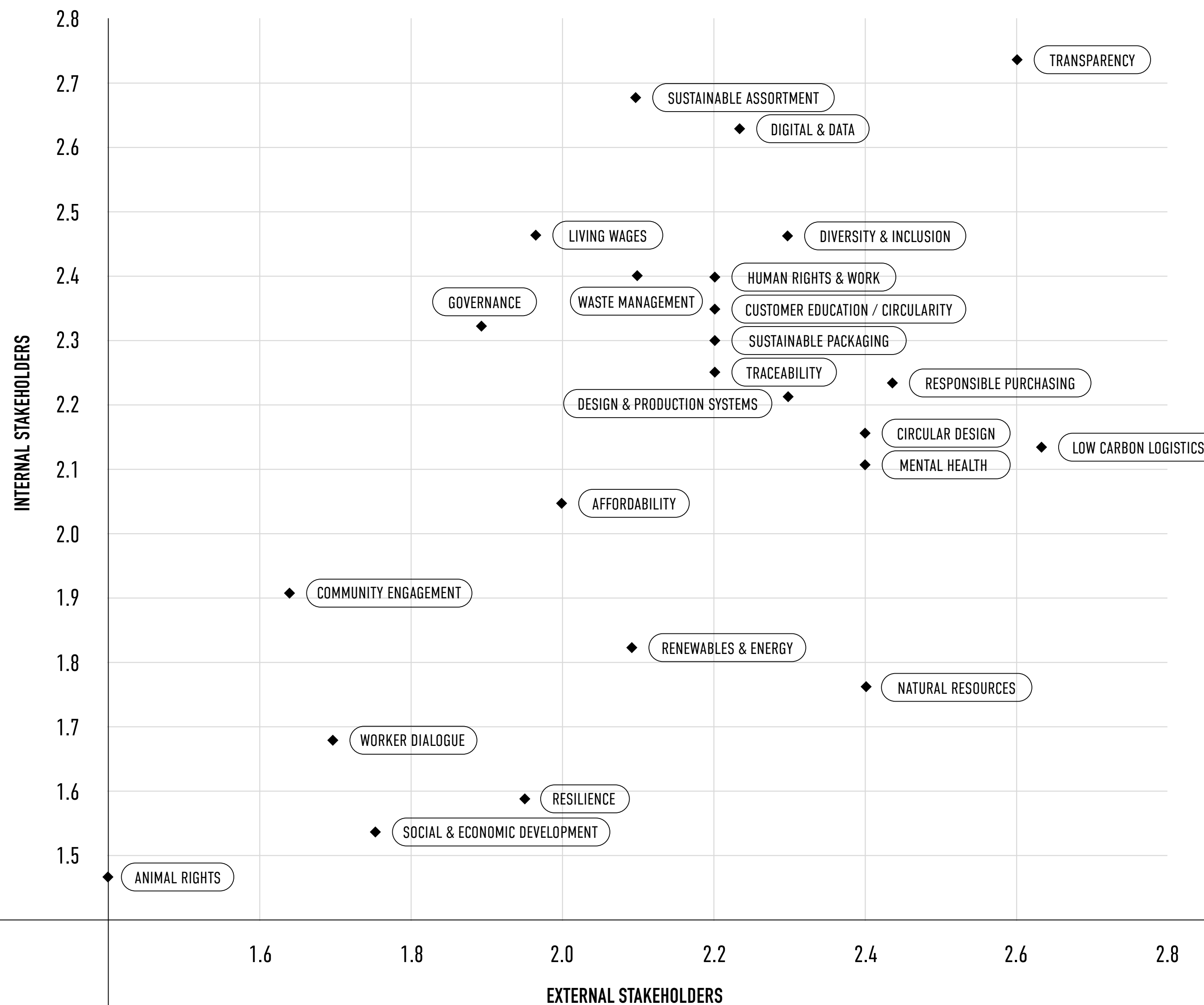
Using the inputs from all the above and the feedback provided, the strategy was developed, refined and subsequently approved by the GFG Executive Team, the Management Board and the Supervisory Board. GFG's new People & Planet Positive Strategy has six strategic priorities:

1. Climate Action
2. Circularity & Conscious Consumption
3. Fair & Ethical Sourcing
4. Diversity, Inclusion & Belonging
5. Responsible Workplace
6. Responsible Business


The Group targets, which will be reviewed every 2 years, have been translated into 2022 work plans and we will continue to do the same in the subsequent years to drive progress towards our ambitions.

GFG's sustainability agenda has always been driven by the moral imperative to play a role in transforming the fashion industry in our markets, and our commitment to drive supply of and demand for more sustainable fashion. It will materialise our vision to be *People & Planet Positive, Worldwide*.

MATERIALITY MATRIX



people & planet POSITIVE

RESPONSIBLE BUSINESS 


- Responsible use & safeguarding of customer data
- Effective and transparent Corporate Governance
- Social Governance in the manner we bring products to market
- Business Ethics training and awareness

[CLICK TO VIEW TARGETS](#)

RESPONSIBLE WORKPLACE 

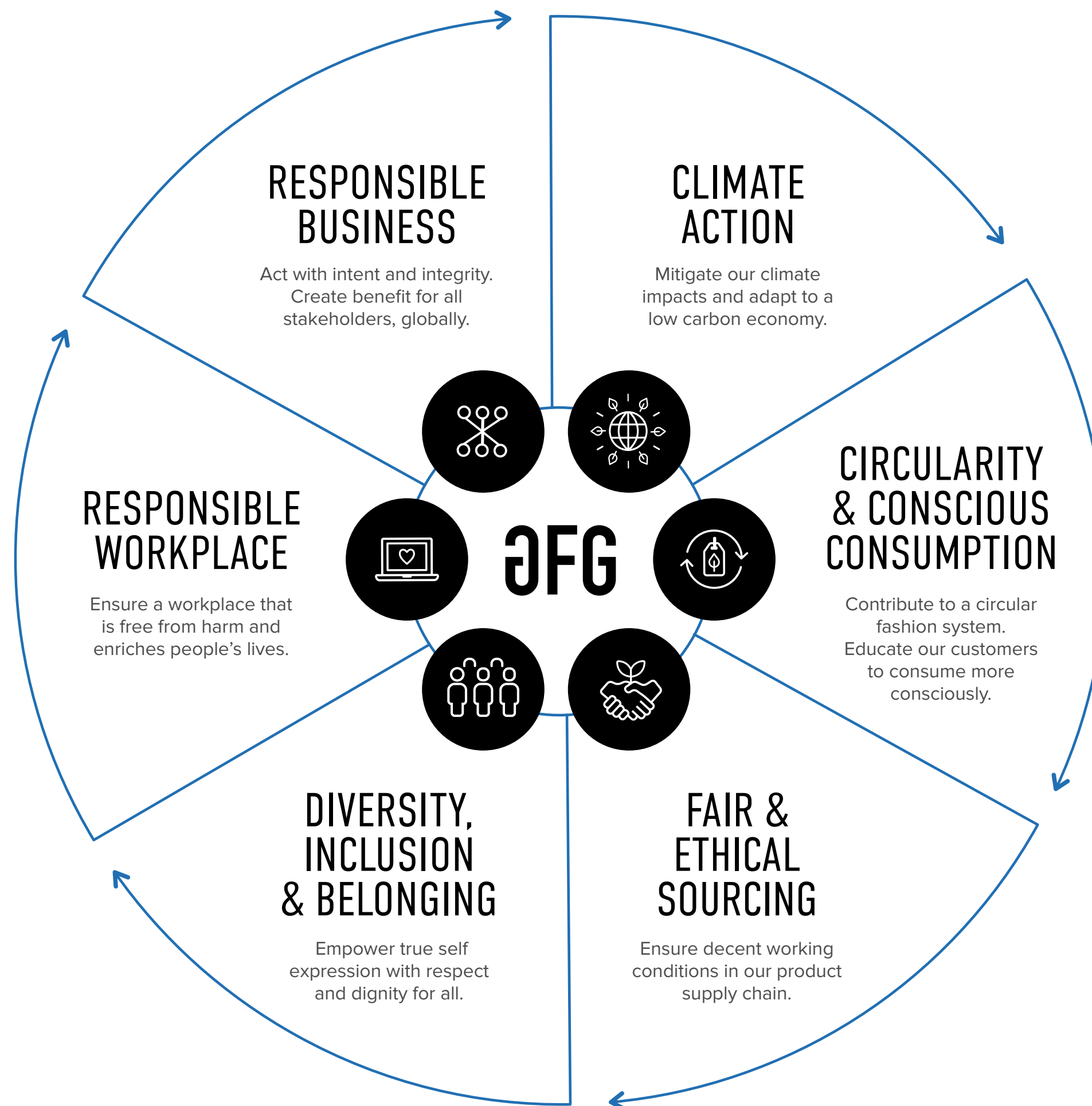
- Accountable and visible leadership
- Health and safety management system and reporting
- Health and safety training & education
- Responsible engagement of labour agencies
- Positive mental health and wellbeing


[CLICK TO VIEW TARGETS](#)

DIVERSITY, INCLUSION & BELONGING 

- Discover and attract, retain diverse talent
- Inclusive workplace culture
- Respect and celebrate cultural diversity
- Gender equality and representation
- Diversity of thought to drive innovation


[CLICK TO VIEW TARGETS](#)



CLIMATE ACTION 


- Sustainable assortment
- Preservation of natural resources
- Lower carbon logistics
- Community engagement
- Renewable energy and energy efficiency

[CLICK TO VIEW TARGETS](#)

CIRCULARITY & CONSCIOUS CONSUMPTION 

- Responsible waste management
- Customer engagement and circularity solutions
- Sustainable packaging
- Circular design
- Responsible design and production systems

[CLICK TO VIEW TARGETS](#)

FAIR & ETHICAL SOURCING 

- Fundamental human rights and decent work
- Responsible purchasing practices
- Living wages
- Traceability
- Worker dialogue and collective bargaining
- Community engagement in our supply chain

[CLICK TO VIEW TARGETS](#)

GLOBAL FASHION AGENDA

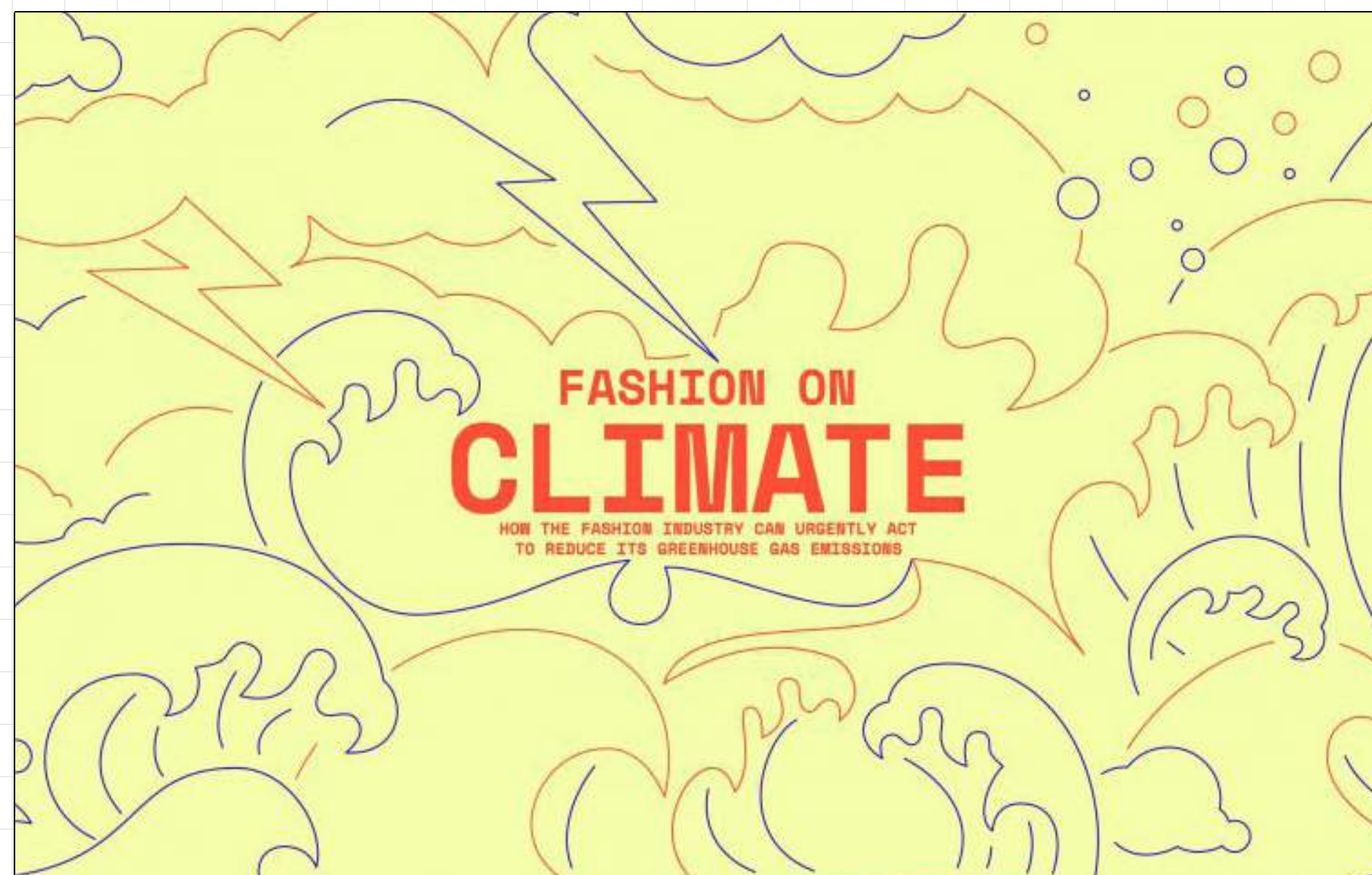


GLOBAL FASHION AGENDA



GFG's sustainability efforts in growth markets over the past years were recognised by Global Fashion Agenda (GFA), the leading global forum on fashion sustainability. GFA is responsible for the Global Fashion Summit and thought leadership publications, including Fashion on Climate and Fashion CEO Agenda.

In November 2021, GFA invited GFG to join its Strategic Partner Group, to play an active role in spearheading the fashion industry's journey towards a more sustainable future, alongside a number of other fashion leaders from across the industry. GFG is the only GFA strategic partner operating across our markets.



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

In line with our vision to be *People & Planet Positive Worldwide*, we seek to be part of solutions to sustainability challenges in the fashion and ecommerce industry, as well as challenges faced by society at large. As such, we map our areas of focus in our People & Planet Positive Strategy to the United Nations Sustainable Development Goals (SDGs) — a common framework for companies' joint efforts with nations, striving to bring about a transition to a sustainable future.



CLIMATE ACTION

AREAS OF FOCUS & CONTRIBUTION TO SDG'S

- ◆ Sustainable assortment (12, 13)
- ◆ Renewable energy & energy efficiency (7, 9, 12, 13)
- ◆ Lower carbon logistic (9, 12, 13)
- ◆ Preservation of natural resources (12, 13, 15)
- ◆ Community Engagement (10,13,17)



FAIR & ETHICAL SOURCING

AREAS OF FOCUS & CONTRIBUTION TO SDG'S

- ◆ Fundamental Human Rights and Decent Work (5, 8, 10)
- ◆ Living Wages (8, 10)
- ◆ Worker Dialogue & Collective Bargaining (8, 10)
- ◆ Traceability (12)
- ◆ Responsible Purchasing Practices (8)
- ◆ Community Engagement in the Supply Chain (10,17)



CIRCULARITY & CONSCIOUS CONSUMPTION

AREAS OF FOCUS & CONTRIBUTION TO SDG'S

- ◆ Sustainable Packaging (12, 13)
- ◆ Responsible Waste Management (12, 13)
- ◆ Responsible Design & Production Systems (12, 13)
- ◆ Circular Design (12, 13)
- ◆ Customer Engagement and Circularity Solutions (12, 13)



RESPONSIBLE WORKPLACE

AREAS OF FOCUS & CONTRIBUTION TO SDG'S

- ◆ Workplace Health & Safety management system (3)
- ◆ Welfare of Our Employees, Agency Staff & drivers (8, 10)
- ◆ Mental Health & Wellbeing (3)
- ◆ Hazard & Incident reporting and management (3)
- ◆ High Risk activity training & controls (3)



DIVERSITY, INCLUSION & BELONGING

AREAS OF FOCUS & CONTRIBUTION TO SDG'S

- ◆ D&I Policy communications (10)
- ◆ D&I Global Leader Commitment (5, 10)
- ◆ Regional Employee Resource Groups establishment (5, 10)
- ◆ D&I Training & Awareness (5, 10)



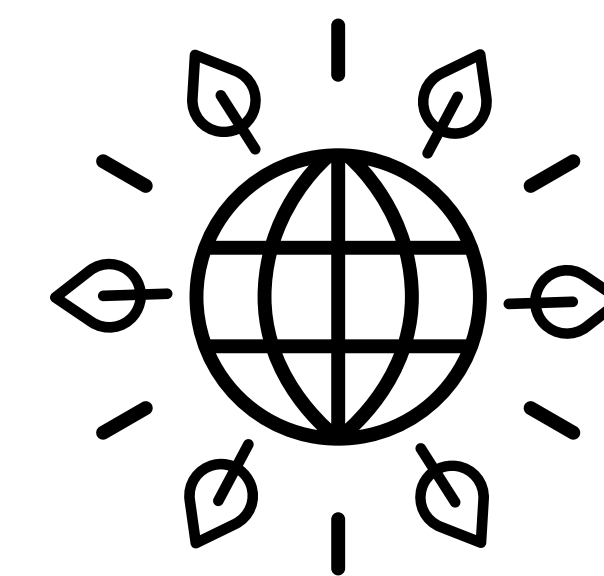
RESPONSIBLE BUSINESS

AREAS OF FOCUS & CONTRIBUTION TO SDG'S

- ◆ Anti-Bribery and Anti-Corruption Training & Awareness (16)
- ◆ Enterprise Risk Management framework review and refresh (16, 17)
- ◆ Good governance optimisation through global collaboration (16, 17)



CLIMATE ACTION



OUR FOCUS AREAS

Sustainable assortment

Preservation of natural resources

Lower carbon logistics

Community engagement

Renewable energy & energy efficiency

PAST TARGETS

2030 TARGETS

100%

of carbon mapped and Science Based Targets set for the entire group

TARGET MET

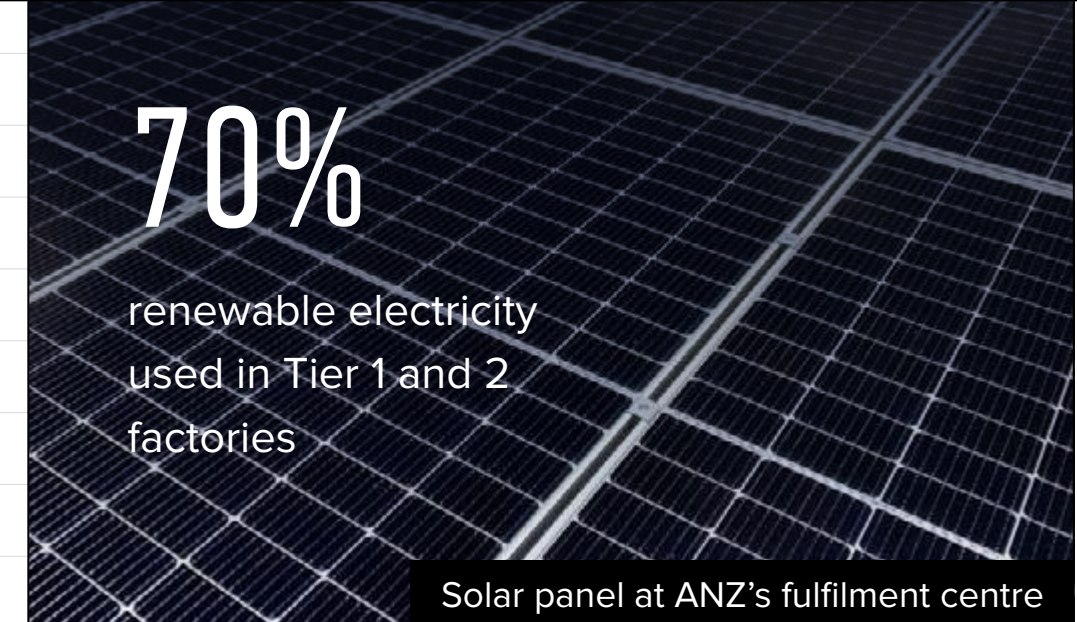
10%

of NMV from sales of product meeting sustainable product criteria

TARGET MET

70%

renewable electricity used in Tier 1 and 2 factories



Solar panel at ANZ's fulfilment centre

50%

parcels delivered using zero / low emission methods for the last mile (e.g. EV, walking deliveries)

100%

of carbon from our own operations and deliveries offset

TARGET MET

15%

of own-brand products made from sustainable materials and active divestment from most environmentally harmful materials underway

TARGET NOT MET 12%

100%

electricity sourced for our FCs and offices is renewable

50%

man-made cellulosics used in own-brand is sustainably sourced



100%

of regions have a charity partnership in place

TARGET MET

Employee volunteering in LATAM

50%


reduction in Scope 1 & 2 emissions by 2030 from a 2019 base year

60%

NMV from products made using majority sustainable materials & eco-friendly production

85%

own-brand products made from preferred materials (ranked A, B & C)



Preferred materials in ANZ's own-brand

90%

reduction in Scope 3 GHG emissions per million Net Merchandise Value (NMV) by 2030 from a 2019 base year

100%

cotton used in own-brand is sustainably sourced

20,000

employee hours spent on community engagement

OUR CLIMATE IS CHANGING

GFG recognises that we must take urgent action to combat climate change and its impacts, and transition to a low carbon economy. As a corporate citizen with operations spanning across the globe, GFG is committed to step up our efforts to minimise our carbon impacts and take the action deemed necessary by the science. Climate change is a risk to our long-term success. It requires a holistic approach to build resilience within our organisation and supply chain. We break this down further alongside other environment related risks in Section 2.13 of our Annual Report - Risks and Opportunities.

Carbon remained one of GFG's key priorities during 2021. The 2021 carbon accounting of our business has been completed in line with the Greenhouse

Gas Protocol Corporate Accounting and Reporting Standard. All greenhouse gases regulated by the UN Kyoto Protocol have been accounted for, inclusive of the following scopes:

SCOPE 01

Direct emissions from activities owned or controlled by GFG (e.g. fuel combustion from company vehicles, refrigerants).

SCOPE 02

Indirect emissions associated with GFG's consumption of purchased energy.

SCOPE 03

All indirect emissions (not included in Scope 2) caused by GFG's activities but not owned or controlled by us in our value chain, inclusive of our purchased goods and services (including merchandise), use, and product end-of-life.

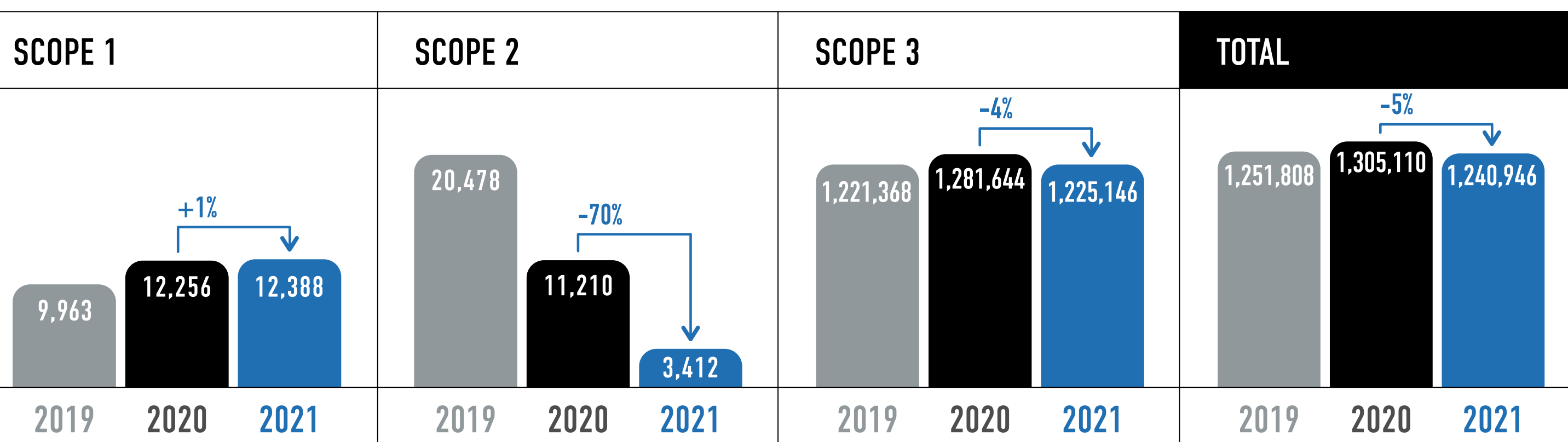
In 2021, the total greenhouse gas emissions emitted by GFG totalled 1.24 million tonnes of carbon dioxide equivalent (CO₂e). Our business in LATAM accounted for the largest emissions in GFG, mainly due to a higher proportion of shoes in its assortment. This is followed by CIS, SEA, ANZ and lastly Group Shared Functions. Though GFG recorded a higher product usage and end-of-life emissions due to higher sales in 2021, overall emission decreased YoY by 5%, with carbon intensity decreased by 22% to 519 tonnes of CO₂e per million of our Net Merchandise Value (NMV) compared to last year. The same downward trend was seen in our carbon intensity exclusive of product-related emissions (ie product manufacturing, usage and end-of-life), which was 94 tonnes of CO₂e per million NMV in 2021, relative to 135 tonnes in

2020. The main drivers of this are due to lower logistic and electricity related emissions alongside strong growth of our NMV in 2021.

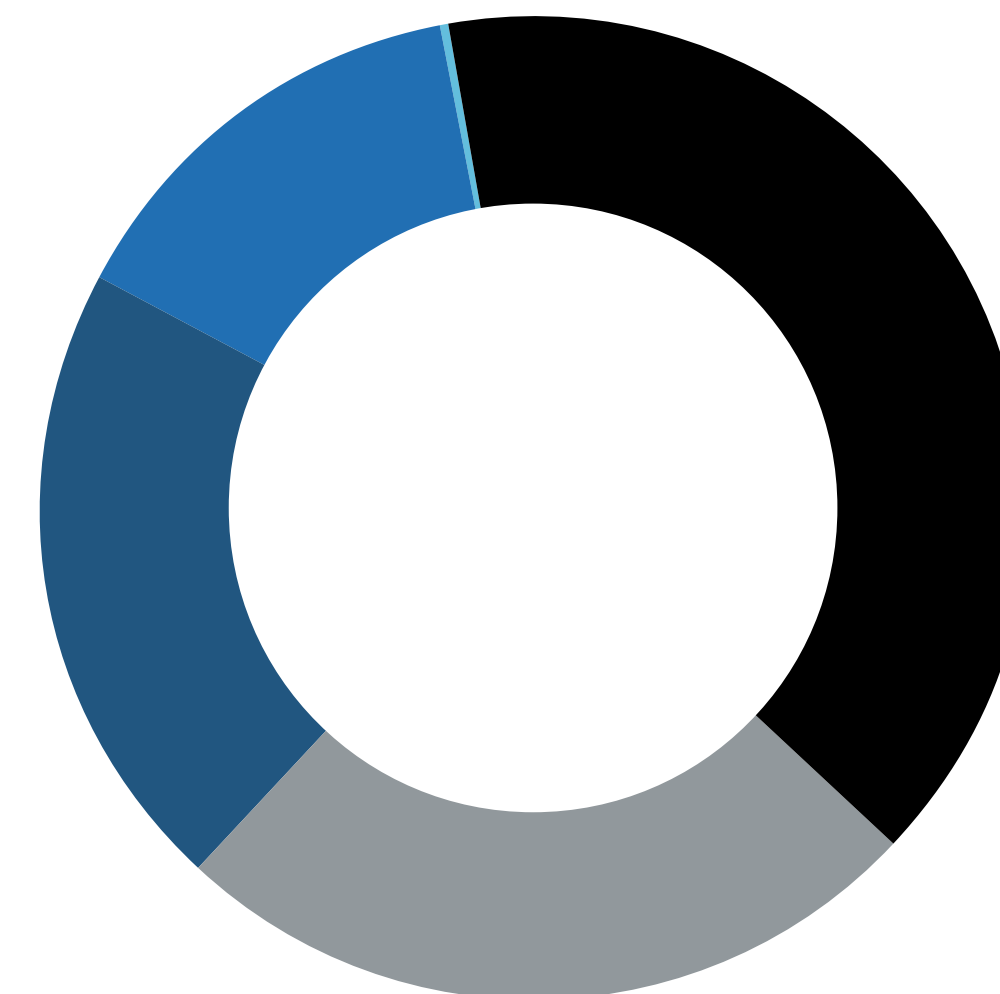
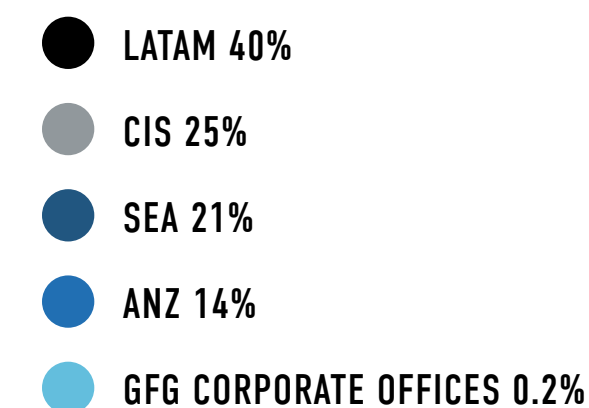
Despite lesser units purchased in footwear and home & lifestyle categories in 2021, the biggest driver of our emission remains product manufacturing (68%) which is associated with the development of raw materials and the manufacturing of products that we sell. This is followed by product usage (12%), logistics (9%), end-of-life treatment of sold products by our customers (1%) and energy consumption (0.3%). The remaining 9% includes various

emission sources such as purchased services, capital goods, waste, packaging, employee commuting and business travel. In order to achieve greater accuracy, we seek to improve available data quality. As such, some trends may be partially attributed to improved data quality. This year, some of our improved data quality can be attributed to more accurate transport mode and distance information on our logistic partners, as well as using actual electricity consumption data to calculate emissions in our offices and pickup points instead of gross floor area.

EMISSIONS BY SCOPE (TONNES CO₂e)



EMISSIONS BY REGION



IN 2021 WE OFFSET
76,479
TONNES OF EMISSIONS

IN 2020 WE OFFSET
110,013
TONNES OF EMISSIONS

OUR CLIMATE IS CHANGING

The Group was carbon neutral for its operations and customer deliveries in 2020 and we continue to be so this year by offsetting 76,479 tonnes of carbon emissions, 6% of our total footprint, via purchases of verified carbon credits. These carbon credits originate from a wind project located in China that are certified under international offset standards recognised by the International Carbon Reduction and Offset Alliance (ICROA).

Building on the carbon footprint analysis completed in the last two years, in 2021 we ran a series of workshops involving 60+ key leaders and regional stakeholders. These workshops prioritised our key focus areas, and informed the design of our carbon mitigation strategy and forward looking commitments. This is the basis of our long-term carbon emissions reduction targets in line with the Science Based Targets Initiative requirements. We are currently awaiting approval from the Science Based Targets Initiative. By 2030, GFG will reduce Scope 1 & 2 emissions by 50%, and reduce Scope 3 emissions by 90% per million NMV, from purchased goods and services. Our Scope 3 target also includes upstream and downstream transportation, using 2019 as the base year.

Our carbon reduction blueprint is focused on reducing the three most material emissions in GFG's own operations and supply chain. These include emissions associated with the raw materials and manufacturing processes of our products (More Sustainable Assortment), emissions associated with inbound and outbound logistics including returns (Lower Carbon Logistics) and our operations which we own or control (Renewable Energy & Energy Efficiency). Collectively, these categories contributed to more than 80% of GFG's total emissions in 2019. These targets are supported by a suite of operational targets at the Group level, which can be found on Page 15. Initiatives related to the other emissions categories are covered in other parts of our People & Planet Positive Strategy. In addition, GFG will be completing climate risk assessment in line with Task Force on Climate-related Financial Disclosure (TCFD) recommendations in 2022.

¹ Fuel consumption by GFG's own fleet is included in outbound emissions.

² This includes various emission sources such as purchased services, capital goods, waste, packaging, employee commuting and business travel.

³ Scope 3 emissions from purchased goods and services as well as upstream and downstream transportation.

EMISSIONS BY SOURCE

PRODUCT MANUFACTURING 68%

- FOOTWEAR 72%
- APPAREL 19%
- ACCESSORIES 8%
- OTHER 0.9%

● PRODUCT USAGE 12%

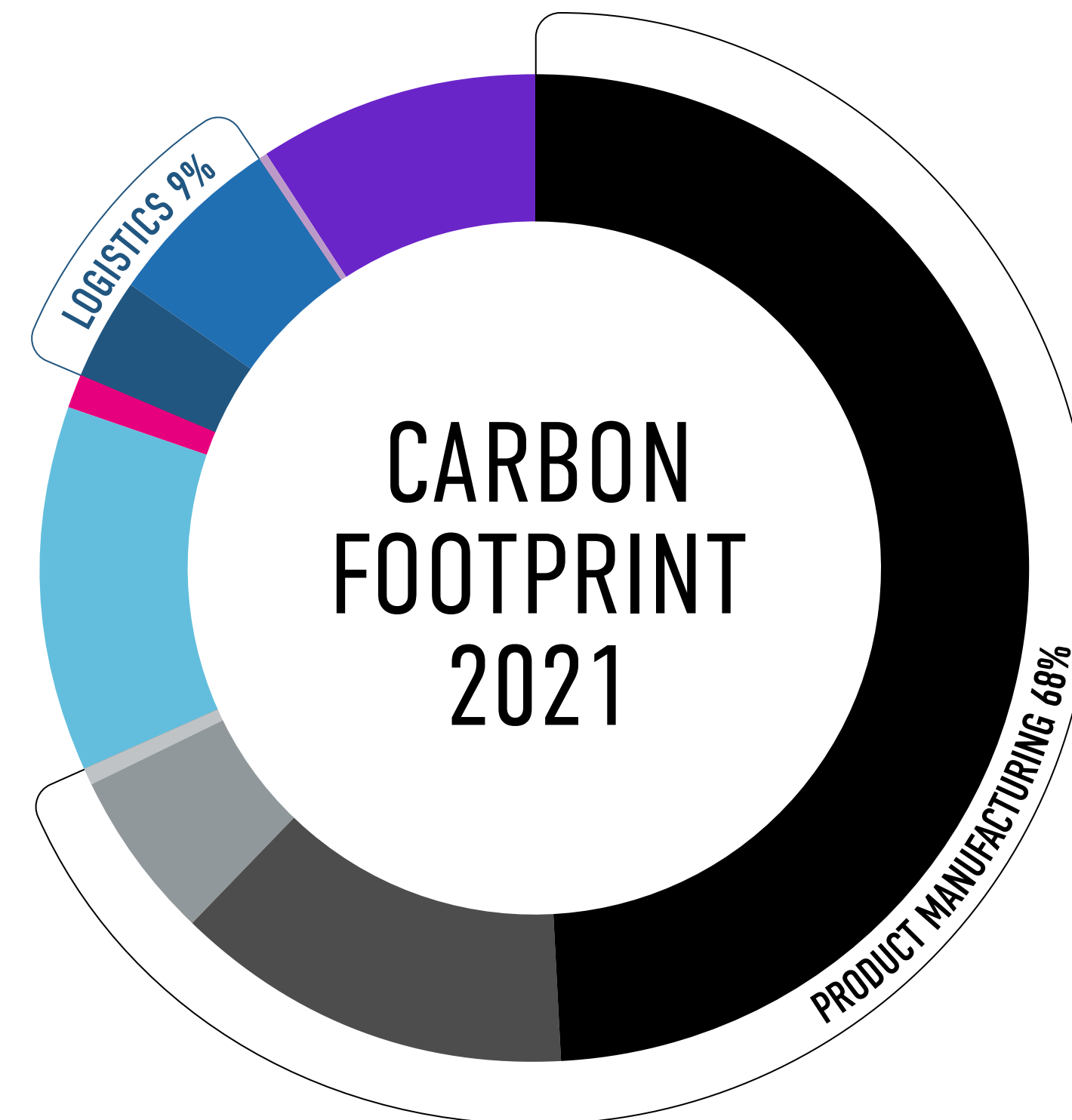
● PRODUCT END-OF-LIFE 1%

LOGISTICS 9%

- INBOUND 36%
- OUTBOUND (INCL. RETURNS) 64%

● ENERGY¹ 0.3%

● OTHER EMISSIONS² 9%

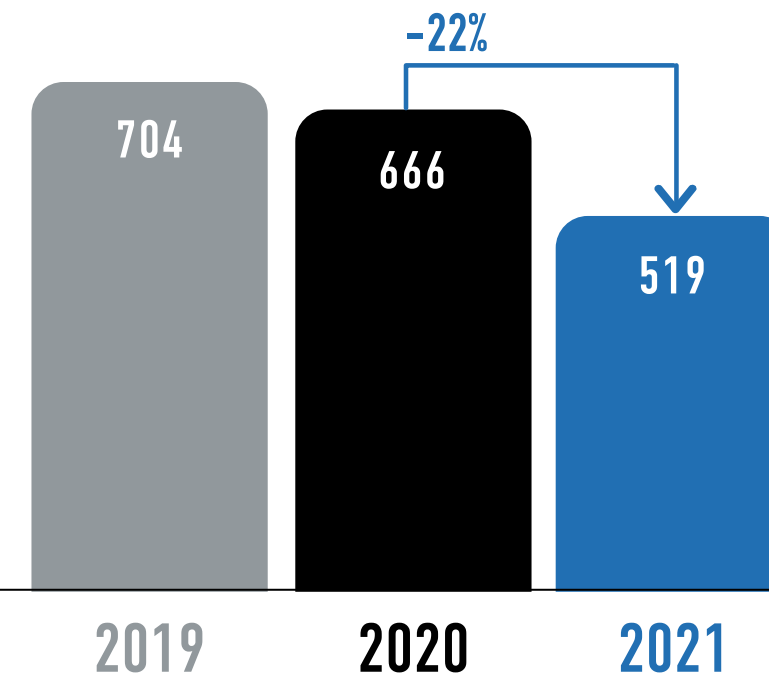


CARBON INTENSITY (TONNES CO₂e/MILLION NMV)

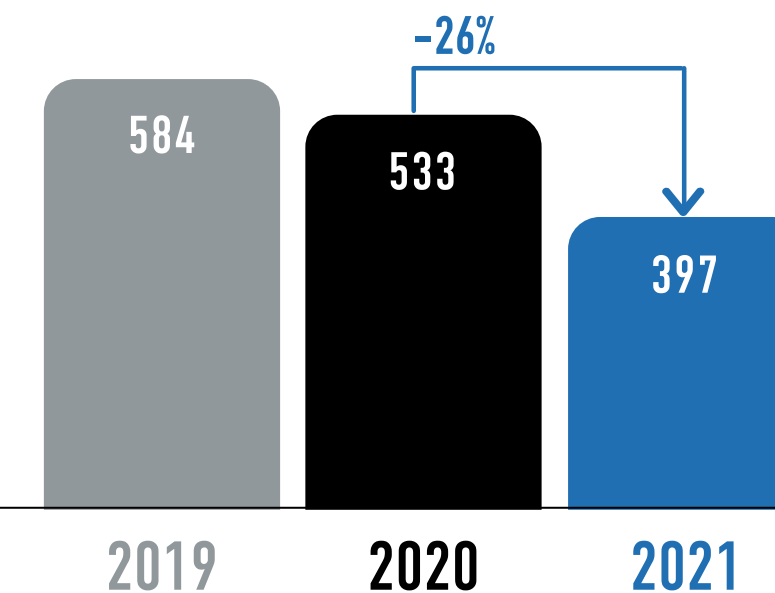
ALL SCOPES

22%

REDUCTION IN CARBON INTENSITY YOY



SCOPE 3 EMISSIONS³



MORE SUSTAINABLE ASSORTMENT

More than 70% of the fashion industry’s emissions are said to come from upstream activities such as energy-intensive raw material production, preparation and processing⁴. Thus, increasing the proportion of products made from lower impact materials is an essential component of GFG’s strategy to lower our carbon footprint and other environmental impacts. 68% of our 2021 carbon footprint was generated by the development of materials and manufacturing of the third-party and own-brand products that we sell on our platforms. The majority of this comes from footwear (72%), with apparel the second largest category (19%). Although our own-brands contributed less than 10% of our NMV in 2021, transitioning the materials used to be made from less environmentally impactful alternatives remains an important priority. Polyester is the most commonly used fibre in our own-brand products, with cotton the second.



Preferred materials in SEA own-brand

TO FURTHER STRENGTHEN THE DATA BEHIND THE GFG PREFERRED MATERIAL BENCHMARK, WE HAVE DEVELOPED A PREFERRED MATERIAL CARBON CALCULATOR TO ENABLE OUR OWN-BRAND DESIGNERS TO TAKE INTO CONSIDERATION PRODUCT CARBON FOOTPRINT DURING THE PRODUCT DEVELOPMENT STAGE.

The calculator estimates the carbon benefits of replacing one material with another. For example, switching a 100% cotton womens shirt to be made from 100% organic cotton will result in 40% carbon reduction on average.



100% organic cotton women's shirt in SEA

In LATAM, GFG introduced own-brand products made from preferred materials for the first time in the second half of 2021. This resulted in 7% of its own-brand footwear and apparel being made from majority sustainable materials, such as Amni® Soul Eco fabric and recycled polyester and rubber. In SEA, GFG introduced 100% recycled polyester products in its main ranges and launched two more seasons of Origin by Zalora and Earth by Zalia, SEA’s dedicated sustainable own-brands. In ANZ, we continued to expand the use of preferred materials across all our own brands including Aere, GFG’s ANZ brand made exclusively from more sustainable materials, now also available in new categories such as Home and Kids. Overall, 12% of own-brand products were made from at least 50% sustainable materials. While this is a miss on the target of 15%, resulting from complexities in the material supply chain, this is an increase from 2.5% in 2020. In terms of cotton, the GFG Sustainable Cotton Directive was launched during the year, which lays the framework for less environmentally harmful and a more traceable and transparent cotton supply chain for GFG’s own-brands. Cotton’s social and environmental impacts are extensive and well documented. Requiring high volumes of water, cotton cultivation is also responsible for heavy pesticide



Preferred materials in ANZ own-brand

usage, soil erosion and contamination, and is associated with extreme human rights abuses including child and forced labour. Our sustainable cotton requirements are applicable to all supply chain tiers of GFG’s own brands, even where GFG or its subsidiaries do not trade with them directly. This requires the supply chain to entirely transition to more sustainable and traceable cotton as soon as possible and not later than 2025.

Although more difficult to influence, transitioning the materials and production methods used for third party products is an essential component of lowering GFG’s carbon footprint. Products made from more sustainable materials (e.g. organic cotton or recycled nylon) and/or via production methods associated with lower environmental impact (for example, renewable energy used in final stage

manufacturing or locally made) contribute to the reduction of our carbon footprint. These products accounted for 9% of our NMV in 2021.

⁴Mckinsey & Global Fashion Agenda - Fashion on Climate (2020)



Preferred materials in LATAM own-brand

LOWER CARBON LOGISTICS

Emissions of a pure play ecommerce retailer, such as GFG, tend to be lower than conventional bricks and mortar retailers⁵, mainly due to greater consolidation and more efficient logistics. That said, our logistics are the third largest category contributing to our carbon footprint.

In 2021, logistics contributed 9% of GFG total emissions with inbound and outbound logistics contributing 36% and 64% respectively. We are seeing a lower trend in emissions this year, resulting from lower emissions from air transport and improvements in data quality. Investing in sustainable transportation infrastructure for our shipments, improving efficiency in the ways we move product and finding innovative ways to reduce emissions with our suppliers and delivery partners are key priorities of our logistics teams.

Air freight remains the largest contributor to our inbound logistics footprint (79%), followed by land (18%) and sea freight (3%). 67% of the footprint is estimated due

to a lack of data on transport mode being available from suppliers. While we do not have direct control over all these inbound shipments, we are collaborating with brands to optimise deliveries, and switch inbound shipments from air to less carbon intensive freight types.

This year in ANZ, GFG increased its product volume coverage using the hybrid model, which replaces part of air freight trips with sea freight, by 10x and pure sea freight by 2x. This translates into a significant lower air freight mix of 16%, down from 43% last year across ANZ's directly managed inbound logistics.

GFG's commercial and supply chain management teams in our brand partners in SEA focused on the role that brand agreements can play in low carbon logistics. This resulted in all air freight from one of GFG's key brand partners in the region switching to sea freight from October 2021.

In outbound logistics, where products are sent from our warehouses to our customers, we have increased the use of electric vehicles (EVs) and other lower carbon alternatives for last mile customer delivery to be available in 7 countries, compared to 3 last year. In LATAM, we introduced electric motorcycles and scooters in Chile, Colombia and Brazil. In ANZ, GFG has been partnering with a third party logistics provider to deliver parcels by electric vehicle in certain areas of Sydney since 2020. In Indonesia, we introduced bicycle deliveries and in Hong Kong, we extended walking deliveries. In total, 560,000+ parcels were delivered by low- or zero-emissions methods in the last mile during 2021, a 7x increase since Q1 2021.

⁵ MIT Center for Transportation & Logistic - Environmental Analysis of US Online Shopping (2013), <https://ctl.mit.edu/pub/thesis/environmental-analysis-us-online-shopping>



EV delivery in Sydney



Electric motorcycles delivery in Colombia

560,000+ PARCELS WERE DELIVERED BY LOW- OR ZERO-EMISSIONS METHODS IN THE LAST MILE DURING 2021.

LOWER CARBON LOGISTICS

Given the vast geographical coverage GFG has in each country, there is a need for us to also identify lower emissions middle-mile delivery alternatives, however low emissions transportation is even less common in this phase of delivery. In Colombia a pilot is underway of a third-party electric truck, whilst in CIS we have invested in six liquefied natural gas (LNG) fueled vehicles covering some last and middle mile routes. Close 15,000 orders have travelled by this method to date.

Aside from switching to lower carbon transportation modes, we continue to focus on the greater consolidation of parcels via cross docking, where we collect products from Marketplace sellers and consolidate a customer's order into one parcel. This reduces carbon emissions by preventing multiple trips to the same customer. In 2021 more than 10% of all items were consolidated via cross docking.



CASE STUDY

LOW EMISSION DELIVERY IN HONG KONG & INDONESIA

As we continue to grow and serve more customers across our markets, we are challenging ourselves to improve efficiency of emissions generated by the delivery of products to customers, our third largest source of emissions in 2021 (5%). Learning from the introduction of several low emission delivery options in 2020 and adapting to the limited electric vehicle infrastructure in SEA, we have introduced low emission alternatives in both Hong Kong and Indonesia.

In Hong Kong, we leveraged the interconnectivity that the city has to offer and collaborated with our delivery partner to deliver parcels to our customers by foot, reducing our reliance on vehicles and eliminating vehicle-related emissions for last mile delivery. Customers less than 10 minutes away from delivery stations receive their parcels by dedicated walking agents, with assistance of trolleys. Since its launch in January 2021 with extensive citywide coverage, more than 153,000 parcels have been delivered by foot in Hong Kong.

The heavily congested traffic in Jakarta has positioned bicycles to be not only agile but also an efficient low emission delivery solution for the last mile. Since March 2021, we have delivered 10,000 customer parcels in Jakarta's city centre areas by bicycle.

More parcels will be delivered with lower environmental impact once we expand the service to the whole of Jakarta in early 2022.

Bicycle delivery in Indonesia

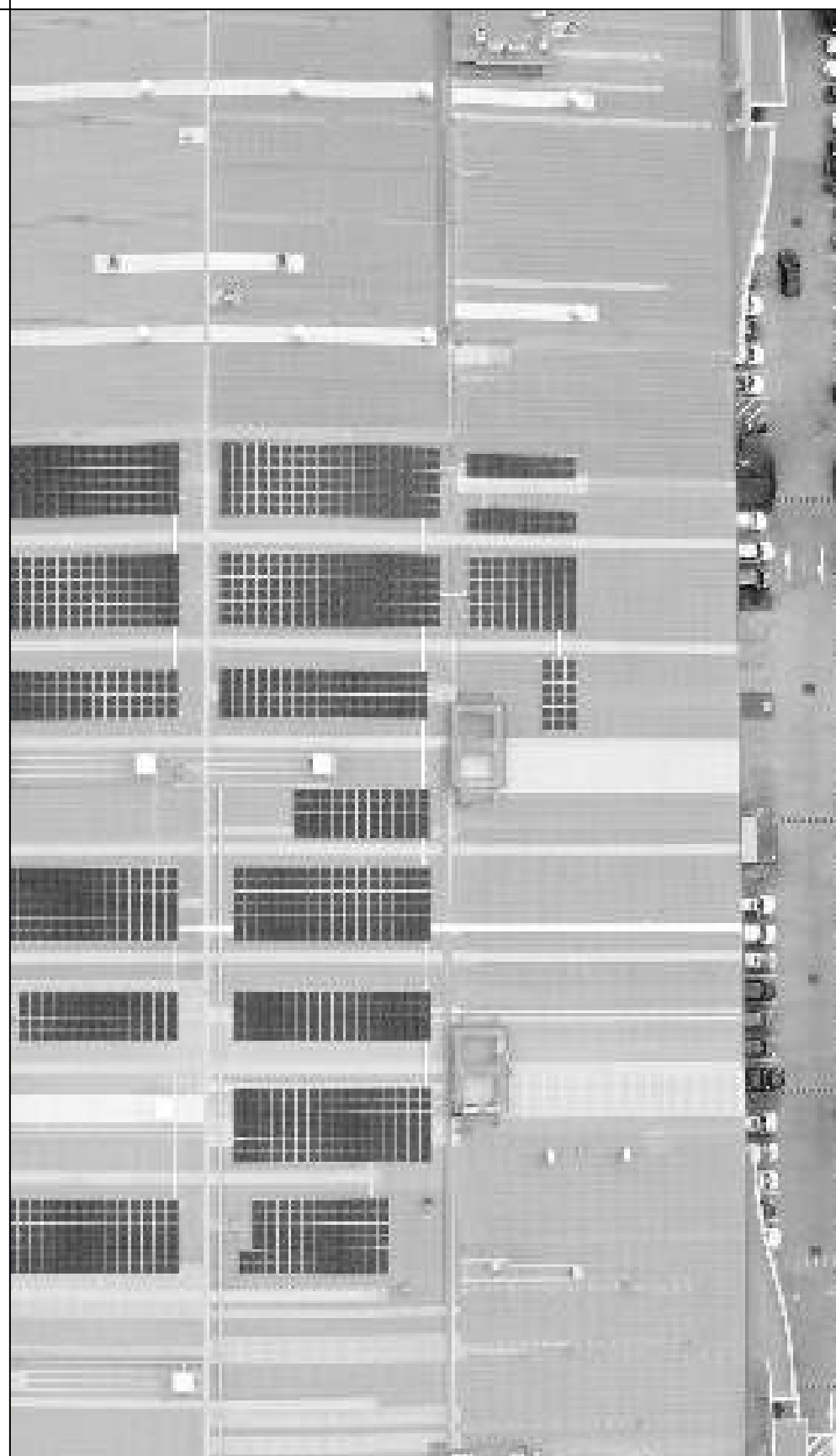
RENEWABLES AND ENERGY EFFICIENCY

Transforming the way we consume energy to be more efficiently powered by renewable sources is key to addressing climate change. Given the minimal machinery required and our use of predominantly LED lighting in our fulfilment centres, our direct operations are generally not energy intensive - our fuel consumption in 2021 was 151.5 million MJ and the majority (>99%) was from our own delivery fleet. However, we continued to explore opportunities to further increase our energy efficiency this year, including adopting more LED lighting in SEA and ANZ, and conducting energy management training in Colombia.

In addition, building on our earlier shift to renewable electricity utility providers for our fulfilment centres in Brazil and Australia, our first on-site solar panel installation was completed in Sydney during the year. With a 350 kW capacity and an area size of more than 4,700 m²,

the rooftop solar panel is estimated to generate up to 30% of our ANZ fulfilment centre's electricity needs. Operation will begin in January 2022. Feasibility studies for on-site solar are currently underway in multiple other GFG operating countries.

Though on-site solar generation or direct sourcing of renewable electricity is preferred, this option is not yet readily available in many of our markets due to the differing maturity of national renewable infrastructure and restrictions resulting from renting rather than owning the buildings. Our fulfilment centres consumed 18.6 million kWh electricity this year, of which 28% was directly sourced renewable electricity from local utility providers. For the remainder, as was the case in 2020, we have purchased Renewable Energy Certificates (REC). As a result, we have 100% green electricity sourcing for all GFG's fulfilment centres.



Solar panel at ANZ's fulfilment centre



THE ROOFTOP SOLAR PANEL IS ESTIMATED TO GENERATE UP TO 30% OF OUR ANZ FULFILMENT CENTRE'S ELECTRICITY NEEDS.

PRESERVING NATURAL RESOURCES

Lands and forests, which are natural carbon sinks, are cleared for farming and production of fibres including animal grazing, and these activities are estimated to increase by 35% by 2030⁶.

Textile farming and production consume water equivalent to 37 million Olympic swimming pools annually. Conventional textile treatment and dyeing processes can be chemical extensive, contributing 20% of all freshwater pollution globally⁷. At GFG, we need to improve our resource efficiency in raw materials extraction and product manufacturing processes, to ensure our products do not result in ecosystem degradation and biodiversity loss.

This year, in collaboration with the Water Footprint Implementation (WFI), we have successfully mapped the water footprint of 100% of our own-brand apparel and footwear products in line with internationally recognised methodology issued by the Water Footprint Network. The study concluded that the highest water footprint GFG is in LATAM, followed

by SEA and ANZ. Despite having significantly more apparel units in 2021, footwear contributed a larger share of the own-brand water footprint (57%) due to its raw material and manufacturing process being more water intensive. This also explains LATAM being the highest contributor given the higher proportion of footwear in its own-brands. Among all types of fibres we used in our own-brand, polyester contributed the highest water footprint, followed by cotton and synthetic leather. Following the study, we have concluded our priorities are to achieve greater transparency in the materials supply chain, transition to materials with lower water intensity, strengthen our commitments on water management by further mapping water intensive facilities within our supply chain, and set reduction targets.

In parallel to this work, we seek to improve chemical management in GFG, ensuring we have visibility in place in factories beyond Tier 1, where consumption of chemicals is also intensive.

IN LATAM, WE PILOTED CHEMICAL AND ENVIRONMENTAL MANAGEMENT AUDITS WITH TWO TIER 2 AND TIER 3 SUPPLIERS.

Our suppliers provided data via self-assessment and responses were validated by our internal auditors in person. From this pilot, we concluded that given this was a new area to our suppliers, in-person audits and clear and comprehensive communication was essential to ensure correct observations and verifications can be made in relation to chemical storage, safety, etc. While only small in scope, the learnings from this process were valuable in helping to inform next steps and the path toward setting chemical related targets.

⁶Global Fashion Agenda, Pulse of the Fashion Industry (2017), <https://www.globalfashionagenda.com/publications-and-policy/pulse-of-the-industry/>

⁷Ellen MacArthur Foundation - A New Textiles Economy (2017)



THIS YEAR, WE HAVE SUCCESSFULLY MAPPED THE WATER FOOTPRINT OF 100% OF OUR OWN-BRAND APPAREL AND FOOTWEAR PRODUCTS.

PAST TARGETS

100%

of waste from our warehouses comprehensively tracked

TARGET MET



50%

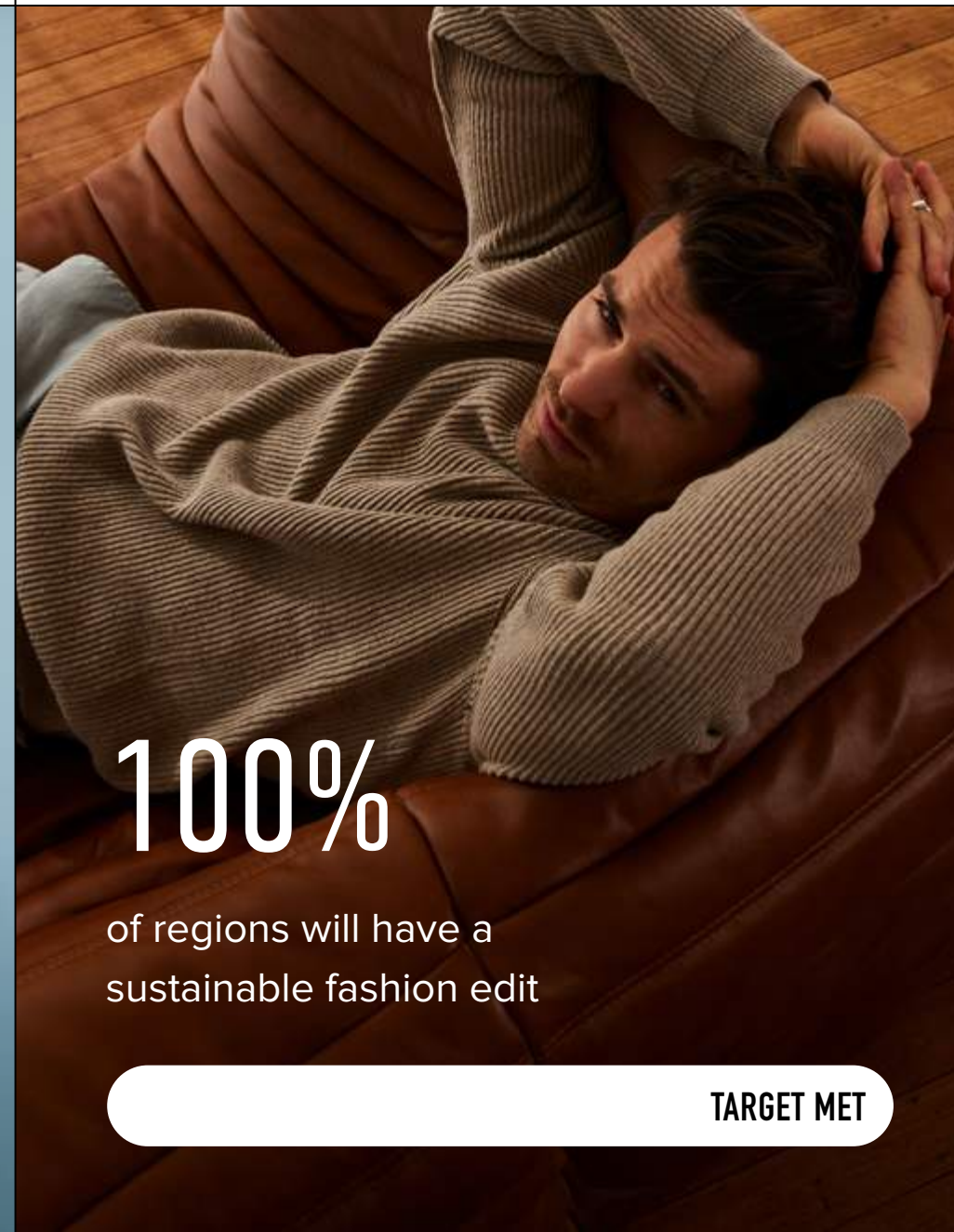
of regions enabling resale of pre-loved items

TARGET MET

100%

of delivery countries using order packaging made from more sustainable materials

TARGET MET



100%

of regions will have a sustainable fashion edit

TARGET MET

80%

of waste recycled (warehouses)

TARGET NOT MET 73%

THE ICONIC X airrobe Wear Now. Re-sell Later.

With your very own circular wardrobe



AirRobe in ANZ

40%

sold units from fashion assortment made in line with circular criteria (recycled, repaired, pre-loved, circular design)

4,000

tonnes of packaging retrieved from customers and responsibly disposed

90%

waste in our operations is diverted from landfill

100%

directly purchased and own-brand packaging made from more sustainable materials



Recycled satchel in SEA

50%

sold units covered by closed loop take back solution

2030 TARGETS

RESPONSIBLE WASTE MANAGEMENT

At GFG, we are playing a part in the transition of the fashion industry's current linear model, to one that factors in circularity principles at every stage of the product life cycle. A circular system is the long-term solution for the fashion industry, where there is minimal or even no waste throughout the product life cycle. We not only seek to incorporate circular design principles into the product we sell, but we also commit to offer end of life solutions to customers which enable them to close the loop, especially where other mechanisms to do so are limited in our markets.

According to the Global Fashion Agenda, the fashion industry generates 4% of the world's solid waste each year. This consists of waste from the production and end-of-use stage of apparel and footwear⁸. While recognising that waste and recycling infrastructure in many of GFG's countries remains immature, we continue to pursue waste minimisation and seek solutions to divert our waste from landfill. The vast majority of our waste is associated with the packaging we receive from our suppliers, and returns sent back by customers, such as cardboard boxes, postage satchels, polybags and stretch film. The balance includes food waste and other general waste.

This year, the waste in all our warehouses was comprehensively tracked, closing the previous gap we had in one of our warehouses in CIS. Our overall waste volume increased by 13% and the percentage able to be recycled reduced by 2% to 73%. This resulted in a miss on our stretch target set last year, adjusted from 50% to 80%. The absolute volume of recycled waste increased, as did the volume sent to energy recovery. The total waste we diverted from landfill increased from 78% to 80%, compared with 2020.

This year, we have an improved understanding of product waste that we generate from a study conducted involving

all of our Regions. In most countries we are already adopting circular actions like reselling or donating products in good condition, or recycling or sending damaged products to waste-to-energy to keep them out of landfill. As a result we are minimising what is sent to landfill and only dispose of product in this manner where it is required by law or by suppliers who own the trademark of the item, or involving expired beauty products.

Some products sent back to us by our customers are damaged and not fit for resale on our platforms. Where possible and only involving minor repairs, we can in some cases fix this product to ensure it does not become product waste.

In addition we are implementing efforts to reduce returns overall. In SEA, we identified that a significant portion of customer returns were sizing-related returns and subsequently improved its sizing chart to be brand or sub-category specific, resulting in an overall decrease in size-related returns. CIS introduced a loyalty programme which provides discounts to customers with low return rates which further reduced the return rate by 2%.

⁸Global Fashion Agenda, Pulse of the Fashion Industry (2017), <https://www.globalfashionagenda.com/publicationsand-policy/pulse-of-the-industry/>

WASTE AND SOLUTIONS (TONNES)

● 2021 ● 2020

	FULFILMENT CENTRES	TRANSIT WAREHOUSES	TOTAL
RECYCLED WASTE	5,479 4,830	595 681	6,073 5,511
ENERGY RECOVERED WASTE	529 196	13 0	543 196
COMPOSTED WASTE	33 20	0 0	33 20
INCINERATED WASTE	0 0	0 19	0 19
LANDFILL WASTE	1,005 1,070	659 560	1,664 1,630
TOTAL	7,047 6,116	1,267 1,260	8,314 7,376
WASTE RECYCLED	78% 79%	47% 54%	73% 75%
WASTE DIVERTED FROM LANDFILL	86% 83%	48% 54%*	80% 78%

*Incinerated waste without energy recovery is no longer considered as waste diversion from landfill.



LEAP fulfilment centre in Brazil

SUSTAINABLE PACKAGING

Companies are increasingly recognising their accountability for minimising packaging waste and improving recyclability whilst governments are increasingly placing responsibility on them through Extended Producer Responsibility (EPR) legislation. As an online retailer, packaging is an important brand identity, it is also how customers physically interact with us, and is a physical representation of our environmental impact. We maintain our focus to transition our packaging to be made from less environmentally impactful materials, and where possible, eliminate packaging materials altogether. The packaging components controlled by GFG include what we purchase for

use in our warehouses such as postage satchels and boxes for customer deliveries, polybags (clear sleeves used to protect products in warehouses and transit) and packaging used by own-brand suppliers including shipping boxes, shoe boxes, swing tags and polybags. Third party brands also send us products in shipping boxes and polybags and while we have less direct control, we will seek to influence them over time to make less impactful choices.

100% of GFG's countries are now using delivery satchels made from more sustainable materials to deliver goods to our customers, a 35% increase relative to 2020. In line with GFG Sustainable Packaging Guideline, we continue to use

delivery satchels which contain 100% certified post-consumer recycled content in ANZ, 80% certified pre-consumer recycled content in SEA, and at least 25% pre- and post-consumer recycled content in CIS. While it would be our preference to be using at least over 50% recycled content in this region, the sustainable packaging market remains extremely nascent. We will be continuing to pursue higher proportions. In LATAM, satchels in Brazil are made from 100% certified pre-consumer recycled content and certified compostable materials in both Argentina and Colombia while Chile was still undergoing the certification process on December 31.



Recycled satchels in SEA



Recycled satchels in CIS

SUSTAINABLE PACKAGING

In addition to our delivery satchels, we made notable progress in transitioning out of conventional to recycled polybags (clear plastic sleeves containing items), cardboard boxes and other packaging components sent to customers this year. In ANZ, Brazil and Malaysia, GFG is using certified recycled polybags whilst in Argentina, we use certified compostable polybags. We use FSC or PEFC certified cardboard boxes in ANZ, SEA, CIS and Brazil with a minimum recycled content of 75%. In ANZ, we transitioned out of conventional air pillows and tissue paper with FSC certified honeycomb wrap and 70% recycled content tissue paper. In 2021 57% of the packaging sent to our customers contained more sustainable materials, up from 29% last year.

We also continue to optimise our packaging design to ensure that our packaging is always fit for purpose, durable and easy to dispose of responsibly. In Argentina, Chile and Colombia, we did a review of packaging sizes and underwent the process of packaging standardisation and elimination whilst in ANZ, we added three more packaging sizes to ensure products fit well and no surplus packaging is wasted. In CIS, we ceased using red satchels due to the red pigment making it difficult to recycle in that market.

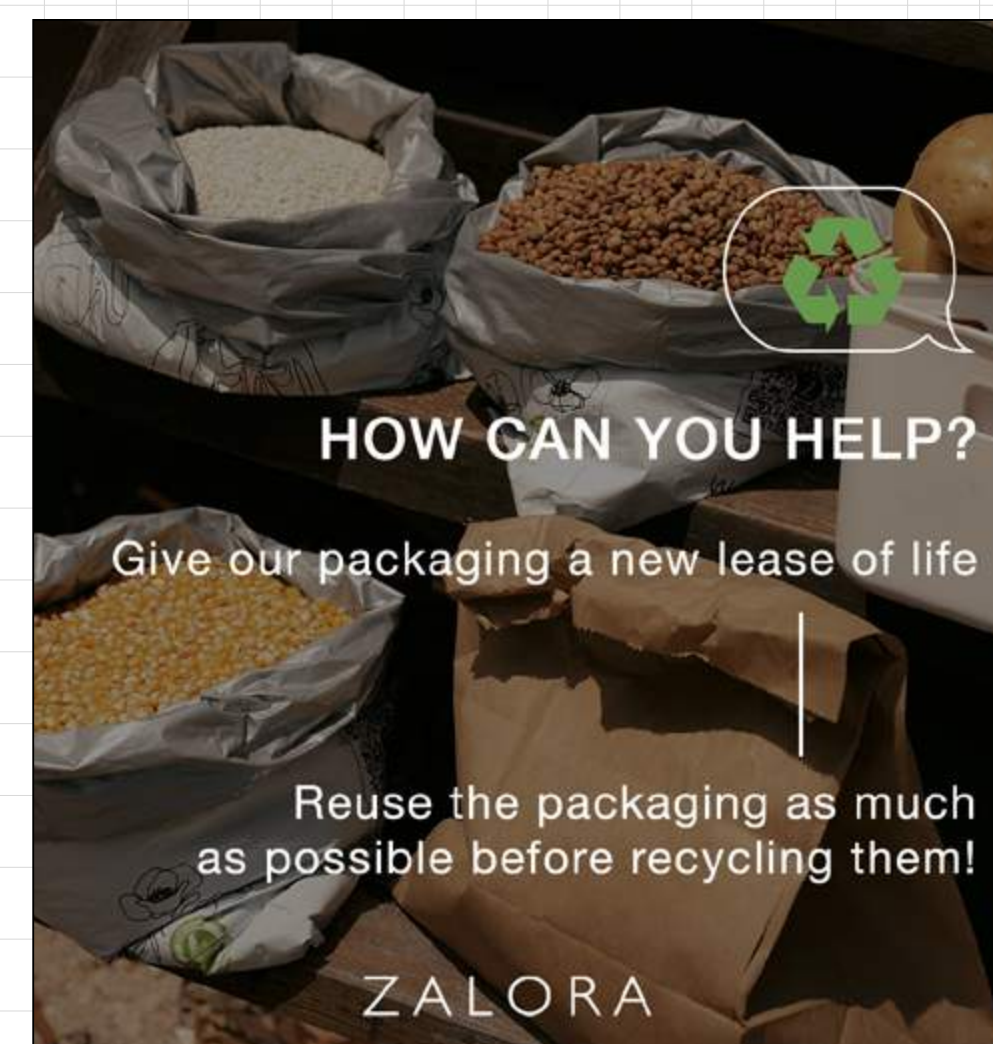
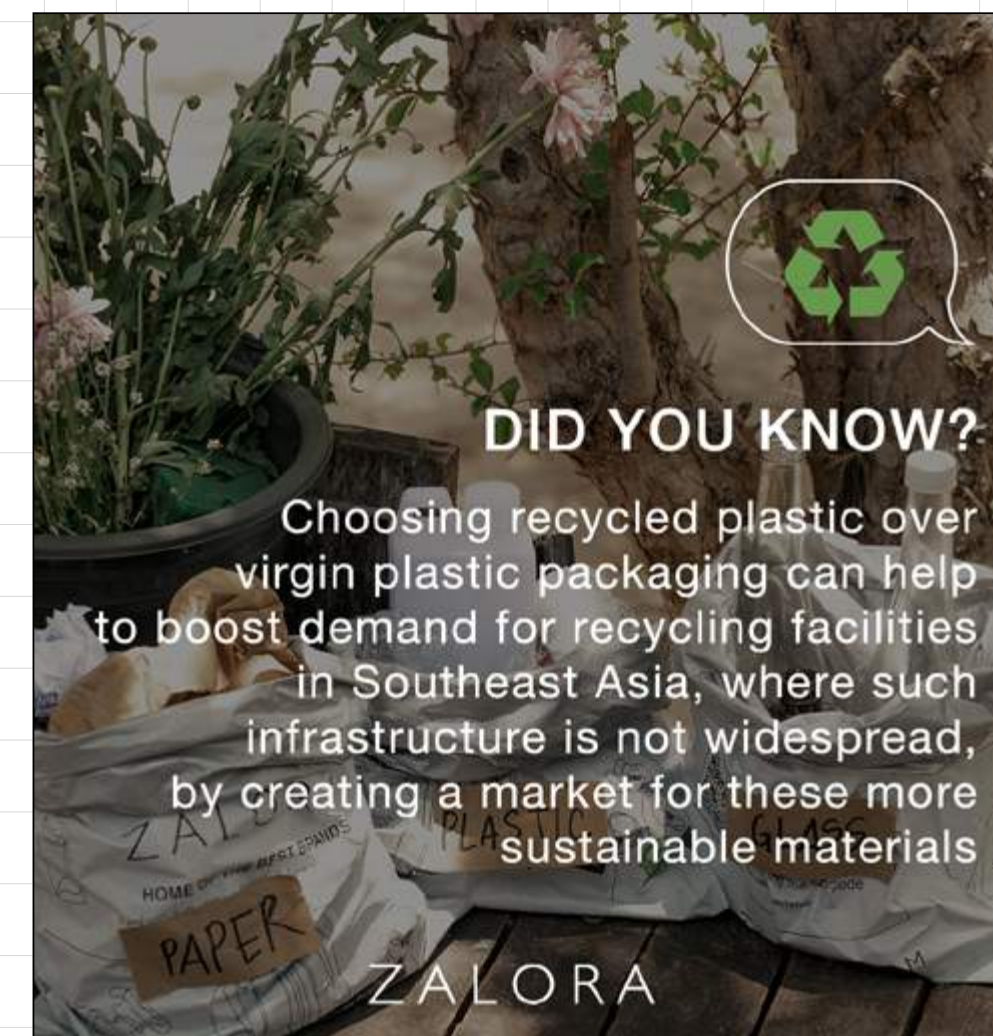
Aside from the packaging we directly use, influencing customer and supplier behaviours play an important part towards ensuring packaging in our supply chain is sustainable and properly managed.

THIS YEAR, IN SEA WE LAUNCHED A MARKETING CAMPAIGN TO RAISE CUSTOMER AWARENESS ON PACKAGING RECYCLING WHILST IN LATAM, WE TRAINED OUR OWN-BRAND COMMERCIAL TEAM ON SUSTAINABLE PACKAGING.

To accelerate own-brand suppliers' transition toward more sustainable packaging, we provided training on sustainable packaging and introduced more Packaging Preferred Vendors (PPVs) in the regions where we have own-brands, to accelerate their purchasing of more sustainable packaging. These efforts have resulted in our shoe suppliers in Brazil and Chile transitioning to FSC certified cardboard boxes, suppliers in ANZ switching to FSC Recycled certified paper based packaging including shipping boxes, tissue paper and tags as well as usage of polybag made from 100% certified pre-consumer recycled content for suppliers in SEA, ANZ and Brazil (certification in process). Overall, 20% of the packaging used by our own brand suppliers was made from more sustainable materials in 2021.



SEA customer awareness campaign on packaging recycling

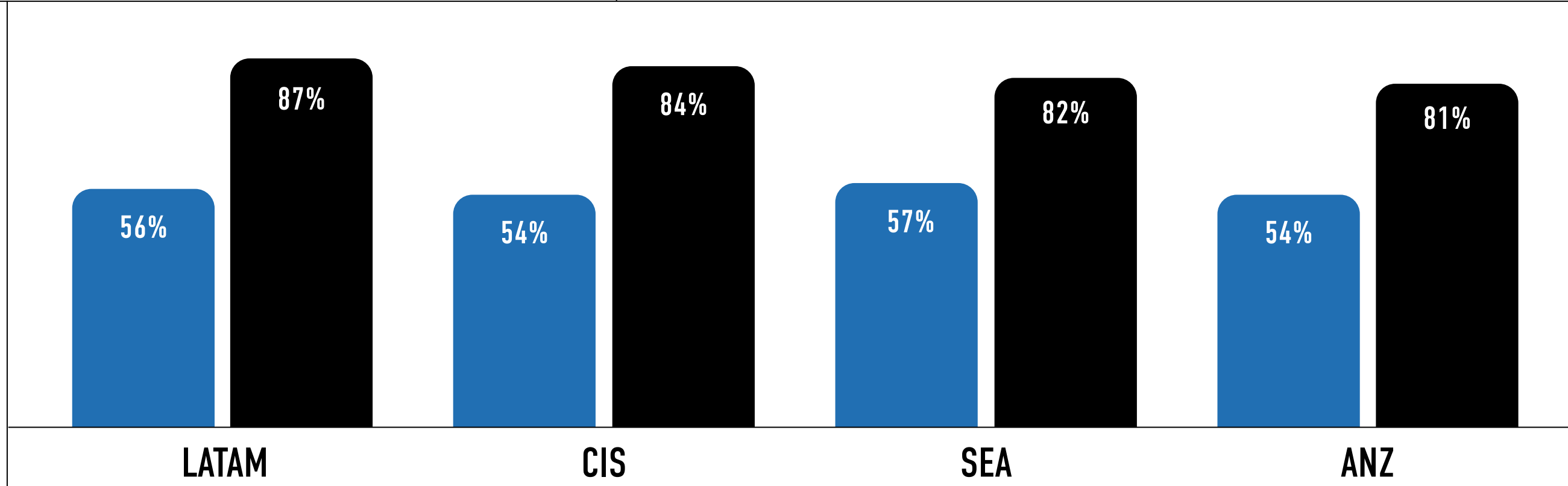


CUSTOMER ENGAGEMENT & CIRCULARITY SOLUTIONS

Customers are key in advancing sustainability in fashion and there will be no success in circularity without their engagement in this agenda. GFG is on a mission to influence the fashion ecosystem and drive supply and demand for more sustainable fashion in our traditionally underserved markets. Surveys of 16,000+ GFG customers during 2021 showed that 56% consider ethical and sustainable factors of a product before making the purchase and 85% see our platforms as a destination for more sustainable products.

With all GFG countries now offering customers the ability to filter by their values and shop a more sustainable assortment, we have continued to acquire more brands and products that meet our sustainability criteria such as made from >50% more sustainable materials, made by a purpose driven business (such as B Corp) or pre-loved. GFG has extended the range in ANZ this year to introduce adaptive fashion criteria, meaning in these regions it is possible to filter specifically for products designed to meet the needs of people with disabilities and other access needs.

85% OF OUR CUSTOMERS SEE OUR PLATFORMS AS A DESTINATION FOR MORE SUSTAINABLE PRODUCTS.



SUSTAINABILITY AS A PURCHASING FACTOR
 "I take into account ethical or sustainable qualities of clothes or shoes when I make the purchase"

HOW CUSTOMERS VIEW OUR PLATFORMS
 GFG as a place to shop for more sustainable products



Lamoda Planet Fashion Show



SEA's Earth Edit webinar

ACROSS THE GROUP, A COMBINATION OF STRATEGIC BRAND ENGAGEMENT AND ONLINE EVENTS HAVE CONTRIBUTED TO BETTER AWARENESS OF GFG'S SUSTAINABLE PRODUCT CRITERIA AND OUR VERIFICATION REQUIREMENTS, RESULTING IN THE RANGE MORE THAN DOUBLING FROM 90,000 TO 220,000 PRODUCTS.

We also continued to increase the accessibility and awareness of our sustainable assortment through the launch of dedicated landing pages for the sustainable shopper and a stronger social media presence. As a result almost 5 million of GFG's customers chose to shop within this range and it generated 10% of NMV. This is a critical success factor in GFG's mission to improve access to, and influence demand for and supply of more sustainable fashion in our markets.

CUSTOMER ENGAGEMENT & CIRCULARITY SOLUTIONS

CASE STUDY

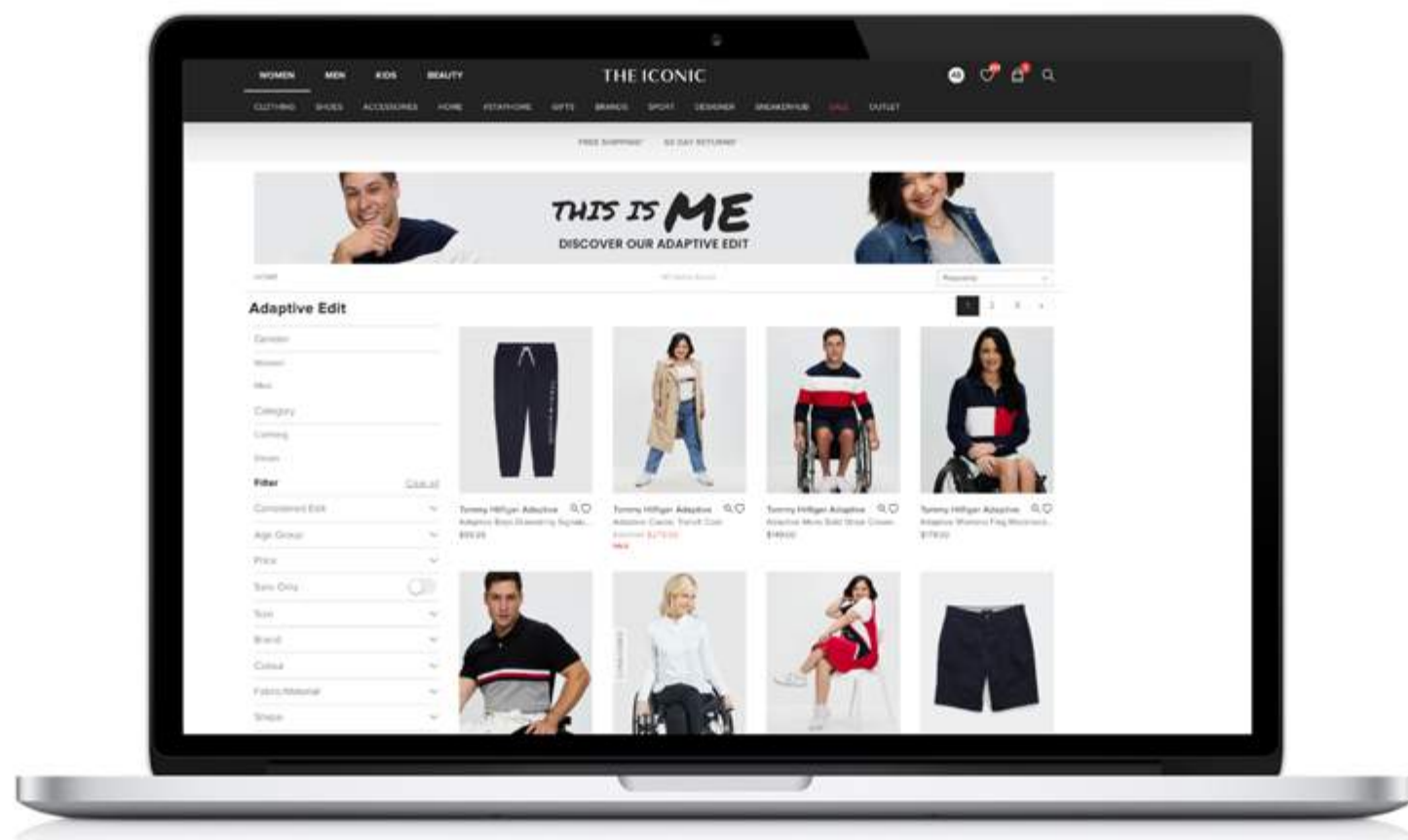
ADAPTIVE FASHION COLLECTION

According to the World Health Organisation, around 15% of the world's population lives with some form of disability. However, fashion choices for this 1 billion strong community are not very accessible. At GFG, we exist to empower everyone with the freedom of true self-expression through fashion and therefore created adaptive fashion edits on two of our platforms this year to better serve this community.

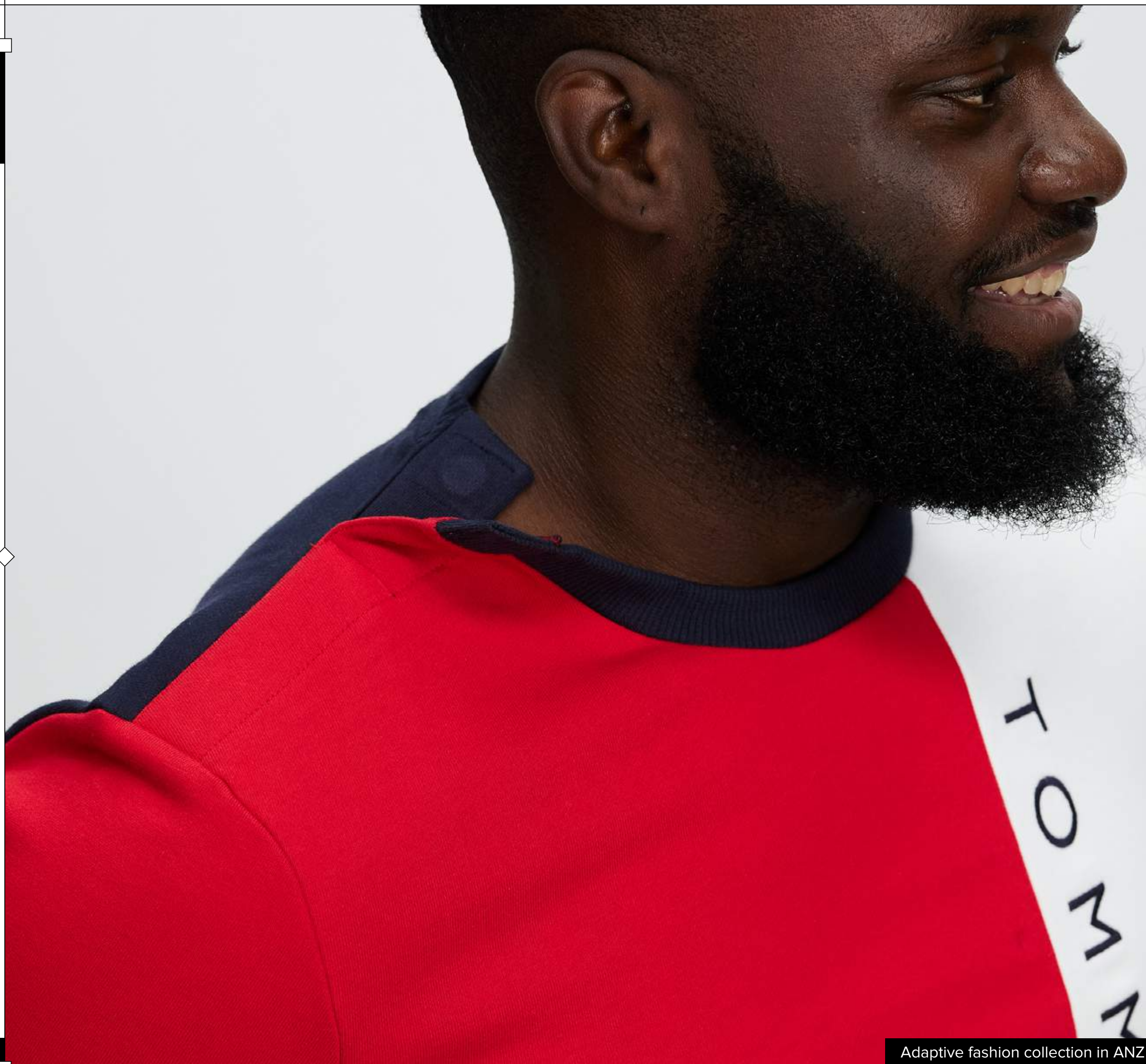
In August, we became the first major ANZ retailer to launch a tailored shopping destination for adaptive fashion. Items

that prioritise functional style and ease of dressing through features such as thoughtful closures, seated-wear solutions and fits for prosthetics across menswear, womenswear and kidswear. Items by Tommy Hilfiger Adaptive, Brisbane-label Christina Stephens, and Melbourne-based JAM The Label, created by Australian Occupational Therapists, Emma Clegg and Molly Rogers are available on our platform.

To date, we have more than 200 adaptive fashion items available at ANZ and served more than 500 customers, enable them to feel included and make dressing less of a hassle.



Adaptive fashion edit page in ANZ



Adaptive fashion collection in ANZ

CUSTOMER ENGAGEMENT & CIRCULARITY SOLUTIONS

Extending the life of products is the first step to transition to a circular economy. To keep products in a loop and foster responsible consumption behaviours, we must first provide customers with the accessibility to do so. Since our launch of pre-loved assortment in SEA last year, In LATAM, we partnered with Closeando, a secondhand women's apparel and accessories marketplace, to bring more than 1,700 items available to customers in Colombia, meaning 50% of our regions have a pre-loved assortment.

IN ADDITION TO SELLING PRE-LOVED ITEMS, WE ALSO NOW ENABLE OUR CUSTOMERS IN SEA AND ANZ TO BE PART OF THE RESALE ECONOMY BY EMPOWERING THEM TO RESELL, RENT, OR RECYCLE THEIR USED FASHION ITEMS.

Working with AirRobe in ANZ and Reflaunt in SEA, we are providing simple and accessible solutions to incentivise our customers to take action that will not only benefit the environment but also result in acceleration of the adoption of circular economy in our markets.

We continue to assist our customers to divert products from landfill at the end of life. Our take back solution in ANZ 'Giving Made Easy', a collaboration with Salvos Stores and Australia Post, has progressed very well throughout the year with 4,290 donations resulting in an estimated 17,936kg of textiles diverted from landfill in 2021. The increase was driven by marketing campaigns and an increased uptake of contactless donation driven by the COVID-19 pandemic.

Overall, these initiatives resulted in almost 300,000 apparel and footwear items diverted from landfill and donated to people in need.



PAST TARGETS

50%

of own-brand factories have participated in training programmes

TARGET EXCEEDED (70%)



100%

of own-brand water footprint mapped and plans in place to reduce impact

TARGET MET

100%

of the top 30 brands engaged on sustainability and minimum sustainability onboarding criteria for new brands operational

TARGET NOT MET 93%

100%

brands meeting GFG's human rights standards for brands

100%

Tier 1 factories assessed against living wages benchmarks where they exist

50%

of own-brand materials are traceable to the raw material



100%

purchase orders placed in line with responsible purchasing practices

100%

workers in Tier 1 factories can access an independent grievance mechanism

8,000

workers in Tier 1 factories have participated in training (related to ethical trade)

90%

workers in Tier 1 factories can access an effective in-factory worker dialogue mechanism



Workers in one of our Tier 1 factories in China

2030 TARGETS

FUNDAMENTAL HUMAN RIGHTS AND DECENT WORK

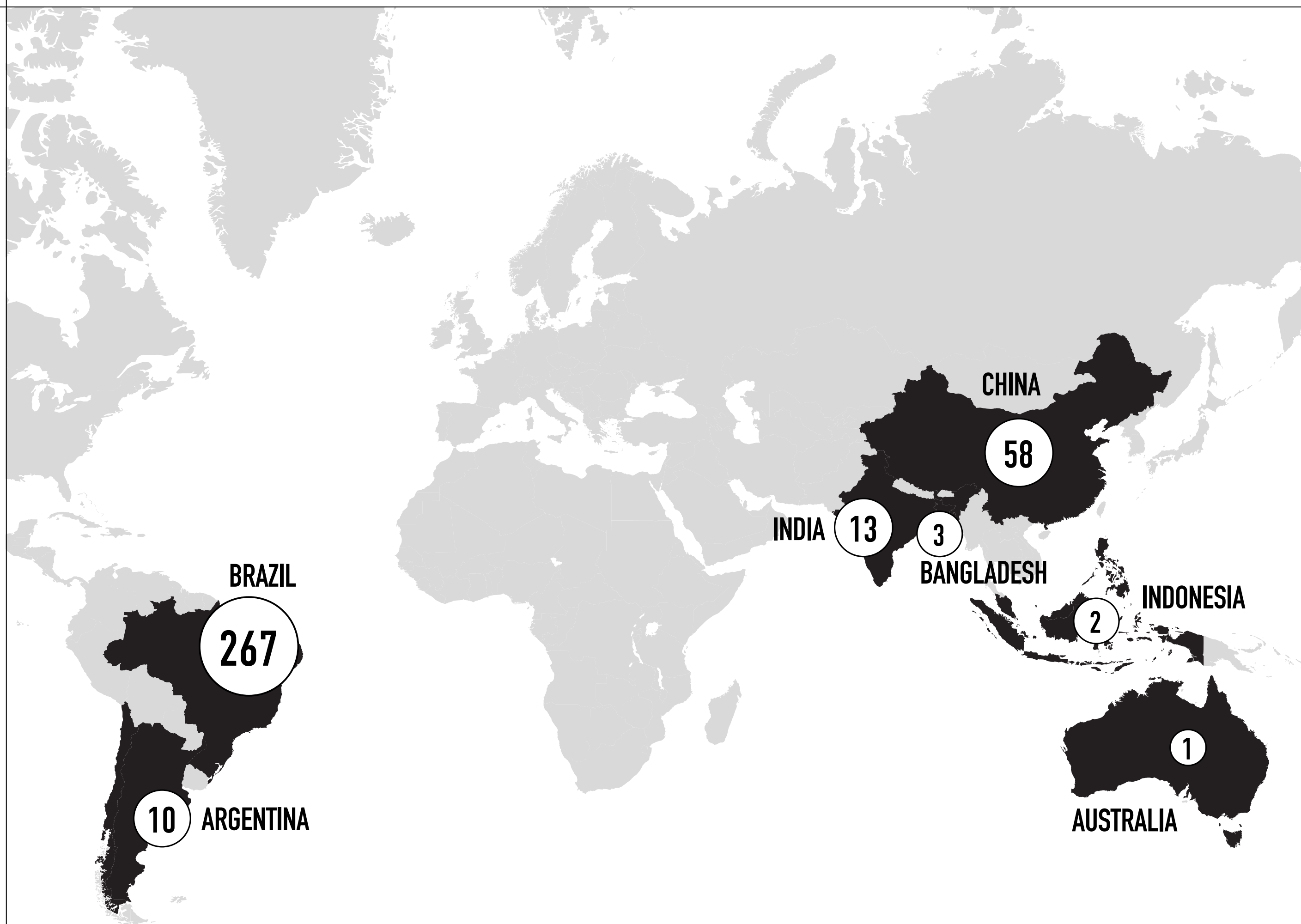
In line with our People & Planet Positive Agenda, applying the highest duty of care to people within our supply chain has always been the core of how we do business. We recognise human rights concerns such as excessive working hours and forced labour are intractable material issues in the fashion industry. While we have in place due diligence systems which facilitate the protection, respect and remedy of human rights, we are committed to actions beyond compliance which drive better working conditions outcomes and ensure human rights for the people that make our products.

We are committed to ensure our practices and responsibilities are aligned with the United Nation Universal Declaration of Human Rights and the United Nation Guiding Principles on Business and Human Rights, including in times with supply chain disruptions arising from COVID-19. In addition, we will demonstrate fair and ethical sourcing in our own-brand supply chain and will actively collaborate with our suppliers to improve workers' livelihoods. We will also work with brands who share our commitment and verify the existence of those.

We strengthened our involvement in Abvtex, the Brazilian responsible supply chain initiative by having two members i.e. LATAM Chief Operating Officer and Head of Legal to join the Abvtex Board of Directors. Dafiti secured a Top 10 position in the Brazilian Fashion Revolution Transparency Index for the second year and achieved 7th with the 3rd highest score growth out of 50 brands this year.

GFG has 57 own brands in LATAM, SEA and ANZ offering apparel, footwear and accessories products. As we do not own any manufacturing facilities, these products are designed in house and are made by contract manufacturers, of which we have established visibility. At December 31 2021 we had 354 Tier 1 factories in our supply chain, including subcontractors who manufacture whole or parts of our orders. The majority of our Tier 1 factories are located in Brazil, followed by China, India, Argentina, Bangladesh, Indonesia and Australia, which employed at least 40,267 people, 54% of which are female and 46% of which are male.

Most of our Tier 1 factory lists for our own-brands are now available at Open Apparel Registry, an open source map and database of global apparel facilities, in addition to on our own websites.



It is essential to GFG that we hold ourselves and our commercial partners accountable to the ethical standards that meet with stakeholder expectations, ensuring human rights and working conditions related risks are well managed, as described in Section 2.13 Risks and Opportunities Report of our Annual Report. This not only adds value to company-level risk management and compliance, but also creates spillover impacts to social and economic empowerment and improving resilience and living standards for the people in our supply chain.

All suppliers including own-brands and third party providers of goods and services to GFG are required to conform to our Supplier Code of Conduct which sets out our social and environmental performance expectations covering employment practices, working conditions, environmental protection and governance. This is inclusive of, but not limited to, suppliers' vendors, agents, factories, mills, farms involved in production of materials, inputs and raw materials further down the supply chain, even where GFG or its subsidiaries do not trade with them directly. Our Supplier Code of Conduct is publicly available on our website and incorporated into our contractual agreements with suppliers.

Assessment of the core human rights standards via an independent factory audit is the foundation of our work to ensure all Tier 1 factories adhere to

all elements of our Supplier Code of Conduct and before commencing production for us. As the first step of onboarding new suppliers, factory audits are conducted by our in-house audit teams in Brazil or third party providers. To reduce audit duplicity and financial burden on audit to our suppliers, we accept audits conducted in line with a recognisable social and environmental standard or policy similar to the GFG Code of Conduct within the past 12 months by third party auditors certified by the Association for Professional Social Compliance Auditors (APSCA).

Each audit is rated within GFG's in-house audit classification system which grades each non-compliance between minor and highly critical depending on its severity. Based on the severity of issues, each factory is then graded A-D. We only accept new factories to commence production for us if they are graded A or B. If any new factory is graded below B or any existing factory is found to have dropped below B after re-auditing, no production is approved until remediation on the non-compliances is completed within the limited remediation timeframe (determined by the nature of the issue). If a factory demonstrates no intention to remediate after several engagements by GFG, we will terminate our relationship and cease forward orders accordingly.

GRADE	ISSUE STATUS	ORDERING STATUS	NUMBER OF FACTORIES AT DECEMBER 31 2021
A	No or minor outstanding non-compliances	Approved for production	51
B	Outstanding major non-compliances	Approved for production	300
C	Outstanding critical non-compliances	New factories not approved for production; Existing factories have to complete remediation, following which they are not approved for production pending remediation	3
D	Outstanding highly critical non-compliances	Not approved for production pending remediation.	0



In 2021, we completed a total of 506 audits, 25 of which were announced, 73 semi-announced and the remainder unannounced. Of these audits, 358 were conducted remotely as a result of the limitations to site visits created by the COVID-19 pandemic. All factories in Argentina underwent in-person factory audits this year which were planned last year, but disrupted by the pandemic.

The most common labour related non-compliances identified by the auditing programme are insufficient and/or delayed social insurance payments and excessive working hours. The most common environmental, health and safety non-compliances are inadequate ergonomic support, no ongoing health & safety training, and inadequate electrical safety inspections. As highlighted above, the majority of our Tier 1 factories are graded A (14%) or B (85%). 1% of factories are graded C and production with these facilities is on hold while remediation takes place. As an example of our work to remediate complex working hours issues, we have worked closely with our SEA and ANZ factories in China to provide training on best practice management of working hours and how they can effectively implement working hours management systems in the factories. While we continue to work on resolving the more severe non-compliances, we also support graded B factories to improve their practices to achieve A classification and continuously

monitor all factories through factory visits and periodic engagements with factory management and employees.

We identified 12 cases of unauthorised subcontracting during 2021, where a supplier or factory manufactured an own-brand order in a facility that was not approved by GFG in advance of production commencing. Given this is a contractual breach, these suppliers have been formally warned and in some cases terminated as a result. In response to these occurrences we have improved our internal processes for factory onboarding and the corresponding communications to suppliers to prevent future instances. While GFG takes a pragmatic and collaborative approach, we have offboarded 28 factories that cannot meet with our requirements, doing so after all engagement efforts are



Workers in one of our Tier 1 factories in China

70%
OF OUR OWN-BRAND
FACTORIES HAVE
PARTICIPATED IN OUR
TRAINING PROGRAMMES
SINCE 2020

fully exhausted. Most resulted from unauthorised subcontracting or not being able to obtain or renew licences required by local law.

To accelerate our efforts in fair and ethical sourcing it is critical to build awareness and capabilities in both our suppliers and buyers on our requirements and how to effectively operationalise those requirements into our supply chain. We continued our virtual webinars this year providing six in-depth training sessions in English

and Mandarin to our own-brand factories and suppliers covering topics health and safety, preferred material, subcontracting, sustainable packaging, worker communication and grievance mechanism as well as modern slavery. In LATAM, training on chemical management, sustainable packaging, sustainable assortment and factory audit requirements have also been provided for our suppliers. As a result 86% for our own-brand suppliers and 70% of our own-brand factories have participated

in our training programmes since 2020, exceeding our 50% target for factories. Similar training topics have been tailored and delivered to the regions' own-brands and third party brands commercial team members, with a focus on factory audit requirements, preferred materials, sustainable packaging, sustainable assortment and responsible purchasing. Overall, 36% of our commercial team members have participated in sustainability or ethical trade related training programmes since 2020.

WORKER DIALOGUE & COLLECTIVE BARGAINING

Conducting independent audits is an important part of our due diligence on the factories manufacturing our own-brands. However audits are a compliance mechanism, providing only a snapshot of a factory's activities and the role of audits in increasing the ability of in our supply chain to access their rights of their own accord is limited. GFG is committed to building the capability of people in its supply chain to understand and access their rights, particularly in our own-brand supply chain and will test the effectiveness of factory grievance mechanisms and ensure access to independent ones.



Although ongoing limitations resulting from the COVID-19 pandemic have continued to restrict roll out of equivalent mechanisms in other countries, we continue to invest in the Amader Kotha helpline service for a key Bangladeshi factory supplying GFG across SEA and ANZ. In addition to providing training to new workers, push notifications have been deployed to workers' phones to remind them of the helpline service, which was effective in increasing uptake. In 2021, we have received a total of 76 issues and all have been resolved within the agreed time frame. The majority of issues were about wages & benefits (49%) and fewer than 20% required our intervention to resolve. We continue to engage regularly with factory management on the issues raised, the measures being put in place to resolve them at factory level and the corresponding communications to workers.



Helpline training for workers in Bangladesh

TRACEABILITY

Increased scrutiny from our customers and other stakeholders has made transparency a priority in the fashion industry. Establishing traceability beyond Tier 1 factories in our supply chain is key to safeguarding human rights and decent working conditions associated with our own-brand products, thus we are committed to build on our visibility on Tier 1 factories to trace our materials supply chain. As a part of updating our ethical trade framework in 2021 we have reviewed and revised our tier definitions to bring more rigour and consistency for reporting purposes.

At present we have full visibility in Tier 1 and 2 factories with only partial visibility of Tier 3 and 4 factories. By collaborating with our Tier 1 factories, we have achieved partial visibility of SEA's Tier 3 factories in China and Indonesia and all of the Tier 3 & 4 factories which serve GFG's Top 20 largest Tier 1 factories in Brazil. Looking forward, we are committed to implementing a scalable approach for traceability and will achieve traceability to the raw material for at least 50% of our own-brand products by 2030.

DEFINITION

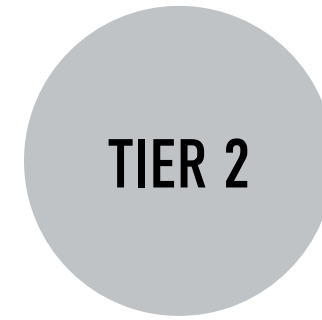
PROCESSES TYPICALLY COMPLETED



TIER 1

Production sites completing final stage manufacturing of orders

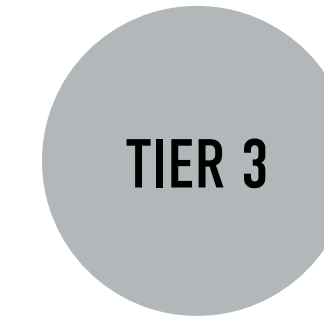
Cutting, sewing, finishing, packing, stitching, gluing, assembly, shipping



TIER 2

Production sites completing some or all final stage manufacturing processes of orders

Cutting, sewing, finishing, packing, stitching, gluing, assembly, storage



TIER 3

Sites completing enhancements to product

Sites completing enhancements to product



TIER 4

Fabric and components manufacturers

Knitting, dyeing, spinning, tanning, production of hardware and trims



TIER 5

Raw materials processing

Farming, ginning, synthetic extraction

AS A PART OF UPDATING OUR ETHICAL TRADE FRAMEWORK IN 2021 WE HAVE REVIEWED AND REVISED OUR TIER DEFINITIONS TO BRING MORE RIGOUR AND CONSISTENCY FOR REPORTING PURPOSES.



Sewing section in our Tier 1 factory in China

TRACEABILITY

CASE STUDY

ANZ EFFORTS IN ELIMINATING MODERN SLAVERY

GFG acknowledges modern slavery remains a systemic concern and can take place in many forms in the supply chain of fashion industry. Building on our zero tolerance approach for any and all instances of modern slavery across our business, in June 2021, we published our first Modern Slavery Statement in ANZ, in compliance with the Australian Modern Slavery Act 2018, highlighting potential modern slavery risks in our operations and supply chain, our actions to address those risks as well as future plans for 2021.

Traceability is critical to having confidence in the human rights conditions in all tiers of our supply chain. Transitioning the materials used for our own-brand products, over which we have greater control, to be made from materials that are certified to robust industry standards supports us to accelerate this agenda. The GFG Sustainable Cotton Directive, developed in 2021, bans specific regions of concern,

provides a traceability framework and sets the expectation of all cotton used for own brands of GFG to be more sustainably sourced and certified by 31 December 2025 at the latest. The preferred materials programme in ANZ advanced during the year, resulting in greater mitigation of noted risks, and 23% of the product coming from preferred sources.

Capacity building, policy development and operational risk assessments were also a key focus in ANZ. Building on training sessions with its commercial team and senior management in 2020, training on responsible purchasing practices was provided to the own-brand team and broader modern slavery training to the Category Management, Risk and Procurement teams and its own-brand suppliers.

Our third party brand partners also play a crucial role in our journey in eliminating modern slavery in supply chain. In addition to including comprehensive clauses relating to compliance with the prevailing laws related to modern slavery and supply

chain transparency, in ANZ we engaged with our largest brands to identify and increase their capacity for improvements. Refresher training for third party brands on modern slavery risks and issues is planned for 2022, building on the training conducted in 2020.

Lastly, responding to the modern slavery risks which exist in our operations, in ANZ we continued to conduct due diligence of labour service providers in our fulfilment center in 2021. This entailed assessing these vendors for the controls they have in place to ensure people working on site in ANZ are employed in compliance with legal standards and GFG Guiding Principles for Recruitment & Employment of Labour Service Provider Staff. Additionally, ANZ and other GFG Regions completed a risk assessment of labour service providers including last mile delivery service providers this year. Refer to page 44 for more information on due diligence and risk assessment on labour service providers in GFG.

“

At THE ICONIC, we fundamentally believe it is every human’s right to be treated with dignity and respect. While we know our stakeholders, from customers and suppliers to our own teams expect this of us, as a responsible business that is leading the way in transforming the retail landscape, we know this is not only the right thing to do, but the only way to do business.

ERICA BERCHTOLD,
CEO OF THE ICONIC

2020 MODERN SLAVERY STATEMENT

THE ICONIC



BRAND COLLABORATION ON SUSTAINABILITY

Beyond tackling the environmental and social impacts of our own-brand supply chain, GFG is in the majority a retailer, selling third party brands on our platforms. Upholding the minimum requirements as per our Supplier Code of Conduct is a prerequisite for all our third party brand partners, and beyond this we believe we can influence change in the fashion industry more broadly by advocating for decent work conditions and engaging with our brand portfolio on these topics.

Building on the sustainability assessment on 300+ GFG most commercially important brands we completed in 2020, we have been engaging those brands at global and local level to advocate for action on sustainability and identify opportunities for improved collaboration of the agenda. Increasing the availability

of more sustainable assortment and providing greater transparency to customers at the point of sale about sustainability attributes of products have been key focuses. As of December 31, we have engaged with 93% of our Top 30 brands on sustainability, an increase from 17% last year. As a strong supporter of the Brazilian responsible supply chain initiative Abvtex, in LATAM GFG has been advocating all its direct third party brand partners in Brazil to be certified under the Abvtex programme, with 67% of brands having done so thus far.

In addition, we have implemented a system to assess and monitor ESG risks associated with all third party brands.

Leveraging an external risk monitoring platform which uses artificial intelligence capability to generate comprehensive coverage of ESG risks, we use it to monitor ESG risks associated with brands on a daily basis and are incorporating the risk assessment into our due diligence process as a part of onboarding.

We are now monitoring third party brands (both retail and marketplace) contributing more than 95% of our NMV via the platform. This work lays the foundation for our commitment that all bands working with GFG will meet our human rights standards by 2030.



PAST TARGETS

100%

of agencies vetted consistently and comprehensively before onboarding



100%

of delivery providers mapped, working conditions risk assessment completed and high risk providers audited



100%

Implementation of a Group-wide Health, Safety & Wellbeing (HS&W) Policy and clear objectives for the maturity of our workplace practices



100%

International standard of reporting and governance of HS&W metrics with clear targets for achievement



2025 TARGETS

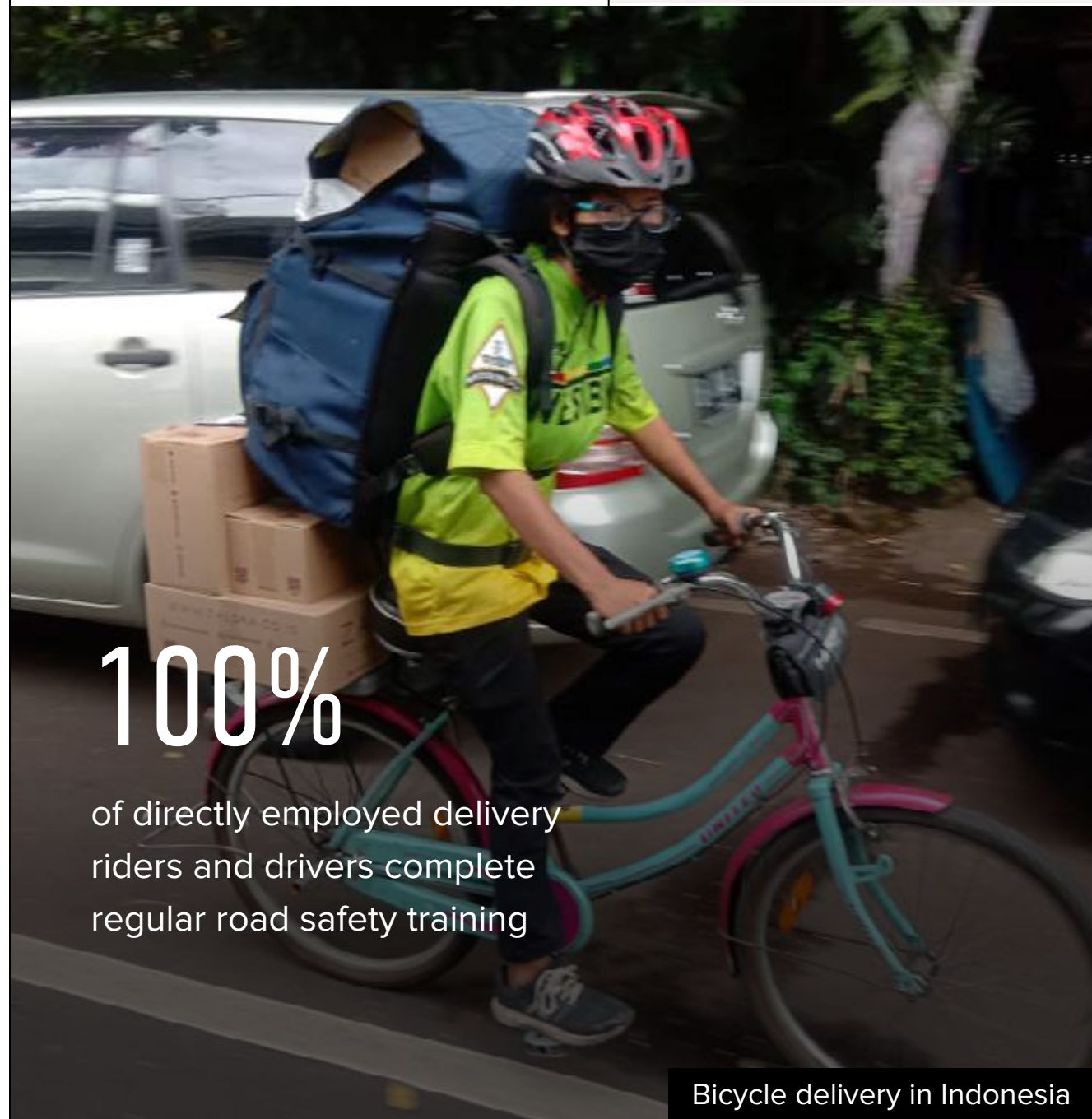
100%

of Senior Leaders complete quarterly safety walks & talks in all key operations



80%

or more of our employees "agree that wellbeing is a priority at GFG"



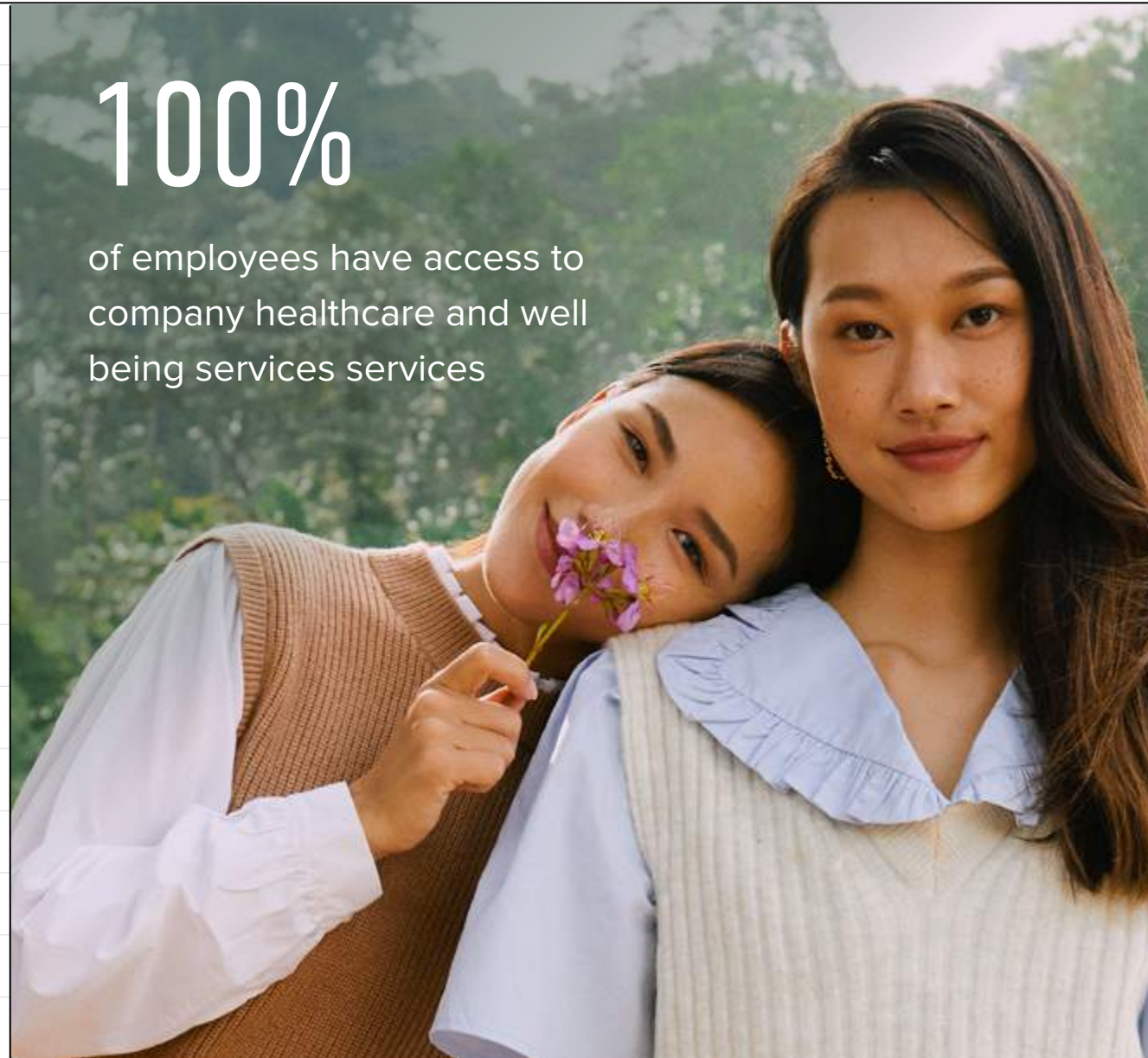
Bicycle delivery in Indonesia

100%

of directly employed delivery riders and drivers complete regular road safety training

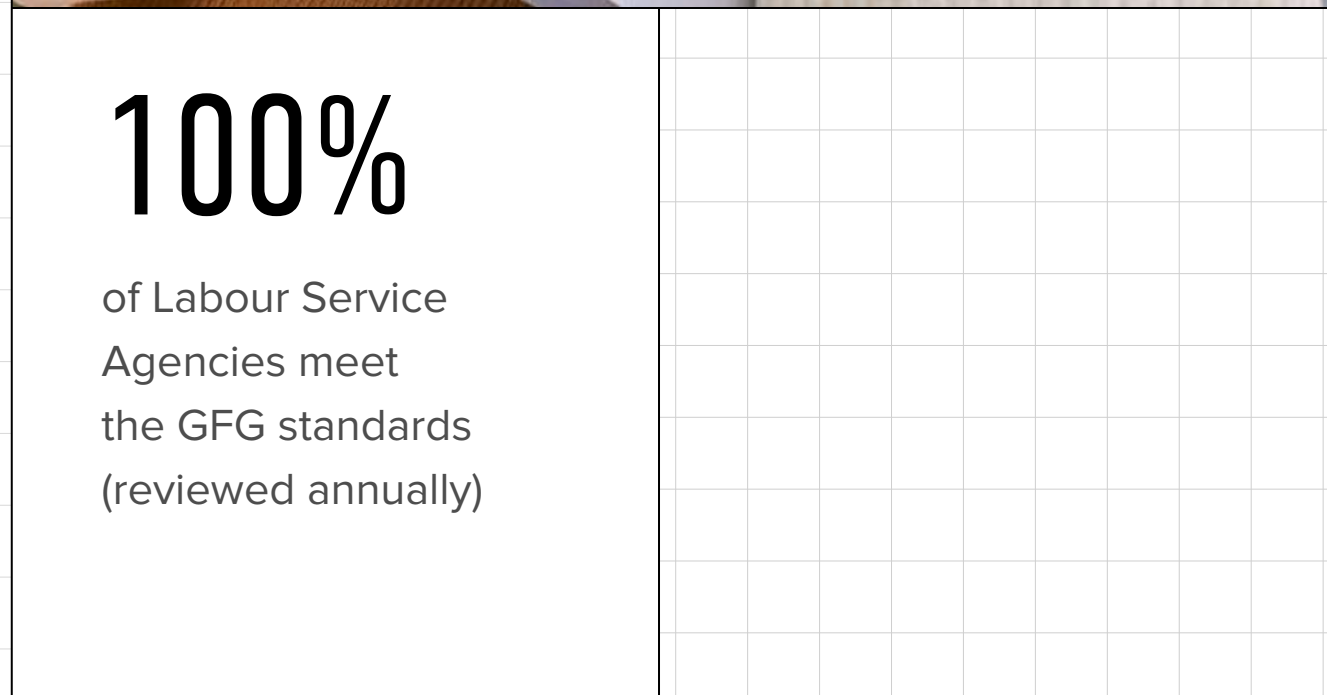
100%

of employees have access to company healthcare and wellbeing services



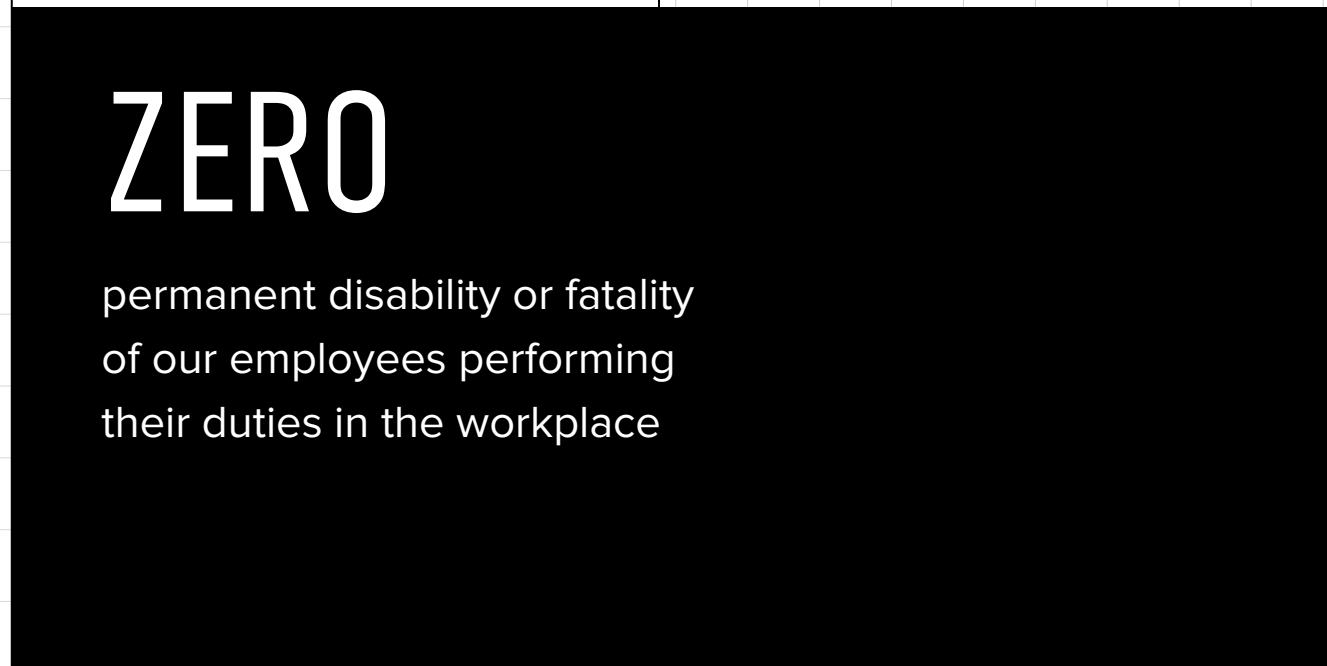
100%

of Labour Service Agencies meet the GFG standards (reviewed annually)



ZERO

permanent disability or fatality of our employees performing their duties in the workplace



2030 TARGETS

We continue our commitment to providing a workplace where people are able to enjoy a decent work environment and where the health, safety and wellbeing of our people is prioritised as described in Section 2.13 Risks and Opportunities Report of our Annual Report. Regardless of the nature of employment we are committed to uphold the basic right to decent working conditions and ensure strong health and safety management systems, governance and reporting mechanisms are in place. Our aspiration is to create:

A WORKPLACE WHERE PEOPLE ARE FREE FROM HARM, WHERE THE ENVIRONMENT ENRICHES THEIR WORK AND ALLOWS THEM TO BE THEIR BEST SELF.

In 2021 we remained a workplace free of any work related fatality and continued to strive for the highest level of safe work practices and in all our operations. This remains our commitment in coming years. We recognise the need to continue building the maturity in our Health, Safety & Wellbeing

(HS&W) management systems, where the culture in all our operations is one where “safety is everyone’s business”, visible and demonstrated in our daily operations with our people, extended to the new ways of hybrid working and supported by a clear management system and policies.

In 2021 we completed an internal assessment of all our markets with a particular focus on our delivery functions where operated directly by GFG. In all markets there was a minimum standard of health & safety procedures in place for our delivery riders and drivers with the highly mature safety management practices in place in our largest delivery fleet at Lamoda. The assessments have supported the build out of the HS&W strategy and target setting that will be implemented in 2022 onwards. In addition we developed the HS&W commitment statement (outlined to the right) and the Responsible Workplace framework.



OUR COMMITMENT

In 2021 we have formalised our policy commitment with the release of the Group-wide Responsible Workplace Commitment statement. This Commitment lays the foundation of the Group approach to delivering on our aspiration by ensuring:

- ◆ Leaders and employees know and understand their responsibilities for health, safety and wellbeing
- ◆ Measurable objectives and key results are set to support the health, safety and wellbeing programmes
- ◆ A health, safety and wellbeing management system and risk management programme is implemented, evaluated and maintained
- ◆ Injured or ill people are supported to in a safe and equitable return to work
- ◆ Health and Safety education is provided to our people, contractors and visitors and, by extension, better Health, Safety and Wellbeing outcomes are achieved

- ◆ Our people, leaders and stakeholders are consulted and engaged on Health and Safety issues that affect them, to facilitate a shared responsibility for meeting our Health, Safety and Wellbeing goals
- ◆ Adequate human and financial resources to manage Health, Safety and Wellbeing are provided, and these are not compromised by commercial priorities

Supporting our Commitment is the Group Responsible Workplace Framework which provides each local operating context the autonomy within a global framework to define the roadmap and localise in their market based on the priorities and risk areas. The Framework articulates the following principles:

LEADERSHIP & ACCOUNTABILITY

Visible and felt leadership, role modelling with shared accountability for ensuring a workplace free from harm.

ENGAGEMENT & EDUCATION

Education, awareness and investment in training, tools and resources

MEASURE & REPORT

Clear and simple measurement that creates transparency with reporting to drive proactive investment to improve and reduce risk of harm.

GOOD GOVERNANCE

Proactive compliance with authority and legislation. Effective and timely investigation and remediation.

Underpinning the strategic principles the Responsible Workplace Management System acts as an operational minimum standard which uses the external recognized ISO45001 standard as a guide to operationalise our intent.

MATURITY ASSESSMENT

The culture of the company and attitudes to Health, Safety and Wellbeing is essential to the ongoing success and achievement of goals. Therefore we have established a culture maturity assessment based on the ISO45001 standards and leverages other globally recognised models. As a part of

their Health, Safety and Wellbeing journey, each region conducted in 2021 an assessment of its own maturity. Overall our assessment is that as a group our cultural maturity toward Health, Safety and Wellbeing is at a dependence stage which means employees rely upon supervision, often reactive to

incidents and focused on being compliant. While this demonstrates we have work to do to deliver on our intent, the process has provided a useful framework for knowledge-building and self-assessment and together with regions we have used the results to support action plans and priorities to build a more independent state of maturity with a sustained proactive culture toward HS&W.

THE CULTURE OF THE COMPANY AND ATTITUDES TO HEALTH, SAFETY AND WELLBEING IS ESSENTIAL TO THE ONGOING SUCCESS AND ACHIEVEMENT OF GOALS.

TARGETS AND REPORTING

Building on this assessment we have worked with our regions to design a new set of HS&W targets for 2025 which reflect our desire to ensure “safety is everyone’s business” including:

- ◆ 100% of Senior Leaders complete quarterly safety walks & talks in all key operations
- ◆ 80% of our employees “agree that wellbeing is a priority at GFG”
- ◆ 100% of directly employed delivery riders and drivers complete regular road safety training

In addition by 2030 we aim to have extended company healthcare and wellbeing services to 100% of employees and to have maintained our record of zero permanent disabilities or fatalities of employees performing their duties in the workplace.

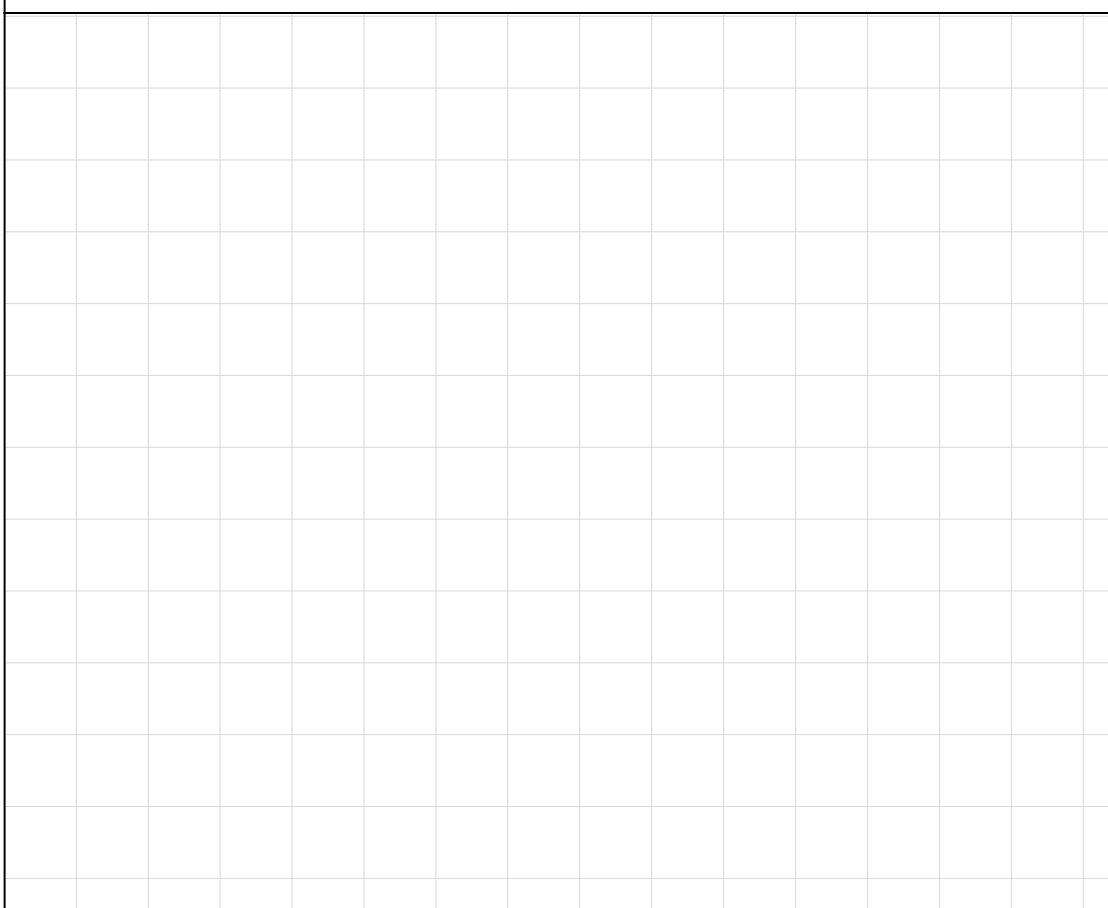
In 2022 we will work with all regional health & safety leaders and teams to ensure regional detailed actions plans are drafted for continuous development and progress against our maturity assessment. We will also improve the maturity of our reporting systems and cadence, introducing more consistent reporting requirements in the business on leadership and culture, number of near misses and incidents categorised by severity and health and safety satisfaction of employees. In particular, we seek to shift from “lagging” to “leading” indicator reporting. We see the opportunity to leverage improved reporting to drive higher levels of transparency, knowledge and ownership within the respective functions and positions accountable for HS&W, while also increasing the level of detail that is reported on group-wide.



GOVERNANCE

Our improved approach to reporting lays the foundation for better governance of the HS&W agenda across the Group and we believe regular and transparent reviews with all levels of leadership will ensure the space to make proactive decisions to improve policy, process, training and investment. In practice this means staff on the floor of our Fulfilment Centre through to the Management Board are talking about HS&W in the following forums:

- ◆ Daily stand ups and toolbox meetings
- ◆ Daily or weekly Operations leaders meetings
- ◆ Monthly regional leadership meetings with the local executive
- ◆ Monthly Business Review with each region by the Management Board
- ◆ Quarterly Sustainability Committee of the Supervisory Board



MANAGEMENT OF COVID-19 PANDEMIC

2021 saw a continued need to manage the impact of the COVID-19 pandemic across all our markets. As such we maintained our global approach to health, safety and wellbeing and maintained minimum standards and COVID Safe Protocols for our people, contractors and agencies. Our Global Task Force led by the Group Chief People Officer and Co-CEO has continued to operate, monitoring trends in the pandemic, adapting our policies as required and reporting on risk of infection

or exposure to infection across all our employee base. Hybrid ways of working have continued for previously traditionally based office employees and we have supported access to information and allowances or company provisioned home equipment to ensure safe and ergonomic ways of working at home. We have also ensured our people have access to science-based information on vaccinations, access to vaccines and regular testing either onsite or with local providers especially for those in our

fulfilment and delivery teams. Planning ahead to stage where the virus is endemic in most countries we will take forward the learnings and enshrine them in our Health & Safety management practices which will include integration of management of disease outbreaks. We will continue the emphasis on mental health and wellbeing with enabling access to healthcare, supplementary health services and mental health support.



LABOUR SERVICE PROVIDERS

GFG are committed that people employed via labour service providers and working in or for our operations are provided with decent working conditions as per our own employees or those in our supply chain. This year, we enhanced our approach to assessing and improving the working conditions of cohort of people and finalised the GFG Framework Management of Labour Service Providers. This Framework improves the foundation we have in place to ensure appropriate due diligence is in place in all our global operations and expands the scope of our work in this area to include last mile delivery providers, security, maintenance and cleaning agencies, contact centre

and marketing distribution agents as well as warehouse labour agencies. This positions us to comprehensively manage the risks and responsibilities associated with indirect employment where the people work on our sites.

Guided by the Group-wide framework, we comprehensively mapped our providers applicable to the Framework and completed a risk assessment, taking into consideration several risk factors which include national legislative environment on employment and company labour practices. 23 labour service providers, mostly last mile delivery partners, were identified as high risk and are now prioritised for further due diligence via audit. 25% of these labour service providers were audited this year and the remainder will be completed in 2022.

OUR FRAMEWORK AND VISION

OUR PURPOSE

EMPOWERING TRUE SELF EXPRESSION

Our shared group purpose is true self expression, it's the heart of our culture and part of our DNA, where everyone can be their authentic self and express themselves without fear.

OUR VISION

FREE FROM HARM

A workplace where people are free from harm, where the environment enriches their work and allows them to be their best self.

OUR PRINCIPLES



LEADERSHIP & ACCOUNTABILITY

Visible and felt leadership, role modelling with shared accountability for ensuring a workplace free from harm.



ENGAGEMENT & EDUCATION

Education, awareness and investment in training tools and resources.



MEASURE & REPORT

Clear and simple measurement that creates transparency with reporting to drive proactive investment to improve and reduce risk of harm.



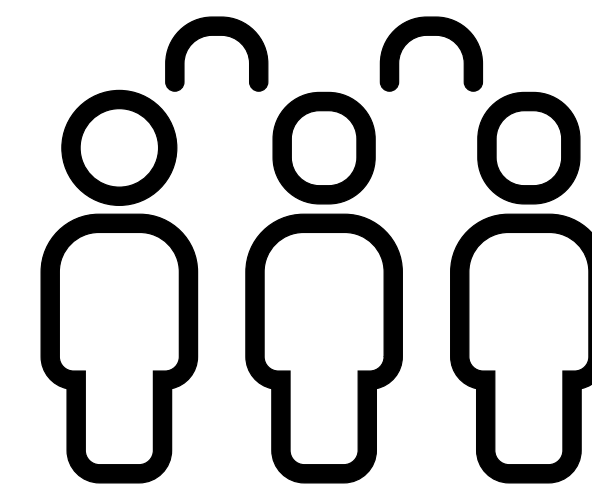
GOOD GOVERNANCE

Proactive compliance with authority and legislation. Effective and timely investigation and remediation.

OUR SAFETY CULTURE

A safe workplace is everyone's business, where people care and act responsibly because they want a workplace where everyone can be their best self free from harm.

DIVERSITY, INCLUSION & BELONGING



OUR FOCUS AREAS

Discover and attract, retain diverse talent

Inclusive workplace culture

Respect and celebrate cultural diversity

Gender equality and representation

Diversity of thought to drive innovation

2025 TARGETS



50/50

Gender balance in GFG Executive team & at least 1 female member on Management Board



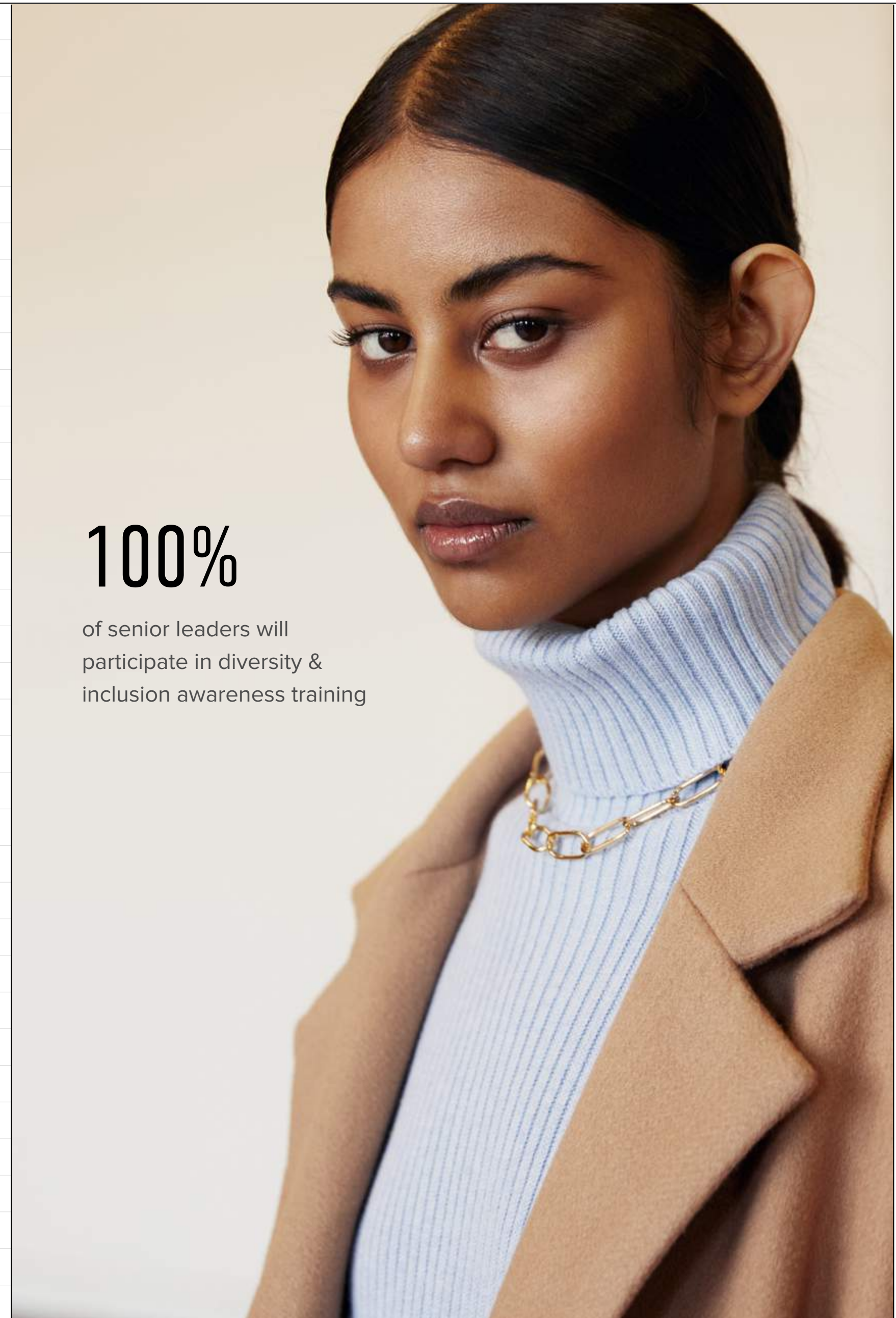
100%

of employees agree they 'feel a sense of belonging where they can be their true authentic selves at work'



50/50

The Supervisory Board maintains 50/50 Gender Balance



100%

of senior leaders will participate in diversity & inclusion awareness training

2030 TARGETS



2021 was a significant year that included the launch of our Diversity, Inclusion & Belonging (DIB) framework and laid the foundations of our commitments across the Group. This was a critical step in maturing our position, harmonising the approach across Group and accelerating our actions toward meaningful long term change. A key component was the development of the Group Diversity Policy which is now published in accordance with the German Corporate Governance Code.

Our belief at GFG is that every person has the right to be treated with dignity and respect and experience a safe workplace where they feel they belong. We strive for every person to have a pro-diverse and inclusive mindset. This is driven through Journey Maps that provide recommended goals and targets for local implementation by region. To progress our DIB Framework from strategy to action during 2021 we collaborated across the Group on developing localised journey maps which outline the specific goals, actions and aspirational targets that are relevant to the region and the community in which they operate. All regions have now mapped their baseline and established

an action plan for delivery in 2022 onwards. These plans reflect the differing levels of maturity and organisational readiness. As a Group we have created a platform of Resources and a Toolkit containing 7 levers of focus to ensure consistency, these include:

THE BASICS Clarify purpose, vision and basic understanding.

LOCALISATION Translate global framework to be locally relevant; contextualise the actions to your regions.

MEASURE Establish measurement approach and success milestones.

TRAINING & TOOLS Invest in capability, training, education and tools.

EMPLOYEE EXPERIENCE Reinforce DIBs across the entire employee experience from moments that matter to everyday interactions.

LEADERSHIP Empower inclusive leaderships - embed the key capabilities, traits of leadership in your region.

ACCOUNTABILITY Drive Executive, Senior leadership and Function Accountability & Alignment.

Highlighting the journey maps in action is the launch of LATAM's 'Map of Empathetic Speech' in June 2021. The core principle of the Map of Empathetic Speech is an invitation and a call for everyone to walk side by side in a journey of appreciation of human plurality and potential, empowering each person's self-expression. With a methodology based on participatory design, the LATAM team involved employees from different seniority and business areas to consider different cultural, social and ethnic realities, with the objective of incorporating different points of view. The map works like a dictionary of diversity, presenting the main inclusive terms and expressions about race, sexuality, gender and much more. Our people and more notably our leaders are empowered with a tool to ensure effective and inclusive ways to communicate to create a safe work environment where each person can be their true selves without fear. The map is also shared on LATAM's website.

PROGRESS IN 2021

In addition to building momentum against our DIB strategic plan and targets, we have developed three key strategic priorities to accelerate our progress and in alignment with the Sustainable Development Goals (SDG). These include:

INCLUSIVE LEADERSHIP TRAINING & AWARENESS TO ENSURE WE RECOGNISE AND REMOVE BIAS:

We will set out to embed the capabilities and traits of inclusive leadership into the design, development and reward practices of our leadership and management roles. We will ensure that every senior leader participates in DIB training and awareness at least once, annually.

ASSESSING AND REVIEWING OUR HIRING PRACTISES TO ENSURE INCLUSIVENESS AND ACCESSIBILITY TO ALL CANDIDATES:

We will review and adapt our hiring practices, and employer branding to ensure it is inclusive and accessible for all candidates. We will aim to mitigate biases and hone in on the career opportunities of underrepresented talent via internal opportunities, promotions and career development programmes. Equitable hiring and talent mobility reviews, strategies and measures will be conducted in each region.

ENSURE ACTIVE LISTENING AND WORKING WITH OUR EMPLOYEES THROUGH ALLYSHIPS AND OTHER EMPLOYEE FORUMS TO IMPROVE OUR WORKPLACE PRACTISES:

We will develop the mechanisms to create opportunities for leaders to actively participant in listening forums and action group such as Allyships or Employee Resource Groups that support the communities represented in our workforce.

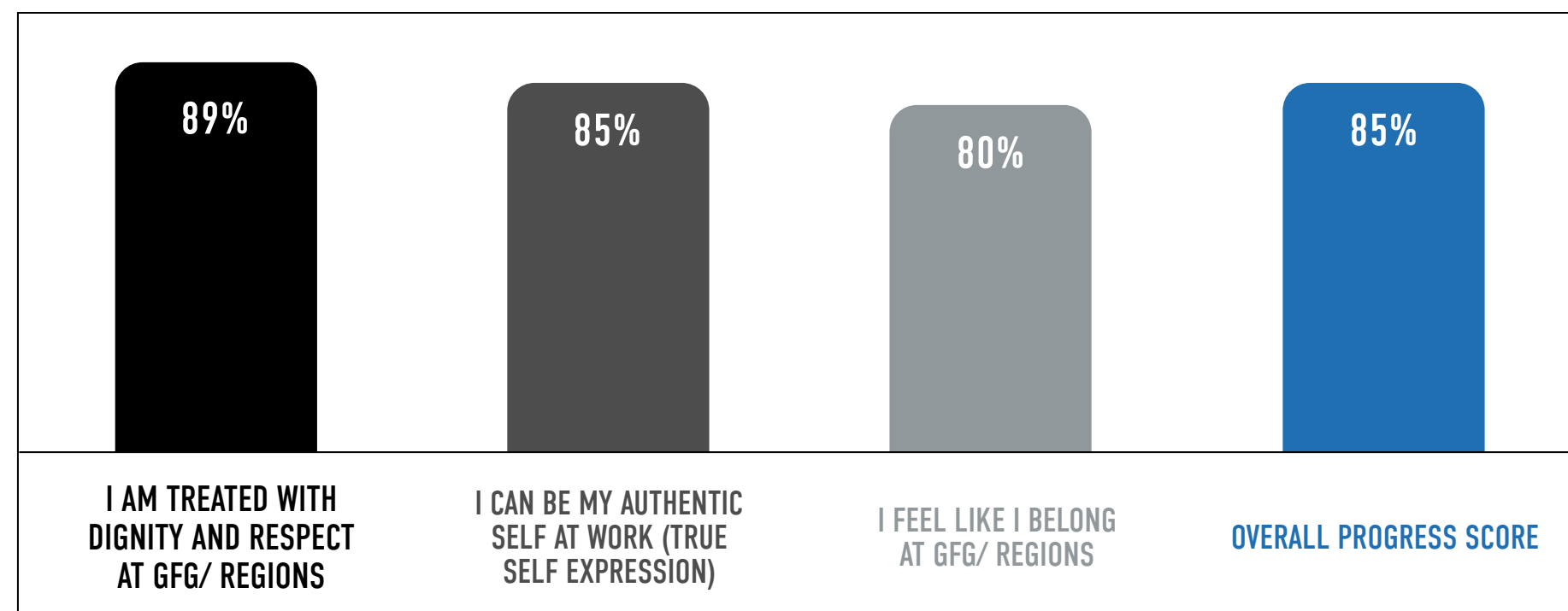
In 2021 we introduced a target to achieve 100% of employees agreeing they 'feel a sense of belonging where they can be their true authentic selves at work'. We assess our progress via an internal employee survey that asks three questions to derive a progress score.

In 2021 we measured for the first time with an overall score of 85%. From here this allows us to take action in regard to building an inclusive workplace and working toward our 2025 target of 100%.

In addition GFG maintained equal gender balance on the Supervisory Board and with the GFG Executive team with 50/50 representation of women and men. We also have made good progress in our extended leadership team with 40/60 representation of women and men respectively.

In reviewing our strategic priorities we are expanding our targets to include a critical goal that focuses on our leadership culture and in building an inclusive workplace. This new target is to achieve 100% of senior leaders having participated in diversity & inclusion awareness training by 2025.

We see this as critical to ensure our leaders are educated and have a strong level of personal awareness, supporting our efforts in hiring more diverse employees, creating awareness of the culture they are forming in their teams and building on inclusive practices in the workplace.



Members of GFG Diversity, Inclusion & Belonging Steering Group

GROUP-WIDE DIVERSITY, INCLUSION & BELONGING STEERING GROUP

Within our GFG corporate offices a Diversity, Inclusion & Belonging Employee Resource Steering Group was established to support and accelerate the DIB Journey Map development and delivery, for 2022 and beyond. To form the group it was essential that all of our people had the opportunity to join and be part of the working group established through an Expression of Interest Form with a 400 word statement. Once the group was formed, this led to the selection of two Group Leads through a blind voting process that excluded details that may bias the votes including names and other identifying factors. This supported members to make an objective, unbiased decision based purely on the answers to questions that were part of the process. All members had an equal opportunity to put themselves

forward as a group leader creating a fair and safe selection process, embodying and exemplifying the principles of our framework.

The group is now a diverse and inclusive representation of individuals who work together collectively to ensure an intersectional and collaborative approach is taken for everyone's voice to be heard. This is achieved through impactful educational campaigns such as culture celebration days and the sharing of stories and initiatives that honour and provide space for acknowledging and celebrating our differences.

Together, the Group is committed to driving meaningful change where everyone feels a sense of belonging and can be their true authentic selves at work.

PAST TARGETS

100%

of regions and the GFG corporate offices to have all best practices codified in one single reference document

TARGET MET

FINALISE

the implementation of ISO 31000 as part of our GRC 2.0 programme

TARGET MET

NEW

Whistleblowing policy reflecting new requirements of EU Directive 2019/1937

TARGET MET

APPOINT

Anti-Money Laundering officers in two additional countries

TARGET MET

100%

of countries where we operate have operationalised the GFG Conflicts of Interest Policy

2

countries to have Anti-Corruption and Anti-Bribery ISO 37001 Certification by 2022

ON TRACK 50%

100%

of professional skilled employees will have training & awareness on Business Ethics, depending on their role and function

100%

of countries where we operate have operationalised the GFG Political Involvement Policy

100%

of countries where we operate operationalise the GFG Responsible Marketing Promises & Principles

100%

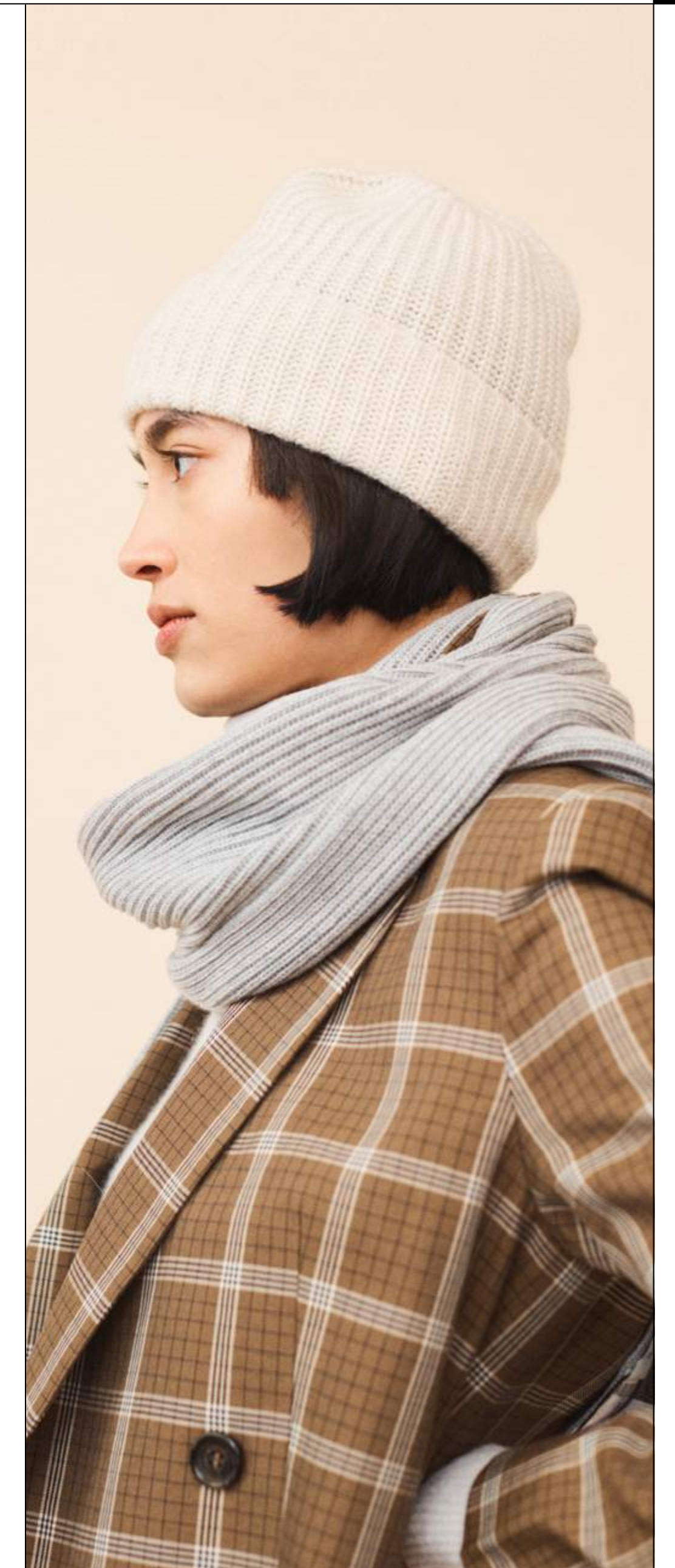
of countries where we operate operationalise GFG's Fair Treatment of Suppliers Policy



100%

of countries where we operate operationalise the GFG Product Governance Policy

2025 TARGETS

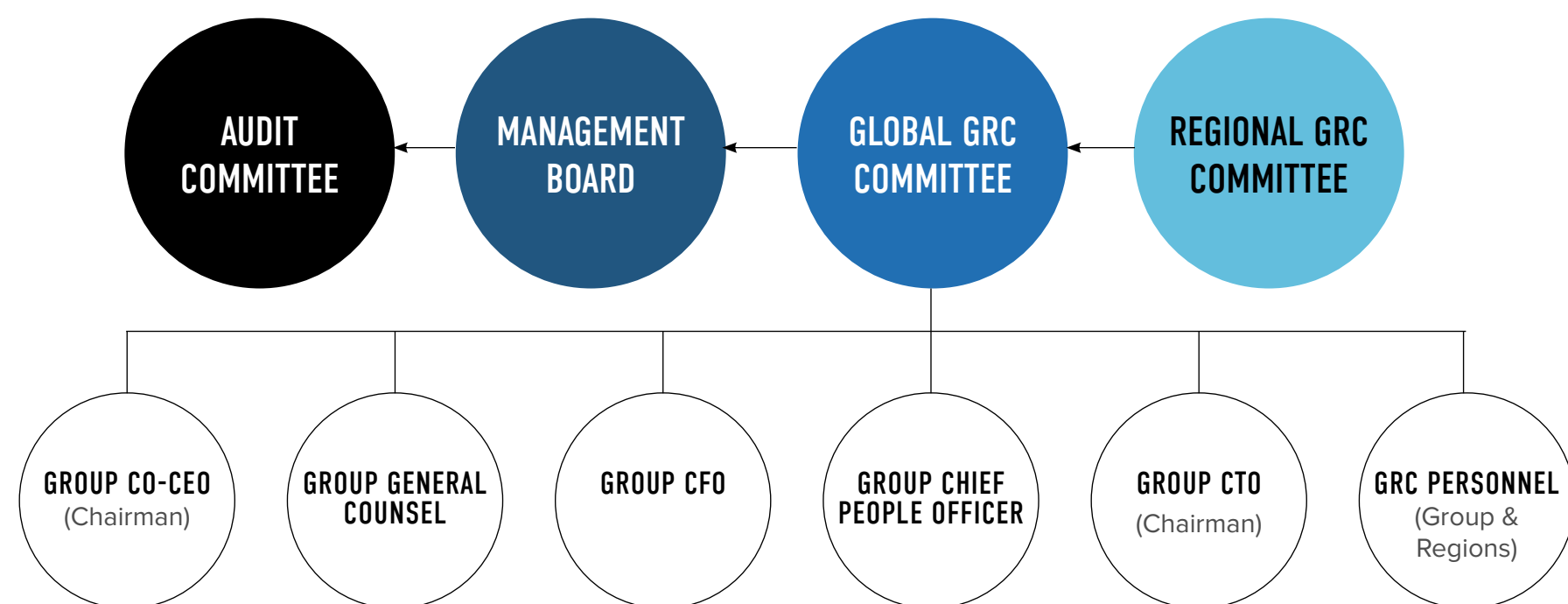


CORPORATE TRANSPARENCY AND BUSINESS ETHICS

EFFECTIVE & TRANSPARENT CORPORATE GOVERNANCE

Effective & transparent corporate governance is essential to ensuring that we realise our commitment to the highest standards of ethical corporate behaviour, good governance and doing business responsibly and with integrity for the benefit of all our stakeholders. In line with our desire to practice effective corporate governance, we oversee our Governance, Risk and Compliance (GRC) matters through a comprehensive GRC governance structure introduced in 2019, as indicated in the graph below:

Our Global GRC Committee together with our Regional GRC Committees, oversee the coordination, development, and implementation of the GRC programme for the Group in order to serve as an effective system of checks-and-balances, which take into account, amongst other things, the strategy and business needs of the Group, applicable laws and regulations, key stakeholders as well as social, political, environmental and public policy conditions.



BUSINESS ETHICS, TRAINING & AWARENESS

At GFG, we conduct our business with intention and integrity. It is our belief that complying with the highest ethical and behavioural standards drives success and benefits our stakeholders, globally. The Supervisory Board, Management Board and the Group’s Executives plays a key role in acting as a role model and providing the “tone from the top”. They must consistently demonstrate their commitment to integrity and high ethical standards through their attitudes and actions, in line with the Code of Conduct.

GFG’s commitment to the highest standards of ethical corporate behaviour is enshrined in the Company’s Business Conduct & Ethics Code (Code of Conduct), which is available to and sets the benchmark for all employees, directors and officers worldwide. The standards established by the Code of Conduct translate legal and regulatory requirements as well as our core ethical values into clear, precise and understandable guidelines. The Code of Conduct was refreshed in 2021 to reflect enhanced maturity across a number of areas. This includes codifying our vision of being People & Planet

Positive, Worldwide, as well as establishing our commitments to Diversity, Inclusion & Belonging, Responsible Workplace and No Bullying, Discrimination & Harassment including in a Hybrid Working Environment. The Code of Conduct also sets forth a series of protocols which seek to prevent conflicts of interest, and in 2021, we promoted a campaign to raise awareness on this topic. The foundations laid in 2021 will be solidified in 2022 with full global roll-out.

The Supervisory Board, Management Board and the Group’s Executives plays a key role in acting as a role model and providing the “tone from the top”. They must consistently demonstrate their commitment to integrity and high ethical standards through their attitudes and actions, in line with the Code of Conduct.

Our comprehensive suite of policies, which most are available in local languages where necessary, along with our Code of Conduct, enshrine the expectation we have to operate in a way that protects and benefits all our stakeholders. We added a new Speak Up! & Non-Retaliation Policy in 2021 which is being globally launched. This complements our external anonymous Speak Up! Line operated by Navex.

We conduct regular training and refreshers on our policies in a variety of formats across the Group, including face-to-face or “live stream”, e-learning videos, virtual engagement, quizzes and awareness campaigns, with materials available on our intranets. Tailored training sessions are also delivered to specific functions or stakeholder groups, in line with their duties and their risk profiles. This facilitates direct engagement with and the support of the Legal and Compliance teams across the Group.



CORPORATE TRANSPARENCY AND BUSINESS ETHICS

RISK MANAGEMENT

In 2021 we finalised the implementation of ISO 31000 as part of our Enterprise Risk Management Framework which governs risk management across the Group. Risk registers are in place and quarterly reviews take place to ensure the effective management and mitigation of salient risks. This combines with the lines of defence model that ensures efficient consultation on and management of risk across the Group, underpinned by the Regional and Global GRC Committees.

We have a robust Internal Audit function acting as a third line of defence. The function provides objective assurance and consulting with the purpose to examine and evaluate the Company's activities across the Group in order to add value and improve operations. This is in service to Management, the Management Board, and the organisation as a whole, with the team reporting directly to the Group Audit Committee and ultimately protecting the interests of all stakeholders.

ANTI-BRIBERY & ANTI-CORRUPTION

The Group operates a zero tolerance approach to all forms of bribery, corruption and fraud. We serve customers in 17 countries and work with brands and suppliers across several more. Operating on a global scale exposes us to the risk of violation of anti-corruption and anti-bribery laws and regulations worldwide. Such matters could have further detrimental effects on our business, resulting in significant harm to our Group's reputation, and/or the loss of brand partners, suppliers and our valued customers.

We actively manage these risks by operating a global Anti-Bribery and Anti-Corruption programme based on international standards which prohibits the offer, acceptance, payment, or authorisation of any bribe or other form of corruption, be it with the private sector or with governments. The programme applies to all employees, directors and officers of the Group along with any third parties acting on behalf of the

Group and includes a combination of various policies and procedures, including a global Anti-Bribery and Anti-Corruption Policy, a Third Party Due Diligence Procedure, Gifts and Hospitality Policy, Sanctions Policy and Code of Conduct, combined with Governance Manuals, global training for all employees and other internal controls and prevention measures, which are routinely monitored and refreshed.

The strength of our pledge and policy against corruption and bribery was formally recognised in 2020 with Lamoda joining the Anti-Corruption Charter of Russian Business and in 2020, receiving the ISO 37001 Anti-Corruption Management System certificate, making Lamoda the fifth company in Russia to join an external pledge which confirms our zero tolerance attitude towards corruption. This certification was maintained in 2021 and Lamoda will requalify every two years thereafter. We are also working towards obtaining the same certification for at least two other countries within our Group by the end of 2022.



A TRUSTED PLATFORM

SOCIAL GOVERNANCE IN THE MANNER WE BRING PRODUCTS TO THE MARKET

The Group recognises both its responsibility in bringing products to the market in a safe manner, and its market position, which enables us to be leaders in making positive, sustainable, economic and social impact and affect industry-wide change. During 2021 we developed GFG's Our Responsible Marketing Promises & Principles, which enable us to tell the stories that need to be told within the fashion industry in a socially responsible way. The Group is committed to building trust with all of our stakeholders, and part of this commitment is achieved through responsible marketing practices and communications globally. In 2022, we will publish and operationalise our Responsible Promises and Principles by adopting comprehensive local guidelines and procedures applying to our Retail and Marketplace models.

RESPONSIBLE USE & SAFEGUARDING OF CUSTOMER DATA

Our business is powered by science and our teams are dependent on the effective use of technology to continue to innovate and develop smart solutions for our customers, brand partners and internal stakeholders.

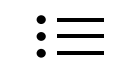
The Group is committed to applying high standards of data protection and data security. As an integral part of our risk management framework, we endeavour to meet international best practices and national data security standards in all of the Regions we operate. The Group Chief Information Security Officer leads the Information Security team and reports to the Chief Technology Officer. The Audit Committee is briefed on information security on a regular basis.

The applicable data privacy policy in each of the territories in our Regions provides an explanation of our privacy practices including the purpose of the collection. User information is in general processed to provide and improve our services, to enhance user experience on our platform, to provide customer service, and to provide users with personalised advertising and marketing communications

limited to our platforms. In limited circumstances and subject to applicable laws, user information may also be processed to detect, prevent, mitigate and investigate fraudulent or illegal activity or comply with regulatory requirements.

All of the territories in our Regions are regulated by their respective national data protection regulations. The Privacy Policy in each of the territories in our Regions provides an explanation of our privacy practices in the respective territories. Subject to the requirements provided under relevant national data protection regulations, the said Privacy Policies cover user information that is collected; how user information is used, disclosed and stored; the purpose of the collection (including advertising purposes); our use of cookies or other tracking technologies to enhance our user online experience and the rights of our users in relation to data privacy.





PARTNERSHIPS & COMMUNITY



At GFG, we acknowledge our capacity in enabling opportunities and betterment to society through our extensive footprint. Thus, as part of our sustainability journey towards *People & Planet Positive, Worldwide*, we are committed to play an active role as a corporate citizen and create shared value to empower the communities wherever we operate.

COMMUNITY CONTRIBUTIONS

Building on GFG's global framework for community investment which guides implementation of community initiatives and prioritisation work on community issues completed by each market in 2021, we have selected environmental issues as the primary emphasis in our community programme, although we will continue to be involved in other issues on an adhoc basis. We are committed to scaling the positive impact we have to date and aim to achieve 20,000 employee volunteering hours by 2030.

In 2021, we made significant progress with all regions having established partnerships with charitable organisations up from only 1 region last year. ANZ's partnership with Thread Together, a charity that supports vulnerable groups such as refugees and indigenous communities with new clothing diverted from the fashion industry, has continued since 2018. LATAM introduced its local community strategy which guided the identification and onboarding of 9 charities across Brazil, Argentina, Chile and Colombia. To highlight just one activity with our partners, LATAM partnered with Cascos Verdes in Argentina to provide environmental education programmes in both physical and virtual settings to people with intellectual disabilities at the university level.

While COVID-19 remains a threat to people's livelihoods, our e-donation drives in SEA continue and have expanded their outreach, offering our

customers the opportunity to donate to 15 organisations with a click at their fingertips, up from 10 last year. By the end of 2021, we raised close to €58,000 from our customers since we launched this initiative in 2020 and these donations have been channelled to a variety of organisations dedicated to disaster relief, humanitarian and food support, medical supply, education, nature conservation and animal welfare. In LATAM, our employees in Brazil participated in Project Abrace, providing 78 food baskets for vulnerable families in São Paulo whereas in London our employees diverted 285kg of unwanted clothes and shoes from landfill by donating them to TRAIID, a UK-based charity, resulting 2.7 tonnes carbon reduction and 456 m³ water savings. A similar initiative was conducted by the team in Russia where our employees donated close to 9,000 clothes to local charity Vtoroe Dykhanie.

In addition to raising donations from customers, GFG has donated €37,263 and 20,787 units of excess stock to 3 charities this year. In Australia stock was donated to Thread together to support their response to the floods in March. €25,000 was also donated for their flood relief response. Monetary donations were also made to Cascos Verdes in Argentina for purchase of study materials and offer scholarships to more people in need and Cerros Orientales, a natural conservation organisation in Colombia, for tree planting activities.



ANZ supporting Thread Together event



SEA e-donation drives in Philippines



Employee volunteering in ANZ

EMPLOYEE VOLUNTEERING

This year, we have made significant progress on our employee volunteering programmes in both physical and remote settings despite the pandemic remains a concern in many locations we operate in, with employee volunteering hours increased more than 9x to 2,839 hours compared to the previous year.

Since the launch of dft social in LATAM, a one-stop platform for all employees to connect with volunteering opportunities provided by local NGOs (see case study on page 57 for more details), we have experienced a strong uptake and recorded 675 employees participating in volunteering programmes related to environment or social inclusion in 2021. In addition to picking and packing support provided by ANZ's employees, we leveraged on our expertise in inventory and logistics management and organised a week-long operation, a hackathon with a focus on operations management, to deliver tangible solutions for Thread Together. Similarly in Russia our loyalty programme team volunteered to support local charity Vtoroe Dykhanie, a local charity to launch its own loyalty programme. As we expect remote working to continue during 2022, GFG will continue to explore remote volunteering opportunities especially in countries that were not able to deliver much progress on employee volunteering over the past two years.



Employee volunteering in LATAM



CASE STUDY

ONE-STOP VOLUNTEERING PLATFORM IN LATAM - DFT SOCIAL

As much as we would like to provide opportunities for our employees to give back to the society through volunteering programmes, we want our employees to take ownership in participating in volunteering programmes at their choice contributing to good causes that align with their personal values. To instill such culture in our workplace, LATAM collaborated with Atados, the largest volunteering platform in Brazil, first launched dft social in Brazil in June 2021 and later expanded to Argentina, Chile and Colombia. Dft social is now the one-stop volunteering platform that enables employees in all LATAM countries to conveniently access volunteering opportunities from our NGO partners.

Our NGO partners, after being identified in alignment with LATAM community strategy and completed our third party due diligence, will work with LATAM's community team

to identify volunteering opportunities that can be made available to our employees at dft social. Through dft social, our employees can easily find accurate information in both Portuguese and Spanish and register for opportunities that they are most passionate about without the hassle of going through various public websites. As of 31 December 2021, there were more than 14 volunteering opportunities from 4 NGOs listed in dft social.

One of the successful volunteering opportunities we offered this year is the "Mentoria Pra Cima" programme in collaboration with Atados and the Brazilian Israeli Union for Social Welfare (Unibes), an organisation founded in 1915 dedicated to serve children, teenagers, the elderly and families living in socially vulnerable situations in Brazil.

The programme, through an innovative methodology to guide conversations, aimed to train volunteers so that they could contribute directly to the personal

and professional development of young people in situations of social vulnerability. With this methodology, 25 LATAM's leaders have been trained by Atados trains our employees to become competent mentors to provide 1:1 guidance and advice to Unibes' young apprentices on career and personal development for 3 months. This initiative was well received by our employees and participants from Unibes, as shared through many testimonials thus far.

Together with our NGO partners, dft social has elevated the volunteering experiences in LATAM resulting in an encouraging surge of volunteering participation from our employees. In 2021, LATAM recorded a total of 2,483 employees volunteering hours, a strong recovery from zero last year impacted by the pandemic.



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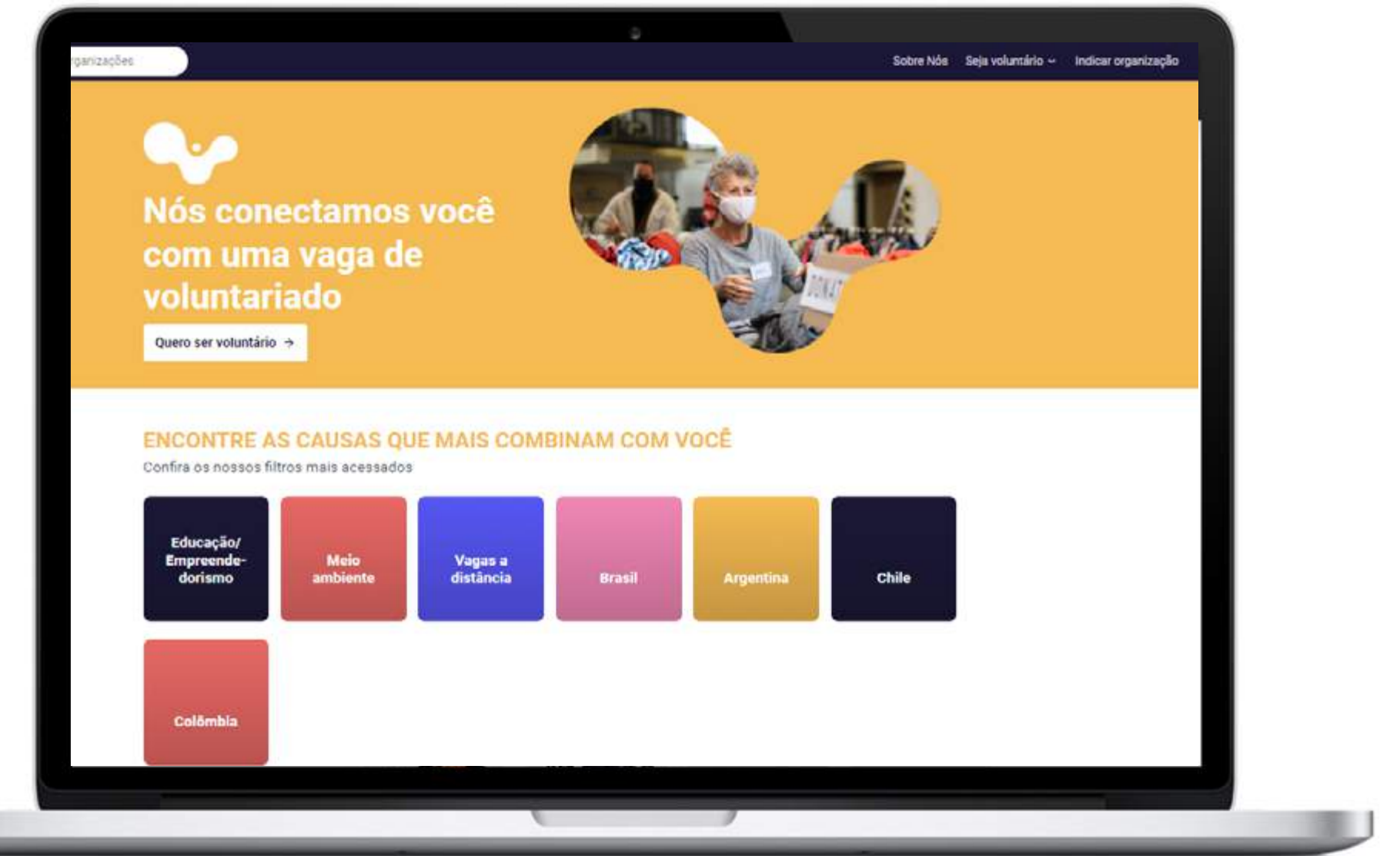
I am grateful to Dafiti and Unibes for the opportunity to participate in this process that enriches us with learning, feelings and opportunities to make a difference and positively impact people's lives. Bruna has many dreams and at the same time a lot of strength and energy for achievement. I have no doubts that she will fly high.

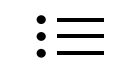
ALEX PEREIRA - INFORMATION TECHNOLOGY INFRASTRUCTURE COORDINATOR

“

My mentor, Ana Cecília, put herself in my place, trying to find out what I felt and how I thought. The way that she showed that she cared about me was very good! I had only one work plan in mind and she made me see other professions and showed me new paths for me to reach my dream. She also gave me tips from successful people who work in the field that I like and that I will follow.

DANIELLE ALVES LIMA - APPRENTICE OF UNIBES (16 YEARS OLD) .





APPENDIX



CARBON DATA

CATEGORY	EMISSIONS (TONNES CO ₂ e)	
	2021	%
SCOPE 1 EMISSIONS		
Fuel combustion – stationary	64	0.0%
Fuel combustion – mobile	10,564	0.9%
Fugitive emissions (refrigerants)	1,760	0.1%
SCOPE 2 EMISSIONS		
Market-based approach	3,412	0.3%
Location-based approach ⁹	15,999	
SCOPE 3 EMISSIONS		
Cat 1: Purchased goods and services	930,789	75.0%
Cat 2: Capital goods	6,450	0.5%
Cat 3: Fuel- and energy-related emissions	924	0.1%
Cat 4: Upstream transportation and distribution	39,748	3.2%
Cat 5: Waste generated in operations	6,553	0.5%
Cat 6: Business travel	328	0.0%

CATEGORY	EMISSIONS (TONNES CO ₂ e)	
	2021	%
Cat 7: Employee commuting	11,256	0.9%
Cat 8: Upstream leased assets	N/A	
Cat 9: Downstream transportation and distribution	60,679	4.9%
Cat 10: Processing of sold products	N/A	
Cat 11: Use of sold products	154,646	12.5%
Cat 12: End-of-life treatment of sold products	13,774	1.1%
Cat 13: Downstream leased assets	N/A	
Cat 14: Franchises	N/A	
Cat 15: Investments	N/A	

TOTAL EMISSIONS (TONNES CO ₂ e)	2021
Market-based emissions	1,240,946
Emissions neutralised by carbon offsets	76,479
Net emissions	1,164,467

⁹Market-based emissions are calculated using supply-specific factors where possible whereas location-based emissions are calculated using national electricity grid average. GFG total location-based emissions are 1,253,534 tonnes.

EMPLOYEE DATA

We have a highly diverse team of 15,480 people across our 17 countries of operation and four main business segments: Dafiti (LATAM), Lamoda (CIS), ZALORA (SEA) and THE ICONIC (ANZ). For 2021 we achieved a group average engagement score of 85% across our regions and GFG corporate offices. We continue to make this a focus to ensure

we maintain and increase this result. For 2022 we have appointed a Head of Culture and Engagement in a group role who will be dedicated to steer and support both group and localised initiatives and programmes that incrementally drive meaningful change to our people across all of our locations, functions and levels. We have also made

good progress with our DIB scores where our employees agreed they 'feel a sense of belonging and can be their true authentic selves at work' and we continue to attract and retain a healthy balance of men and women across all levels of the company including our areas of focus in technology and leadership positions.

TOTAL WORKFORCE

	APAC	LATAM	CIS	GFG CORPORATE OFFICES	GROUP	GROUP
GENDER SPLIT						
Total	3,002	3,577	8,726	175	15,480	
Female	1,880	2,225	4,692	67	8,864	57%
Male	1,122	1,352	4,034	108	6,616	43%
LEADERSHIP						
Total	16	8	8	8	40	
Female	7	1	4	4	16	40%
Male	9	7	4	4	24	60%
ENGAGEMENT SCORE	84%	86%	89%	83%	85%	

EU TAXONOMY

EU ARTICLE 8 TAXONOMY REGULATION

The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving carbon neutrality by 2050 in line with EU goals as the Taxonomy is a classification system for environmentally sustainable economic activities. The Taxonomy outlines six environmental objectives, of which only the first two (climate change mitigation and climate change adaptation) have been published. In the following section, we as a non-financial parent undertaking, present the share of our group turnover, capital expenditure (Capex) and operating expenditure (Opex) for the financial year ended 31 December 2021, which fall within the definition of eligible economic activities set out in the Taxonomy related to the first two environmental objectives in accordance with Art. 8 Taxonomy Regulation and Art. 10 (2) of the Art. 8 Delegated Act.

OUR ACTIVITIES

CORE BUSINESS ACTIVITIES - TAXONOMY-NON-ELIGIBLE

After a review involving all relevant divisions and functions, we have concluded that our core economic activities are not currently covered by the Climate Delegated Act and consequently are Taxonomy-non-eligible, however this assessment may change as the remaining environmental objectives are published. Our review did, however, identify a limited number of non-core Taxonomy-eligible turnover economic activities and individually sustainable capital expenditure, which are outlined in more detail below.

OUR KPIS

TURNOVER

As our core economic activities are not covered by the Climate Delegated Act, the share of Taxonomy-eligible economic activities in our total turnover is 0%. That said, we did identify Taxonomy-eligible activity in the form of bicycle deliveries to end customers. However, revenue in respect of this activity is insignificant in the context of our total turnover.

CAPITAL EXPENDITURE

Capital expenditure is defined as property, plant and equipment and intangible assets capitalised during the 12 months to 31 December 2021 as presented in our consolidated statement of financial position on page 106 of our Annual Report, released on 8 March 2022. The Taxonomy-eligible individually sustainable Capex identified are related to (i) Installation, maintenance and repair of energy efficiency equipment; and (ii) Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings. However, the total value of these is insignificant and the share of Taxonomy-eligible Capex is 0%.

OPERATING EXPENDITURE

Operating expenditure is defined as direct non-capitalised costs relating to research and development, building renovation measures, short-term lease, maintenance and repair and any other direct expenditures relating to the day-to-day servicing of eligible property, plant and equipment. Whilst we have identified Taxonomy-eligible Opex in relation to the Capex outlined above, this is of insignificant value and 0% of the Group's operating expenditure aligns to the eligible activities.

GFG'S PRIMARY STAKEHOLDERS & ENGAGEMENT METHODS 2021

STAKEHOLDER	HOW WE ENGAGE	KEY EXPECTATIONS	HOW WE ADDRESS
INVESTORS	<ul style="list-style-type: none"> ◆ Annual General Meeting ◆ Annual and Interim reports ◆ Press releases and external publications ◆ Ad hoc announcements ◆ GFG website and regional websites (ZALORA, The ICONIC, Lamoda and Dafiti) ◆ Capital markets days ◆ Investor briefings and ad hoc meetings ◆ Sell-side meetings ◆ ESG ratings 	<ul style="list-style-type: none"> ◆ Long term value creation ◆ Sustainable business model and supply chain ◆ Workforce diversity ◆ Business succession planning ◆ Commitment to climate action ◆ Risk management ◆ Corporate governance and board effectiveness 	<ul style="list-style-type: none"> ◆ Our Strategy (Page 8) ◆ Diversity, Inclusion & Belonging (Page 45) ◆ Fair & Ethical Sourcing (Page 31) ◆ Climate Action (Page 14) ◆ Responsible Business (Page 49) ◆ See Annual Report (Page 24)
BOARD MEMBERS	<ul style="list-style-type: none"> ◆ Annual General Meeting ◆ Board and Committees meetings ◆ Annual report ◆ Financial audit process ◆ Press releases and external publications ◆ Ad hoc announcements ◆ GFG website and regional websites (ZALORA, The ICONIC, Lamoda and Dafiti) 	<ul style="list-style-type: none"> ◆ Compliance with relevant laws and regulations ◆ Business strategic direction and purpose alignment ◆ Corporate governance ◆ Transparency ◆ Financial and sustainability performance 	<ul style="list-style-type: none"> ◆ Our Strategy (Page 8) ◆ About GFG (Page 5) ◆ Responsible Business (Page 49) ◆ See Annual Report (Page 74)
EMPLOYEES	<ul style="list-style-type: none"> ◆ Virtual Town halls/All Hands/Live Streams on Workplace ◆ Employee pulse surveys ◆ Sustainability engagement survey ◆ Internal communications / newsletters ◆ Social media (Workplace, Employee Portals, Google teams) ◆ Learning and development opportunities and engagement workshops ◆ Continuous conversations and feedback loops ◆ Virtual team summits ◆ Social activities ◆ Employment-related policies 	<ul style="list-style-type: none"> ◆ Career and growth development ◆ Learning and development opportunities ◆ Involvement in GFG sustainability initiatives ◆ Ability to align personal values with organisational purpose ◆ GFG as a employer committed to ethics and sustainable values ◆ Occupational health and safety 	<ul style="list-style-type: none"> ◆ Our Strategy (Page 8) ◆ Responsible Workplace (Page 40) ◆ Diversity, Inclusion & Belonging (Page 45) ◆ Partnerships & Community (Page 54)
CUSTOMERS	<ul style="list-style-type: none"> ◆ GFG website and regional websites (ZALORA, The ICONIC, Lamoda and Dafiti) ◆ Customer service (Email, chat, phone) ◆ Social media (Facebook, Instagram, LinkedIn) ◆ Brand survey ◆ Sustainability behaviour survey ◆ Press releases ◆ Marketing campaigns ◆ Pop up shops 	<ul style="list-style-type: none"> ◆ Product quality ◆ Product end of life ◆ Products align with environmental and social expectations ◆ Environmental impacts of packaging ◆ Transparency of product information (e.g. factory origin, materials) 	<ul style="list-style-type: none"> ◆ Climate Action (Page 14) ◆ Circularity & Conscious Consumption (Page 23) ◆ Fair & Ethical Sourcing (Page 31)

GFG'S PRIMARY STAKEHOLDERS & ENGAGEMENT METHODS 2021

STAKEHOLDER	HOW WE ENGAGE	KEY EXPECTATIONS	HOW WE ADDRESS
OWN-BRAND SUPPLIERS	<ul style="list-style-type: none"> ◆ Training programmes ◆ Supply chain audit ◆ Supplier conferences ◆ Factory visits ◆ Supplier questionnaires ◆ Policy and manual distribution ◆ Contract negotiations 	<ul style="list-style-type: none"> ◆ Compliance with GFG requirements ◆ Corruption free and transparent supply chain ◆ Occupational health and safety ◆ Long term relationships ◆ Commercial terms and planning ◆ Responsible purchasing practices 	<ul style="list-style-type: none"> ◆ Fair & Ethical Sourcing (Page 31)
BRANDS	<ul style="list-style-type: none"> ◆ Quarterly Business Reviews ◆ Ad hoc meetings ◆ Engagement surveys and questionnaires ◆ Brand summit ◆ Contract negotiations ◆ Press releases ◆ Website 	<ul style="list-style-type: none"> ◆ Long term relationships ◆ Compliance with GFG requirements ◆ Brand promotion ◆ Commercial terms and planning 	<ul style="list-style-type: none"> ◆ Climate Action (Page 14) ◆ Circularity & Conscious Consumption (Page 23) ◆ Fair & Ethical Sourcing (Page 31)
SUPPLY CHAIN EMPLOYEES	<ul style="list-style-type: none"> ◆ Supply chain audit ◆ Independent grievance mechanism 	<ul style="list-style-type: none"> ◆ Occupational health and safety ◆ Working hours ◆ Wages and benefits 	<ul style="list-style-type: none"> ◆ Fair & Ethical Sourcing (Page 31) ◆ Responsible Workplace (Page 40)
THIRD PARTY LOGISTIC PARTNERS AND OTHER BUSINESS PARTNERS	<ul style="list-style-type: none"> ◆ Engagement surveys and questionnaires ◆ Ad hoc meetings ◆ Due diligence and audit ◆ Contract negotiations 	<ul style="list-style-type: none"> ◆ Long-term relationships ◆ Compliance with GFG requirements ◆ Commercial terms and planning 	<ul style="list-style-type: none"> ◆ Responsible Workplace (Page 40)
LOCAL COMMUNITIES	<ul style="list-style-type: none"> ◆ Charity partnerships and joint initiatives ◆ Donations of money or goods ◆ E-donation via GFG platforms ◆ Employee volunteering ◆ Public support of critical issues in GFG social media and marketing campaigns ◆ Access to expertise, skills and knowledge to support community programmes 	<ul style="list-style-type: none"> ◆ Align business with community issues ◆ Expand reach and education on community issues ◆ Provide access to resources for communities represented ◆ Social protection 	<ul style="list-style-type: none"> ◆ Partnerships and Community (Page 54)
NGOS, CIVIL ORGANISATIONS AND CAMPAIGNERS	<ul style="list-style-type: none"> ◆ Multi-stakeholder groups ◆ Ad hoc meetings ◆ Questionnaire completion e.g. Baptist World Aid Australia, Fashion Revolution Brazil ◆ Memberships 	<ul style="list-style-type: none"> ◆ Long term relationships ◆ Social impacts including supply chain working conditions ◆ Traceability ◆ Transparency ◆ Purchasing practices ◆ Environmental impacts including climate change 	<ul style="list-style-type: none"> ◆ Climate Action (Page 14) ◆ Circularity & Conscious Consumption (Page 23) ◆ Fair & Ethical Sourcing (Page 31) ◆ Responsible Workplace (Page 40)
GOVERNMENT / REGULATORY BODIES	<ul style="list-style-type: none"> ◆ Initiatives that support small & medium enterprise in ecommerce ◆ Multi-stakeholder working group participation ◆ Reporting ◆ Direct dialogue and meeting 	<ul style="list-style-type: none"> ◆ Compliance with relevant laws and regulations ◆ Transparency ◆ Workers rights protection ◆ Customer rights protection 	<ul style="list-style-type: none"> ◆ Fair & Ethical Sourcing (Page 31) ◆ Responsible Business (Page 49) ◆ Responsible Workplace (Page 40) ◆ See Annual Report (Page 74)

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