GUCCI EQUILIBRIUM

IMPACT Report 2021
As we celebrated our 100th anniversary, we also celebrated the continuation of our legacy to experiment and evolve for an ever-changing world. We looked to our past in order to define our future, which we now know is implicitly linked to the future of the planet that we call home.

This year, I am pleased to share our second annual Gucci Equilibrium Impact Report, expanding on many of the initiatives we have created, and the progress we have made, to generate positive change for people and the planet in 2021.

As you all know, it was a year wrought with generation-defining challenges around the world. The COVID-19 pandemic entered its second year and the most recent Intergovernmental Panel on Climate Change (IPCC) report made it clear that it has never been more urgent, or more vital, for us to make progress within our community of people—as well as the planet they inhabit.

For us, purpose and progress are paramount to the very ethos of Gucci. Our mission is to encourage everyone to express their full selves: their gender, sexuality, race, ethnicity, culture and disability.

This ethos also extends to the planet, as well as the way we work and the methods and materials we use to make our universe come to life through our myriad products. Over the last year, our commitments to building a responsible and sustainable business have been just as important as our creative identity. In fact, we see our creativity as our strongest tool for finding new solutions to move forward into a better future.

Even before the spotlight was shone brightly on social injustice and inequities in 2020, we have taken responsibility to ensure lasting changes—through CHIME FOR CHANGE as well as our CHANGEMAKERS programs and, like so many, we still have a long way to go.

In 2021, we are proud to have made major sustainability achievements inside our company, and far beyond, which are detailed throughout this report. I am especially proud of the progress we have made on diversity and inclusivity, including gender equality and accessibility. Diversity is an integral part of our culture; it drives creativity and we embrace everyone’s unique qualities.

Part of our vision for “responsible” luxury includes transforming the supply chain so we can give back to nature—not just minimise our impact on it, as we have done by reducing KPIs like carbon emissions and manufacturing waste. What is exciting is that we can literally use our own supply chains to do this. Regenerative agriculture is a lever for luxury and fashion to help reverse the trajectory of climate change and biodiversity loss, and our ambition is to source regenerative raw materials for our collections in order for us to continue to innovate in design and manufacturing.

Today, one of the greatest obligations is to care for the planet and to develop creative ways of striving for beauty and self-expression. As we’ve discovered, there are so many opportunities and technical innovations opening up for our industry to upend the age-old conventional systems and create lasting positive change.

Reflecting on the past 100 years of Gucci has made it clear that our collective future must evolve into something very different. Looking forward, we will be championing the new and exciting possibilities for us to further balance the equilibrium of people and the planet.

A century from now, we want the decisions and actions that we make now to be ones that future generations will be proud of.
Gucci Equilibrium Guiding Our Way

Gucci Equilibrium is our commitment to generate positive change for people and our planet.

Powered by creativity and collaboration, we are reducing our environmental impact and protecting nature, while also prioritizing inclusivity and respect, so that everyone in our global Gucci Community is free to express their authentic, diverse selves.

Building on momentum from our 100th anniversary, we are moving forward into the coming decades with an ongoing commitment to reinforce our culture of purpose, demonstrating our values through innovative pathways towards social and environmental sustainability.

Gucci Equilibrium unifies the principles we uphold and the actions we pursue to treat our world and each other better, for our collective future.

About This Report

We look at the world around us in a holistic way and believe that it is our duty to be sustainable, responsible and accountable in everything we do. What we stand for, and how we act towards one another and our planet, is at the very core of who we are.

Our second annual Gucci Equilibrium Impact Report highlights the initiatives we’ve created, and the progress we’ve made, to generate positive change for people and our planet in 2021. To share tangible, transparent and measurable change we’ve included the metrics for key projects, as well as our performance across stores, offices, warehouses and factories where we have direct operational control, and our supply chain. Our 2021 Environmental Profit and Loss account was verified by a third-party and covers the environmental impacts associated with our activities across our entire supply chain in regards to greenhouse gas emissions, air and water pollution, water consumption, land use, and waste production.

Under the leadership of President and CEO, Marco Bizzarri, and the vision of Creative Director, Alessandro Michele, we have redefined luxury for the 21st century, further reinforcing our position as one of the world’s most desirable fashion houses. Eclectic, contemporary, romantic—Gucci collections represent the pinnacle of Italian craftsmanship and are unsurpassed for their quality and attention to detail.

Gucci is part of the global luxury group Kering, which manages the development of a series of renowned Maisons in fashion, leather goods, jewellery and watches.
GENERATING POSITIVE CHANGE FOR PEOPLE & OUR PLANET

PEOPLE
Together, we’re focused on the critical aspects that affect our employees, our industry and our communities while envisioning new opportunities for the future.

- Empowering an inclusive, caring working environment and leveraging our strong Gucci culture
- Promoting inclusivity, equity and gender parity
- Achieving gender pay equity for equivalent positions by 2025
- Driving positive change in our communities and supply chain
- Protecting our heritage and supporting the continuation of craftsmanship traditions

PLANET
We protect biodiversity and embrace nature-positive strategies for the future while seriously reducing our footprint across our direct operations and our supply chain.

- Attaining 100% traceability for our raw materials by 2025
- Developing eco-friendly sourcing solutions, innovative materials and processes
- Using 100% renewable energy worldwide by the end of 2022
- Moving to a nature-positive approach
- Championing regenerative agriculture
- Tackling climate change by reducing our overall footprint
**OUR APPROACH**

**Change Through Action**
We don’t just take a stand on the critical issues facing our world today, we take action. We’re committed to moving away from the old, traditional systems in fashion and working across our ecosystem; drawing on our diverse strengths and talents to drive change for the better. We encourage greater and more far-reaching change through collaborative efforts and partnerships. Together, we can have a bigger, positive impact than we ever could on our own.

**Creativity Helps Us Create Change**
Our distinctive way of creating positive change is rooted in our values, our culture and our creativity. It’s who and what we are and when we apply it to achieve breakthroughs in sustainability, we see results. We are constantly exploring and innovating for the future. Take Demetra. After two years of research and development by Gucci’s own technicians and artisans, we presented this new luxury material that combines quality, softness, durability, and scalability with an animal-free and eco-friendly ethos. We are fully committed to making ground-breaking changes across our supply chain with an eye on the long-term.

**Making Actions Speak Loudest**
We zero in on the issues that have the biggest positive impact and where we can influence and create momentum. For example, we support artisans and protect the craft skills at the heart of our heritage and sector. We have a Global Equity Board who are responsible for overseeing our company culture and employee experience, and we’re also championing gender equality through CHIME FOR CHANGE. When it comes to having a reduced impact on the planet, we’re increasing the sustainability of our supply chain and our products, including creating circular collections and investing in regenerative agriculture. All our emissions we can’t reduce ourselves, we translate into protecting and restoring nature. We are committed to doing our part to help mitigate climate change and reverse the trajectory of biodiversity loss for the future.

Behind our efforts we are transparent and we hold ourselves accountable for everything we say and do. We measure our entire environmental footprint, taking responsibility for all our impacts, both from our direct operations and the entire supply chain, and publish our Environmental Profit and Loss account every year. We set clear goals and targets, from achieving gender pay equity to reducing our greenhouse gas emissions by 50% by 2025. We also ensure accountability both through internal governance and external advisors and partners. As a result, we can assure our stakeholders and encourage ourselves to keep driving forward towards our vision of sustainability.

Simply put, all of us at Gucci are playing our part to create a more sustainable, fairer and equitable world. In other words, we’re bringing the Gucci Equilibrium way of life to all of us.
2007
We were the first luxury brand to obtain B Corp (Social and Environmental Accountability) certification, confirming our commitment to sustainable business practices.

2008
We've been measuring and reporting our environmental metrics since 2008, helping us to improve our performance and reduce our impact on the environment.

2009
Our sustainability journey began with our decision to make our supply chain more sustainable and environmentally friendly.

2010
We launched our sustainability initiatives in 2010, setting goals and targets to reduce our environmental footprint.

2013
Together with our partners, we launched a initiative to reduce water consumption, energy consumption, waste production, and carbon emissions. Our efforts have resulted in a 30% reduction in waste production and a 20% reduction in water consumption.

2014
We've been working towards reducing emissions since 2014, implementing innovative technologies and practices to reduce our energy consumption and greenhouse gas emissions.

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2022
We've been working towards reducing our energy consumption since 2022, implementing innovative technologies and practices to reduce our energy consumption and greenhouse gas emissions.
Promoting Inclusivity, Equity and Gender Parity

Increased employee diversity in corporate and retail, with 56% female members in management roles and 44% female members in senior management roles.

Promoted an inclusive workplace by providing unconscious bias trainings to over 6,000 employees and an additional 6,000 employees completing the digital training path on DE&I.

Began analysing global gender pay parity in over 45 countries.

Created greater opportunities for Disabled people in our workplace and established partnerships with organisations specialised in cultivating underrepresented talent.

Started developing our first Gender Gap report with an initial focus on our workforce in Italy to better enable us to identify opportunities and implemented actions to promote an inclusive culture.

Signed the “Women’s Forum CEO Champions Commitments” at the Women’s Forum G20 in Milan.

Driving Positive Change in Our Communities and Supply Chain

Under Gucci Changemakers Global Volunteering, 1,700 employees volunteered over 4,900 hours, supporting more than 140 NGOs in 40 cities around the world.

Supported over 25 organisations globally directly impacting 4,525 women and girls through our global campaign for gender equality "CHANGE FOR CHANGE".

Contributed to UNICEF’s equitable delivery of COVID-19 vaccines with over 200,000 vaccines kits in some of the most vulnerable global communities on behalf of the Gucci Community.

Joined the UN Women’s Generation Equality Fund as the private sector lead on the Feminist Movements & Leadership Action Coalition to accelerate equality, leadership and opportunities for women and girls worldwide.

Set up the first-ever green financing programme in Italy with Intesa Sanpaolo bank as an expansion of our “Sviluppo Filiere” programme to support our suppliers in their transition to sustainable and inclusive practices.

Gucci École de l’Amour, our centre of industrial craftsmanship and innovation, provided technical training to 461 employees in 2021 via the ArtLab and Factories Academy, totalling 650 since its establishment in 2018.

Together, we’re focused on the critical aspects that affect our employees, our industry and our communities while envisioning new opportunities for the future.

Achieving Gender Pay Equity for Equivalent Positions by 2025

Begins analysing global gender pay parity in over 45 countries

Signed the “Women’s Forum CEO Champions Commitments” at the Women’s Forum G20 in Milan.

Global development of our first Gender Gap report with an initial focus on our workforce in Italy to better enable us to identify opportunities and implemented actions to promote an inclusive culture.

Protecting Our Heritage and Supporting the Continuation of Craftsmanship Traditions

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2021 HIGHLIGHTS

Introduction People Planet
We are passionate makers, thought-leaders and, above all, dreamers at Gucci. We imagine, we explore, we build. Expressing Yourself

Being who we are creates the fabric of Gucci. A place where our unique selves nurture extraordinary collaborations.

Inviting Inclusivity

We offer opportunities to build a diverse and welcoming community. One that is empowering, accessible and equitable, where everyone can participate and belong.

Breaking New Ground

With imagination and curiosity, we push the boundaries and develop new perspectives to foster creativity.

Adapting for Our Community

The COVID-19 pandemic continued to challenge us to reimagine an agile and inclusive environment in 2021, where our people are empowered and trusted to perform at their full potential, feeling engaged and proud to be part of the Gucci Community. A flexible model for our offices established at the start of the pandemic, enabled our employees’ experiences to move seamlessly between physical and virtual spaces, with the right customisation and adherence to health protocols. Our shift to digital has been particularly evident in development initiatives and trainings. In 2021, digital learning deepened even further and every employee attended, on average, 17.3 hours of digital and/or in-person training resulting in more than 386,000 courses attended, with retail covering 242,995 training hours, corporate equalling 40,352 training hours and production sites participating in 24,034 hours of training.

Our journey is shaped by equity, empathy and desire. Aimed towards sustainability and social change that impacts the wider world. Our employees are invited to a purposeful place, where their unique voice and talents are celebrated and empowered in a joyful community of changemakers.

We encourage our people to feel free to express themselves and to belong to a global community where passion, imagination, and desire are nurtured as key drivers of professional success. An inclusive environment where each individual will embrace the same values and contribute to the evolution of the fashion industry and beyond.
During the evolving trajectory of the COVID-19 pandemic significant inequities in the distribution of vaccines have continued to pull the global community at risk and exacerbate socio-economic repercussions. Closing the vaccine gap has been a central focus for Gucci since the start of the pandemic. In 2021, we continued to build on our work with UNICEF and support the equitable procurement and distribution of vaccines in the most vulnerable communities around the world. In December 2021, on behalf of our employees, we contributed to UNICEF’s equitable delivery of COVID-19 vaccines through the Vaccine Global Access (COVAX) initiative, established by the WHO, UNICEF and other partners. This initiative followed Gucci’s $600,000 USD donation to UNICEF USA in December 2020, and over 200,000 vaccines on behalf of the Gucci Community in 2021. Furthermore, in May 2021, when we presented our first NFT—a unique artwork drawn from the Gucci Aria campaign film in a special auction on Christie’s—we donated the proceeds to UNICEF USA as further support to UNICEF’s global equitable access to COVID-19 vaccines.

The Gucci GRADE Program challenges me to strive to be the best, to be one of a kind, to lead by love, in recognizing that only science would help us emerge from the darkness. And we made a clear commitment with these words: we are all in this together. From day 1 of this pandemic – even before COVID-19 was technically defined as a pandemic – we said, with no hesitation, that vaccines have continued to put the global community at risk and exacerbate socio-economic repercussions. Closing the vaccine gap has been a central focus for Gucci since the start of the pandemic. In 2021, we continued to build on our work with UNICEF and support the equitable procurement and distribution of vaccines in the most vulnerable communities around the world. In December 2021, on behalf of our employees, we contributed to UNICEF’s equitable delivery of COVID-19 vaccines through the Vaccine Global Access (COVAX) initiative, established by the WHO, UNICEF and other partners. This initiative followed Gucci’s $600,000 USD donation to UNICEF USA in December 2020, and over 200,000 vaccines on behalf of the Gucci Community in 2021. Furthermore, in May 2021, when we presented our first NFT—a unique artwork drawn from the Gucci Aria campaign film in a special auction on Christie’s—we donated the proceeds to UNICEF USA as further support to UNICEF’s global equitable access to COVID-19 vaccines.

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By placing diversity at the core of our culture, everyone in our Gucci Community can thrive as their true and diverse selves.

We recognise, respect, and celebrate what makes us unique, championing diversity in all its forms and in any dimension, visible or invisible, which can be used to differentiate groups and people from one another.

To foster a sense of belonging where everyone can contribute and develop as who they are, we’ve focused our efforts on some key objectives that represent our ambitions:

- By placing diversity at the core of our culture, everyone in our Gucci Community can thrive as their true and diverse selves.
- Ensuring an inclusive workplace by providing educational trainings, learning opportunities, resource groups and open dialogue to increase communication, understanding and empathy.
- Increasing diversity in corporate and retail, with specific targets reflecting each global region.
- Achieving gender pay parity for equivalent positions by 2025.
- Creating greater opportunities for Disabled people in our workplace.
- Adopting non-binary and gender-expansive language for gender self-identification internally and externally.

EMPOWERING DIVERSITY, EQUITY AND INCLUSION
Combining diversity, creativity and innovation underlines our vision of our future. Laying the necessary building blocks, we’re increasing diversity and inclusion across our company, and we’ve established a strong foundation of gender equality and female leadership.

Our global People strategy reinforces diversity, equity and inclusion (DE&I) and, in 2019, we established a Global Equity Board responsible for defining the overall vision and priorities to inform our company culture and employee experience. From recruiting and inclusion, to development and mobility, we’ve created opportunities for open dialogue, to strengthen our shared values and create an inclusive environment where everyone is valued and treated fairly.

### OUR ACTIONS

#### Attracting, Recruiting and Selecting Talent
- Partnering with organizations specializing in under-represented talent to develop a more diverse pipeline of candidates
- Expanding inclusive practices for hiring and interviewing to focus on diverse leadership
- Increasing our Global Human Resources and Talent Acquisition teams focused on cultivating inclusive hiring
- Awarding scholarships for students from diverse backgrounds who are demonstrating a passion through the Gucci North America Changemakers Program
- Providing internship and mentorship in Gucci North America through the Gucci Changemakers Program for Scholars

#### Developing, Engaging and Retaining Employees
- Generating professional development and mentorship opportunities through career growth programmes, educational trainings and global exchange programmes
- Educating employees through a digital training programme, focused on understanding and recognising unconscious bias, working in an inclusive team and offering an inclusive client experience. Launched in September 2021, the training is part of on-boarding new hires and over 6,000 employees have completed it
- Supporting a community of belonging with our Employee Resource Groups focused on diverse communities, Disabled people, women, and their allies at Gucci, and LGBTQIA+ at Kering
- Protecting the rights of LGBTQIA+ individuals and upholding the UN LGBT Business Conduct Standards
- Continuing to promote refugees’ integration and employability in Italy at our offices and factories

#### Creating Greater Opportunities for Disabled People
- Connecting employees with local communities through our Gucci Changemakers Global Volunteering Program
- Sharing our internal “Our Impact on Future” series, representing an open conversation to discuss company progress on various themes like inclusivity, diversity and the environment

#### Supporting Women and Gender Pay Parity
- Analyzing global gender pay parity in over 45 countries to support our 2025 targets and trend
- Developing our first Gender Gap report
- Reaching our commitment to gender equality by signing the Women’s Forum CEO Champions Commitments at the Women’s Forum Global 2020 in Mexico in 2021
- Cultivating diversity, equality and collaboration with the Kering Foundation, providing courses and seminars, training more than 600 employees between 2013 and 2021

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Q&A WITH SINÉAD BURKE
CEO, Tilting the Lens

Q: Why is representation important and how can companies move the needle forward, faster to support Disabled people in the workplace?
A: Have you ever been in a situation where you felt as if you did not belong, or based on an identity you hold, there was no one else like you? That experience is almost universal and cuts across gender, sexuality, race, religion, class, disability, geography, age and many other signifiers of who we are and how we live. Representation is important as it illuminates a trajectory of what is possible, and it cultivates psychological safety and fosters belonging.

But representation cannot be limited to the image and marketing, though these pillars are vital. Representation must be embedded in the fabric of organisations and be an integral value of how we work. To move the needle faster, we must design holistic strategies wherein ambitions are measurable, resources are invested and the commitment is cross-departmental—from human resources, to finance, to legal, to store planning, to design, to marketing, to the executive leadership team.

To support Disabled people in the workplace, we must be educated and craft a shared understanding on what Disability is. Post-pandemic, we are more aware than ever of the spectrum of Disability, encompassing visible and invisible disability. We must build a pipeline—reach into educational institutions to support the next generation of talent. We must partner with leading organisations, to learn from their expertise and to work with Disabled people to build solutions. We must create spaces (digital and physical) that are designed for everyone, from the beginning. We must tell stories that provide new narratives about Disabled people. But mostly, we must start.

Often, this work feels overwhelming. We acknowledge that there is so much to change, but where do we begin, and what is the perfect solution? We must map out short term and long-term objectives, and prioritise work where we can witness transformation. This will encourage us to implement our strategy and will encourage the wider organisation to see the value in this work, and the ways in which we can all participate and build creative solutions.

Q: You have been working with Gucci for a few years now to help us embed principles of disability inclusion across our company. What are some key actions you helped to implement and what can brands do to help make the world a more equitable and accessible place overall?
A: At Gucci, we are implementing a strategy that is sponsored by the CEO, and is activated by employees at every level, across all regions. This has built an internal ecosystem that supports its long term progress and sustainability.

As shared in the report, we are delivering on our education commitments, and raising employees to a shared understanding of Disability and accessibility. We are leveraging technology and AI opportunities to provide modern solutions to systemic challenges. We are witness seismic change due to the power of the human story, and we are being intentional about our increasing representation of Disabled people in our internal and external messaging.

We are building a place—be it in corporate, retail or the metaverse—where everyone feels considered and designed for. This leans on Gucci’s pillars of customisation, innovation and empathy. We’re extending our invitation and welcome to all.

Q: How do you see progress in future?
A: We are beginning to see a shift in the valuation of accessibility—this is because of demographics, research and legislation. For example, we know that 2 Blind people, per month, exit out of an e-commerce transaction due to a lack of digital accessibility. This need is accelerated by the upcoming Web Accessibility Directive from the EU mandating digital accessibility for publicly funded organisations. In real time, we are having to retro-fit platforms to design for those who should have been accommodated and included from the outset.

We also know that by 2030, in the US for example, those whom we currently consider to be in the ‘minority’ will then be in the ‘majority’. We also know that globally, within this same period 60-80% of wealth will be owned by those who are 60+ years old. The market is changing and flexibility in how we design work, policies, products, stores and campaigns is shifting to an audience that is no longer the ‘other’. Accessibility is not a nice to have, nor is it cost, but an investment in a fundamental principle of how we will need to undertake business forever more.
The pandemic has further highlighted existing inequalities. We believe it’s more important than ever to work together to achieve our goals. With the full support of our President and CEO Marco Bizzarri, we are preparing to perform an in-depth analysis of our workforce in Italy and draw up a gender gap report. As with the fight against climate change, we recognise that it is critical to take action, but we also need better understanding of the current scenario in order to make true lasting change.

ANTONELLA CENTRA, Gucci’s EVP General Counsel, Corporate Affairs & Sustainability

First-ever Gender Gap Report
As an important milestone in closing the gender gap for companies, in 2021, we committed to perform an in-depth analysis of our workforce in Italy, with an initial focus on our employees across corporate, stores and factories. Developing a gender gap report will better enable us to identify opportunities to help foster gender equality and implement actions to promote an inclusive culture across our Gucci community.

Amplifying Women Voices
In October 2021, we played host to the G20 Women’s Forum in Milan, a global platform putting women’s voices at the centre of building a more inclusive and prosperous economy. The three-day event covered topics ranging from gender equality, climate change and health, to tech in G20 countries. The Forum resulted in actionable outcomes including a Call To Action, ‘A She-Cover for All’ presented to the G20 leaders convening in Rome and “The Women’s Forum CEO Champions Commitments” signed by Gucci consisting of 5 key strategic actions to accelerate the transition towards the Zero Gender Gap. The CEO Champions workshop was a highlight of the Forum, gathering more than 40 CEOs and institutional representatives, including Gucci, to discuss the best practices and policies in favour of gender equality to be implemented and scaled up, particularly in light of the post COVID-19 recovery plans.

The Women’s Forum CEO Champions Commitments

1. Continue to highlight the impacts of unconscious bias from our hiring and promotion process
2. Establish aspirational female recruiting and promotion targets
3. Support female talent retention and advancement
4. Ensure that equal pay for equal work is in place and effective
5. Regularly measure, monitor, and evaluate progress on all of the above actions

Gucci announcing first-ever Gender Gap Report at the Festival L’Eredità delle Donne

The pandemic has further highlighted existing inequalities. We believe it’s more important than ever to work together to achieve our goals. With the full support of our President and CEO Marco Bizzarri, we are preparing to perform an in-depth analysis of our workforce in Italy and draw up a gender gap report. As with the fight against climate change, we recognise that it is critical to take action, but we also need better understanding of the current scenario in order to make true lasting change.

ANTONELLA CENTRA, Gucci’s EVP General Counsel, Corporate Affairs & Sustainability
The Design Fellowship Program has been one of the most interesting learning experiences for me. I was lucky to start my Gucci journey with an incredible team in the embroidery department, every single designer within the team has been the most welcoming and have always offered to share their expertise with me whenever I have needed. It is a humbling feeling to learn from some of the best in the industry.

JASLEEN KAUR MATHARU
2021 Gucci’s Design Fellowship Program Awarde

The Fellowship Program has given me the opportunity to expand my knowledge not only by being mentored and working closely on all the stages for Shoes Design and Special Projects, but also by assisting at the same time to Luxury Brands oriented Merchandising and Product Development lessons, among other subjects, so I could reach a full understanding and requirements of the design process in Gucci.

LORENA ALONSO MOLANO
2021 Gucci’s Design Fellowship Program Awarde

Started in 2019, Gucci’s Design Fellowship Program is a reflection of the global and diverse talent that is needed to enrich and promote inclusivity, diversity, education and cultural exchange in our industry. As a 12-month programme at our design offices in Rome, we mentor young designers helping them gain hands-on experience and exposure to luxury design. Our end goal is to provide better career and advancement opportunities for underrepresented groups in luxury and fashion. Initially launched as a challenge at design schools around the world, a selection of five design students from every school makes up a group of 50 finalists who are invited to discover Rome and Florence, getting to know Gucci and meeting our design team before the selection of 11 winners. In 2021, the Final 11 students were selected from Ghana, South Korea, Kenya, Mexico, Dubai, New York, Lagos, South Africa, Japan and China.

Providing Opportunities with Gucci’s Design Fellowship Program

I am excited about the opportunity that the students are given and even more so about the experience Gucci gains from this cultural exchange within design. I have always known what inclusivity could bring to each, having the proper opportunity is all we need.

BETHANN HARDISON
Design Fellowship Program steering and Gucci’s Executive Advisor on Global Equity and Culture

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LORENA ALONSO MOLANO
2021 Gucci’s Design Fellowship Program Awarde
Accelerating Progress Towards Gender Equality

None of us can move forward if half of us are held back. That’s why our CHIME FOR CHANGE campaign inspires participation in a collective community, bringing people together across borders and generations in the fight for gender equality. Since its launch in 2013, CHIME FOR CHANGE has convened, united and strengthened the voices of people speaking out for gender equality around the world. And in 2021 CHIME FOR CHANGE continued the fight, leveraging the power of individual action, unified under a common goal, to advance the rights, health and safety of girls and women around the world.

CHIME FOR CHANGE in Numbers

- Supported more than 25 organisations around the world in 2021, directly impacting 6,356 girls and women
- Directly served more than 630,000 girls and women globally, reaching more than 3 million family and community members from 2013 to 2021
- Raised more than $19 million USD to support projects and advocacy in 89 countries since launching in 2013 and as of 2021
- Supported 637 projects with 79 unique NGO partners between 2013 and 2021
- Supported more than 25 organisations around the world in 2021, directly impacting 62,526 women and girls

Amplifying the Vision of a Gender-Equal Future with The Meteor

To further amplify the diverse voices calling for a gender-equal future, in May 2021, CHIME FOR CHANGE partnered with new media platform The Meteor to launch 21 for ’21: Visions For A Feminist Future, a virtual gathering featuring 21 voices who came together to highlight 21 essential visions of gender equity. A unique cross-generational collection of changemakers, from well-known activists, artists, journalists, leaders and athletes participated in individual talks, monologues, conversations, short films and more.

Gloria Steinem joined poet and activist Amanda Gorman in a conversation about language while Hillary Rodham Clinton led a roundtable discussion on how women are using their platforms to draw specific attention to AAPI women, girls and non-binary people featuring Lana Condor, Sonal Shah and Amanda Nguyen. All attendees were encouraged to reimagine a better, fairer and freer world for all genders and races. This visionary summit furthered our relentless commitment to break down the barriers that prevent women, girls and non-binary people from pursuing and achieving their dreams.
Driving Global Impact on Gender Equality in the Generation Equality Forum

In early 2021, Gucci proudly joined UN Women’s Generation Equality Action Coalitions as the private sector lead of the Feminist Movements & Leadership Action Coalition, a 5-year commitment designed to accelerate actions and global commitments toward gender equality by 2026. Recognising that no country has yet achieved gender equality, and COVID-19 continues to put progress at risk, the Action Coalitions, global partnerships of member states, businesses, youth-led, civil society and international organisations and philanthropies, proposed a targeted set of concrete actions to ensure that equality for all women, including queer women, transgender women, non-binary women, women of color, Disabled women, women refugees, young women, Indigenous women, and women in the Global South, is at the centre of the global agenda for COVID-19 recovery and beyond.

Bold Commitments to #ActForEqual

The Generation Equality Action Coalitions are calling for global mobilisation to finally achieve the human rights of all women and girls, in all their diversity. Gucci responded to this call with a series of financial, policy, programmatic and advocacy commitments, including:

- $2.5 million USD over the next five years for direct, core, flexible multi-year funding to feminist organisations, groups, movements and activists.
- Developing a worldwide public awareness campaign calling for the global community to #ActForEqual, estimated at $15 million USD in pro-bono media placements over the next five years.
- A dedicated edition of the CHIME Zine, Gucci’s publication of creative contributions to amplify the voices of young feminists of the Generation Equality Forum.
- Ongoing collaboration with young feminists for more visibility and dialogue through Gucci’s digital channels dedicated to social impact.
- Achieving gender pay parity for equivalent positions within Gucci by 2025.
- Adopting, expanding and implementing practices internally to advance a gender equitable workplace for all.
Q&A WITH LATANYA MAPP FRETT
CEO, Global Fund for Women

Q: Global Fund for Women is a civil society leader for the Generation Equality Forum’s Action Coalition on Technology and Innovation. What is the broader vision of this Action Coalition and what were some of the key accomplishments in 2021?

A: Global Fund for Women has launched a robust initiative focused on gender, technology, and innovation. This year, we committed to mobilize at least $5 million over the next five years to fund the technology ideas and solutions of feminist movements and activists in the Global South. We also began development of our Gender Justice Labs, a new digital tool that will analyze publicly available information from around the world—including trends in online searches and on social media—to help us better understand movements as they unfold in real time and drive more and better resources to activists on the forefront of social change. We also launched a new, refreshed website aligned with our strategy.

We were honored to serve as a co-lead on the United Nations’ Generation Equality Forum Action Coalition on Technology and Innovation, where we announced our bold commitments to funding feminist tech solutions. And we were thrilled to partner with the first feminist tech fund based in the Global South—Numun Fund—to support grassroots feminist groups to assess their digital safety, adapt their existing tools, and develop new protocols to enhance their digital security and capacity.

Q: Despite recent gains towards gender equality, progress isn’t moving fast enough. How can we engage the younger generation, who is more diverse than ever and calling for action, in Generation Equality?

A: A key component in engaging younger gender justice advocates is celebrating and embracing the diversity of voices in this cohort. We recognize that women are not a monolith and experience multiple, overlapping sources of oppression. The struggle for women’s rights is deeply impacted by and connected to the struggles for racial justice, queer justice, immigration justice, climate justice, and so many more. We believe deeply in an intersectional approach to systemic, social change and we know it will take us closer to the world we want to see: where every woman, girl, and trans person is strong, safe, powerful, and heard—no exceptions. This younger generation is mobilizing and collaborating locally and digitally across the world to demand changes that bring about more equality and equity for all. We must continue to support them and fund the work that they are doing.

Q: Gucci is proud to be the private sector lead for the Action Coalition on Feminist Movements and Leadership, and Global Fund for Women has long supported feminist, grassroots movements around the world. From your perspective, why is feminist leadership essential to achieve gender equality?

A: Feminist leadership is the cornerstone to ensuring a more equitable society. Feminist leadership and policy is an important vehicle to promote gender justice work including sexual and reproductive health to ensure gender equality. In all our work, we ensure that gender justice is incorporated in the policies we champion. This includes climate justice, gender-based violence and acknowledging the intersectionality of our partners, grantees and the communities we engage.

Q: What are some main actions that both companies and civil society actors can focus on to accelerate progress for gender equality?

A: We need to properly fund intersectional gender justice work. This means providing flexible spending to organizations to be able to provide for their communities.

Feminist funding means shifting power to historically marginalized communities including women, girls, and gender non-conforming people. It means getting flexible funding and resources directly to feminist activists who know exactly how to use it. Additionally, innovation is required in learning to listen and leverage insights to better support local-led solutions, NOT to derive top-down solutions or “tell” communities what they already know. Often, the solutions already exist.
That’s why a heritage of true artisanship and rare skills is behind every collection we create at Gucci. We’re committed to the continuation of these traditions and we provide specialised training to ensure a long-lasting legacy of the craft. This enables us to preserve the knowledge and skills that are integral to our production methods and ultimately for the lasting beauty of our products.

Training the Artisans of Tomorrow

Established in 2018, Gucci École de l’Amour, hosted in the Gucci ArtLab, our futuristic centre of industrial craftsmanship and innovation, offers three courses: Craftsmanship School, Factory School, and ArtLab and Factories Academy. Taught by specialist artisans and retired colleagues, the course curriculum provides the required skills and understanding for luxury craftsmanship.

**Craftsmanship School (Scuola dei Mestieri)**
Aimed at high school graduates and/or unemployed youth from 18-26 years old, the six-month programme in the Gucci ArtLab educates trainees in the entire product design and production process for leather goods and shoes.

**Factory School (Scuola di Fabbrica)**
Similarly focused on high school graduates and/or unemployed youth from 18-26 years old, the bi-monthly programme in our factories trains people to become production operators specialising in specific leather goods and shoe manufacturing.

**ArtLab and Factories Academy (Accademia ArtLab e Fabbriche)**
An internal programme offering special technical training for our employees working in different departments and in our factories.

PROTECTING OUR LEGACY IN LUXURY

We’ve continued to build on our past know-how while exploring and innovating for the future.

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Gucci École de l’Amour in Numbers

- Provided technical training to 461 employees in 2021 via the ArtLab and Factories Academy, totalling 650 since opening.
- Trained 154 people at Factory School since 2018.
- Trained 26 people at Craftsmanship School since opening.

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Sviluppo Filiere Programme in Numbers

- Initially launched in May 2020 with Intesa Sanpaolo to support our suppliers during the COVID-19 pandemic, we’ve expanded the ‘Sviluppo Filiere’ programme’s scope to green financing. As the first of its kind in Italy, our goal is to better enable our suppliers in their transition to sustainable and inclusive practices by offering access to loans at better terms aligned with ESG criteria and priorities set by the Italian government’s National Recovery and Resilience Plan, such as green logistics projects and developing fluid fuel to produce renewable energy, circular business models, energy efficiency, recycling and recovery of resources, management of hazardous chemicals, and reducing single-use plastic packaging; and increasing gender equality and leadership, while closing the gender gap.

Women in Supply Chain Project in Numbers

- 129 women participated in trainings from Gucci’s Italian supply chain.
- Reached more than 67 Gucci suppliers.
- Overall the project saw 210 women from 120 suppliers in Italy participating in 10 training sessions covering 607 hours.

Although women make up a critical part of Italy’s luxury supply chain, the status of women, as well as opportunities to support their economic and social empowerment, has largely been unknown. With training, we have observed significant progress in women’s career development. Women in Supply Chain Project in partnership with Camera Nazionale della Moda Italiana in 2019, focused on understanding the study on the role of women in luxury’s supply chains in Italy, contextual trainings were offered based on the results of the study with a focus on leadership and gender sensitivity development, smart women, networking and group support. In 2022, these trainings will expand to a new range of our suppliers, including our factories.

The agreement signed with Gucci represents a new kind of relationship between bank, lead company and its chain of suppliers—a relationship based on sustainability that we are the first to launch at this turning point for our country marked by the allocation of the Next Generation EU Programme funds.

Intesa Sanpaolo confirms its focus on green investments and the development of models based on circularity. This focus now leads to a new approach based on Italy’s supply chains—the strength of our industry—which have long been at the centre of the support we provide to companies. We are doing this with Gucci, with which we have successfully partnered in the past, fully confident that we can overcome new challenges together. Our Group believes that economic development has a healthy outlook when it focuses on environmental impact, social inclusion and the enhancement of human capital.

CARLO MESSINA, CEO of Intesa Sanpaolo
Our commitment to generate positive change in the broader community means that we work with, and nurture, extraordinary collaborations at a local level. This is the focus of Gucci Changemakers Volunteering Program, empowering our people to generate positive impacts in their local communities. With our changemakers and our non-profit partners we collaborate to promote social justice, protect the environment, enhance education, and support health and well-being. These are our focus areas of impact.

What we stand for and how we act towards one another is at the very core of who we are.

CREATING POSITIVE CHANGE IN COMMUNITIES

Volunteering is a challenge to create meaningful connections and interactions between us, as individuals, and the world around us. We empower our employees to connect with their local communities through the Gucci Changemakers Volunteering Program, enabling employees to give back to their communities and make a difference. In 2021, our employees volunteered more than 9,800 hours, supporting over 140 NGOs in 88 cities worldwide. This is a testament to our commitment to making a positive impact in the world.

Gucci Changemakers Global Volunteering Program in Numbers

- 1,700 Gucci employees volunteering more than 9,800 hours
- Supported more than 140 NGOs in 88 cities worldwide
- Received Meta® “Social Impact Award 2021”

Volunteering is a vital lever to create meaningful connections and interactions between us, as individuals, and the world around us. We empower our employees to connect with their local communities through the Gucci Changemakers Volunteering Program, enabling employees to give back to their communities and make a difference. In 2021, our employees volunteered more than 9,800 hours, supporting over 140 NGOs in 88 cities worldwide. This is a testament to our commitment to making a positive impact in the world.

Gucci Changemakers as Engines of Positive Change

<table>
<thead>
<tr>
<th>Participants Volunteering</th>
<th>Activities Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,700</td>
<td>24,200</td>
</tr>
<tr>
<td>Non Profits Supported</td>
<td>8,800</td>
</tr>
<tr>
<td>Hours Volunteered</td>
<td>9,800</td>
</tr>
<tr>
<td>Total</td>
<td>391</td>
</tr>
</tbody>
</table>

The experience was extremely satisfying and interesting. I was able to help children do something that is extremely dear to me (reading) and to live an opportunity that should not be closed to any child. I am very happy to have been part of it and I can’t wait to do it again.

PAVITRA, Associate Store Manager & Team Manager, Gucci India

Being a Changemaker for me means to have the chance to put yourself in the first line to trigger a positive change in your community, thanks to a Company that understands the enormous impact that its people can make when given the opportunity. I am so proud of all the numerous projects we put in place with our friends of Sesta Opera: from IT tutoring for prisoners to CV screening and job interview simulations, drug rehabilitation and self-empowerment to counselling. Each one of them is a way of giving importance and dignity to those who, for some reason, are no longer considered important. Everyone should take ownership on how society works and evolves.

ALESSANDRO, Global Wholesale & Franchising Planner, Gucci Corporate Italy

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Gucci Changemakers in 2021

Gucci Changemakers is our community of employees and non-profit partners dedicated to creating positive impacts in local communities all around the world. Together we can help build more just, equitable communities by promoting social justice, protecting the environment, enhancing education, and supporting health and wellbeing. Launched in 2019 with the Gucci Changemakers Global Volunteering Program at its core, the programme expanded to include two regional initiatives: Gucci Changemakers North America Impact Fund and Gucci Changemakers North America Scholarship Program.

Launching our third edition of Gucci Changemakers during the Gucci Love Parade Fashion Show in Los Angeles in November 2021, we celebrated the programmes ongoing success through a series of awareness-raising initiatives. The Gucci North America Changemakers Summit heard remarks from Gucci America’s President and CEO Susan Chokachi, actress and model Jodie Turner-Smith, and poet and activist Cleo Wade, while a panel discussion exploring the power of art, creativity, and culture to create social impact was hosted by activist Bethann Hardison in conversation with Mickalene Thomas, Racquel Chevremont, Tyler Mitchell, and Yaseen Eldik. Here too, a launch video was unveiled, The New Class: Gucci Changemakers 3.0, by writer-director-producer Sage Dolan- Sandrino, co-director Kam and cinematographer Chance Chamblin. The film was voiced by Gucci Changemaker scholars and youth community members, highlighting the importance and power of art and creativity as revolutionary tools for radical change.

During the launch at Crenshaw High School in their new Performing Arts Centre, we also dedicated a day to community service across Los Angeles with our local Changemakers partners. Gucci employees and friends of the House volunteered at the Los Angeles LGBT Centre, Academy Gold Rising, Black AIDS Institute, My Friend’s Place, and We Are R.I.S.E and we ended the day with a community celebration at Sole Folks in Leimert Park.

North America Focus

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Gucci Changemakers North America Impact Fund in 2021

Gucci Changemakers North America Impact Fund in Numbers

- $476,000 USD to 15 Impact Fund recipients
- $75,000 USD from Detroit vs. Everybody partnership
- Impacted 40,000 local community members
- Awarded $675,000 USD
- Disbursed $75,000 USD from Detroit vs. Everybody partnership

All Gucci believes that, together, we can foster unity through community action. Our Gucci Changemakers North America Impact Fund translates this philosophy into reality by helping to speed up positive social change in diverse communities. By supporting community-based, grassroots organisations making a local impact across the 12 Changemakers focus cities—Atlanta, Chicago, Detroit, Houston, Los Angeles, Miami, New Orleans, New York, Philadelphia, San Francisco, Toronto, and Washington D.C.—we provide earmarked grants to critical areas in need of support including social justice and equity; arts and culture; health equity and wellness; and education.

Gucci Changemakers Impact Fund recipients in 2021 were: SoHarlem, New York; Misa Hylton Fashion Academy, New York; Weird Enough Productions, Atlanta; Sista Afya, Chicago; Social Works, Chicago; JOURNi, Detroit; Magpies and Peacocks, Houston; The Academy Foundation/Academy of Motion Picture Arts and Sciences, Los Angeles; We Are R.I.S.E., Los Angeles; Radical Partners, Miami; ProjectArt, New Orleans; Tools and Tiaras, Philadelphia; The African American Art & Culture Complex, San Francisco; Human Rights Campaign, Washington D.C.; and UforChange, Toronto.

Gucci engaged with Detroit as early as 2019 in support of filmmaker Jenn Nkiru’s film Black to Techno, which delved into the city’s Black music scene and connection to techno music. In 2021, we built even deeper connections with the city, due to its inspiring cultural heritage, eclectic creativity, and expanding multicultural fashion scene. We established a unique partnership with Detroit vs. Everybody X Gucci Changemakers, collaborating with Detroit designer Tommy Walker and his label DETROIT VS. EVERYBODY for a special line-up of T-shirts to celebrate the 11 Changemaker cities in the United States. To mark our commitment, a charitable donation was made to the 2020 and 2021 Gucci Changemakers North America Impact Fund recipients totaling an additional $75,000 USD above and beyond the Fund’s allocated grants.
With Gucci Changemakers Scholars Award and Gucci Changemakers X CFDA Scholars by Design Award, we are dedicated to providing opportunities and hands-on experience in the fashion industry to diverse and talented young people. Our aim is to bring new, diverse, and empowered voices into our industry for the future. Starting from 2020, we’re awarding $1.5 million USD over four years through the Gucci Changemakers Scholars Award. 2021 saw students from Historically Black Colleges and Universities (HBCUs) and diverse students specializing in areas related to fashion, such as design, marketing, art, film, communications and merchandising, apply for scholarships up to $20,000 USD. These scholarships are based on unmet financial needs with special preference going to students living or studying in one of our 12 Gucci Changemakers cities. As part of its mandate, the Gucci Changemakers X CFDA Scholar by Design Award selects one woman of color or a person who identifies as a woman entering her senior year of design school. In 2021, the awardee also received a scholarship for $20,000 USD.
As part of our mission to create a positive, lasting social footprint from our fashion shows, the Gucci Love Parade Fashion Show, through Gucci Changemakers, provided $1 million in grants to six Los Angeles based non-profit organisations focused on empowering young people, mental wellness, and community engagement.

1. Happy Hippie Foundation
   Our grant supports their creative arts programming through their Transformative Education Programme, providing creative and enriching arts programming for more than 225 youth through 200+ workshops, experiences and field trips, creating opportunities for youth to explore different mediums, such as music, visual arts, theatre, and dance. The programme also includes arts interventions that include visual arts, music, jewellery making, movement and digitization.

2. My Friend’s Place
   Our grant is used to support My Friend’s Place homeless youth programmes in Hollywood.

3. Happy Hippie Foundation
   Our grant supports their general programmes, such as their Sneaker Day initiative, youth entrepreneurship workshops, and administrative support.

4. Los Angeles College Promise Works
   (Los Angeles Mayor’s Fund)
   Our grant supports LACP Works’ expansion of career training opportunities and increasing the capacity of the career development teams to help College Promise students better understand their career goals, overcome obstacles, and have the skills needed to realize their professional dreams.

5. Sole Folks
   Our grant supports their general programmes such as their Summer Jobs Initiative, youth entrepreneurship workshops, and administrative support.

Introduction
People
Planet
We protect biodiversity and embrace nature-positive strategies for the future while seriously reducing our footprint across our direct operations and our supply chain.

Developing Eco-friendly Sourcing Solutions, Innovative Materials and Processes with a Circular Approach

Pioneered DEMETRA, an innovative animal-free material that combines quality, softness and durability with an eco-friendly ethos, and incorporating it across our collections including Gucci Off The Grid which now includes more than 70 products from shoes to accessories and luggage.

Increased traceability for our raw materials reaching 94% traceability overall, with 100% traceability for our plant-based and animal-based materials.

Recovered 290 tons of leftover leather, 215 tons of textile scraps, 67 tons of metal accessories, and donated 9,000 meters of fabric to NGOs in Italy through Gucci-Up.

Reduced our leather manufacturing footprint with Gucci Scrap-less, with 13 tanneries participating in the programme and reducing 253 tons of leather scraps, saving 9,5 million litres of water, avoiding 15,730 kg of waste production, and avoiding 1,085 tons of CO2.

Reduced our total footprint by -49% and our greenhouse gas emissions by -46% since 2015 relative to growth.

Attained 100% green energy in 44 of the 49 countries we are located in for our stores, corporate locations and factories, equalling 93% renewable energy worldwide towards our 100% target by the end of 2022.

Maintained carbon neutrality across Scopes 1, 2 and 3 of the Greenhouse Gas Protocol since 2018.

Helped protect and restore 785,000 hectares of critical forests and biodiversity in Zimbabwe.

Supported an afforestation programme covering over 6,000 hectares in Kenya that helps encourage local farmers to improve their farms by planting and maintaining trees on degraded and/or underutilized land.

Moving to a Nature-positive Approach

Evolved our strategy with Gucci’s Natural Climate Solutions Portfolio to go beyond carbon neutrality towards a nature-positive approach.

Championing Regenerative Agriculture

Committed to sourcing materials from regenerative agriculture and put in place mechanisms to set up projects across wool, cotton, silk, and linen.

Helped farmers transition to regenerative farming by funding regenerative projects for wool and leather covering 3,075 hectares, allowing for the capture of approximately 25,000 tons of CO2 over five years.

Established partnerships with 85 farms in our core supply chain to support their adoption of regenerative practices for regenerative wool, silk, cotton and linen.

2021 HIGHLIGHTS

Introduction People Planet

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An Environmental Profit & Loss (EP&L) account is a tool that provides an in-depth analysis of our environmental impacts, revealing our issues and our opportunities to generate positive change. By measuring and then monetising the greenhouse gas emissions, water use, water and air pollution, waste, and land use associated with our direct operations and supply chain, starting from raw material production through to manufacturing, and all the way to product use and end of life, we can identify and prioritise key actions to reduce our impacts and track our sustainability progress.

Understanding our impacts

To measure our total environmental footprint, we analyse:

- Greenhouse gas emissions
- Water use
- Water pollution
- Air pollution
- Waste
- Land use

And to truly understand the impacts associated with our business activities and our products, we analyse these factors across our value chain.

Operations & retail

Consumer use

Product end of life

E N V I R O N M E N T A L  P R O F I T & L O S S

What is an EP&L?

- It measures the environmental footprint in our own operations and across our entire supply chain, as well as the impacts associated with consumer use and product end of life.
- It facilitates more effective decision-making and provides a clear insight into our business.
- It provides valuable information so we can understand what our largest impact drivers are and where they are located.

What are the benefits?

- Provides valuable information so we can understand what our largest impact drivers are and where they are located.
- A decision-making tool to create targeted programmes.
- Integrates its findings into our step-by-step operations and strategy, influencing our product design, sourcing decisions, manufacturing, and innovation.
- Analyses our products from cradle to grave.
- Provides progress of our sustainability strategy.
- Helps to analyse our supply chain to manage future risks.
- Guarantees more transparency with stakeholders.

How does it convert into monetary value?

An EP&L measures our environmental impacts and values the data that is collected in economic terms. It estimates the cost of the changes in the environment resulting from our business activities.

Monetising our environmental impacts allows us to easily compare our environmental performance.

Discover Gucci’s Digital EP&L
**Gucci’s EP&L Year-on-Year Reduction**

Because the EP&L provides us with a deep understanding of where and how our impacts are generated, we’ve been able to customise programmes to address our impacts more effectively: employing best practices; adopting more efficient manufacturing and processes; using renewable energy; sourcing sustainable, low-impact materials; and innovating through circular design.

Underpinning the strength of our ambitions are reduction targets for our direct operations and supply chain: -40% for our total footprint and -50% for GHG emissions by 2025, against a 2015 baseline. Our 2021 EP&L results revealed that we’re not only on track to meet our emissions target attaining a -46% GHG emissions intensity reduction, we’ve already surpassed our goal to minimise our total impacts by -49%. Aligning with science even further, we’ve adopted our parent company Kering’s science-based goals, approved by the Science Based Target initiative (SBTi), around reducing our GHG emissions in alignment with a 1.5°C pathway by 2030.

What’s more, for all the remaining GHG emissions we can’t reduce every year, we translate them into protecting and restoring forests and biodiversity. So, since 2018 we’ve been totally carbon neutral in our direct operations and across our supply chain too, and we’re now moving towards a nature-positive approach.

**AN AMBITIOUS STRATEGY GUIDING OUR WAY**

For years now, we’ve been taking meaningful and decisive actions to mitigate our entire impacts, while simultaneously supporting biodiversity.

We’ve been busy advancing our sustainability agenda in 2021 and transparency pushes us to reduce our footprint as much as we can; our annual Environmental Profit & Loss account (EP&L) captures metrics and KPIs for all to see. This means we have a detailed measurement of greenhouse gas (GHG) emissions, water and air pollution, water consumption, waste, and land use starting from raw material production, right through to the manufacturing of our products, and all the way until they reach our stores and our clients. We’ve also started analysing how consumers use our products, as well as product end-of-life.
End of Life Use Phase Tier 0:
- Stores, Warehouses, Offices

Tier 1:
- Assembly

Tier 2:
- Manufacturing

Tier 3:
- Raw Material Processing

Tier 4:
- Raw Material Production

Air emissions
GHGs
Land use
Water consumption
Water pollution

Gucci 2021 GHG Emissions

- Scope 1 (equalling 1% of GHG emissions in 2021)
  - onsite fuel usage
  - directly-owned vehicles, and company car fleets

- Scope 2 (equalling 0.5% of GHG emissions in 2021)
  - Electricity and steam production

- Scope 3 (equalling 98.5% of GHG emissions in 2021)
  - Direct operations equalling 16.5% in 2021 (data available from 2019)
  - Upstream energy and water fuel
  - B2B Transportation
  - Expenditure (included from 2019)
  - Business air travel
  - Supply chain equalling 82% in 2021

Gucci's 2021 EP&L Results

- Scope 1 (equalling 1% of GHG emissions in 2021)
  - Direct operations

- Scope 2 (equalling 0.5% of GHG emissions in 2021)
  - Electricity and steam production

- Scope 3 (equalling 98.5% of GHG emissions in 2021)
  - Direct operations equalling 16.5% in 2021 (data available from 2019)
  - Upstream energy and water fuel
  - B2B Transportation
  - Expenditure (included from 2019)
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Introduction People Planet
TRANSFORMATIONAL ACTIONS IN OUR DIRECT OPERATIONS

Reducing Our Own Operations in Numbers

As the first luxury brand to become LEED (Leadership in Energy and Environmental Design) certified back in 2009, we’ve increased LEED Construction and LEED Operation & Maintenance certifications by 57% from 2020 to 2021, reaching 66 LEED certified buildings in 2021. Globally recognised as the leading Green Building certification, our LEED achievements have translated into significant improvements in our environmental performance linked to stores and offices in terms of energy and water savings, consumption monitoring, waste reduction and recycling, indoor air quality and general well-being for our employees and clients. On top of LEED certifications, all our Italian stores have been under SA8000 certification since 2007 and they’ve achieved the Health and Safety ISO 45001 certification in 2019, too.

We’ve been focusing on the redesign of our packaging with strategic sustainability choices as well; launching our new Green Packaging made from FSC-certified paper in 2020 for retail and e-commerce. When it comes to e-commerce in particular, we’re focused on reducing plastic, as well as substituting freight packaging filler and tape with paper. Moreover, we opt into reusable cotton canvas totes bags, adaptable freight packaging to further reduce delivery volume and weight for a lower environmental footprint for transportation.

Energised for 100% Renewable Energy

While we’ve been increasing our energy efficiency, we’ve also been transitioning to renewable energy. Indeed, transitioning to renewable energy as a clean energy source is a significant part of our climate strategy. And we’re coming closer to our 100% goal, achieving 93% green energy consumption in our stores, offices, warehouses and facilities in 2021. What’s more, we’ve already achieved 100% renewable energy in 44 of the 49 countries we’re located in, equalling a savings of 52,000 tons of CO2 in 2021. To support our transition, both our Italian headquarters in Florence and Milan have solar paneling on their rooftops so we can convert sunlight into usable green electricity for these locations.

Our suppliers have been increasing their use of green energy too; the electricity in our supply chain will be renewable by the end of this decade. Indeed, our parent company Kering has a 100% target for the Group’s entire supply chain to use green energy by 2030 and we’ve been working towards this goal. We’ve also been supporting our suppliers in this transition through our green financing ‘Sviluppo Filiere’ programme with Intesa Sanpaolo bank, as well as through an innovative financing mechanism aimed at consolidating energy purchases at the Kering Group level. In 2021, our suppliers used 25% green energy, with over 50% in leather manufacturing processes and 40% in footwear manufacturing.

Greening Our Stores and Offices

Starting from where we can influence the built environment, we’ve been seriously reducing our impacts in our stores and offices, creating greener spaces and setting up eco-friendly initiatives from construction, design and technology, through to sustainability policies and daily onsite management.

As the first luxury brand to become LEED (Leadership in Energy and Environmental Design) certified back in 2009, we’ve increased LEED Construction and LEED Operation & Maintenance certifications by 57% from 2020 to 2021, reaching 66 LEED certified buildings in 2021. Globally recognised as the leading Green Building certification, our LEED achievements have translated into significant improvements in our environmental performance linked to stores and offices in terms of energy and water savings, consumption monitoring, waste reduction and recycling, indoor air quality and general well-being for our employees and clients. On top of LEED certifications, all our Italian stores have been under SA8000 certification since 2007 and they’ve achieved the Health and Safety ISO 45001 certification in 2019, too.

We increased our BMS (building management system) systems by 78% (from 2020 to 2021) covering 50 of our store and corporate locations in 2021, so we can track energy consumption and improve on savings even better. Designing our store lighting using LED also helps to lower our energy footprint and, as of 2021, 88% of our stores used LED. We’re continuing pushing these initiatives until our energy consumption meets our sustainability goals.

Onsite management means our retail teams take special care to recycle and manage the disposal of waste in a sustainable way, every day. Where we can manage our own waste collection, we ensure proper recycling separating paper and plastic, and where the landlord is in charge we observe all regulations for the location and city. For our offices, we’ve banned single-use plastics both in our canteens and vending machines, and, to avoid wasting water and to further minimise plastic use, about 25% of our stores use water dispensers.

We’re also progressively switching to Digital Stations for back office activities, equalling significant savings on printed material, ink and paper consumption.

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Climate Strategy for Accountability: Carbon Neutral to Nature-Positive

Our climate strategy is all-encompassing: since the majority of our greenhouse gas emissions, equalling around 80%, are generated in our supply chain, we fully believe it’s our responsibility to address them too. So, since 2018, we’ve been entirely carbon neutral in our direct operations and across our entire supply chain; in other words through Scopes 1, 2 and 3 of the Greenhouse Gas Protocol. Our approach is ambitious yet straightforward. We prioritise avoiding and reducing our emissions through low-impact actions; and then, as a final measure, we translate the total remaining emissions into protecting and restoring nature. Our commitment has meant that, between 2018 and 2021, Gucci supported REDD+ projects around the world conserving 785,000 hectares of critical forests and mangroves. We ramped up our ambitions in 2021, evolving our climate strategy to move beyond carbon neutrality towards a nature-positive approach through our ‘Natural Climate Solutions Portfolio’.

A RESPONSIBLE SUPPLY CHAIN FROM THE BEGINNING

Our Suppliers, Our Partners

Our suppliers are our collaborators, we’ve worked with most of them for years, with many supplying Gucci for over two or three generations. 95% of our manufacturers are based in Italy and they are long-term relationships that have been cultivated with a spirit of trust and commitment to the “Made in Italy” sign of excellence. We rely on them to uphold our high standards and policies, and we support our suppliers with capacity building and training to be best-in-class, following environmental and social best practices. We’ve also set up programmes to help them become greener and more inclusive, as mentioned earlier, the green financing programme we established with Intesa Sanpaolo, geared towards the pursuit of crucial ESG objectives, benefit our Italian suppliers with fast access to loans with advantageous terms and conditions.

As a single and comprehensive audit methodology, it’s aligned with the best standards in the field, in particular the SA8000, a global standard that accounts for business ethics and responsible labour relations. To support our suppliers in meeting these requirements, and so they can keep improving even further, the training seminars we created are focused on each of our product categories every year, sharing best practices and information related to our sustainability strategy and the key impacts generated in our supply chain.

In 2021, we also publicly shared our Tier 1 suppliers, which covers 87% of the Tier 1 factories in our supply chain and includes the main suppliers that finish our products’ manufacturing and assembly for ready-to-wear, leather goods and shoes, and jewellery.

Our Suppliers in Numbers

95% of our manufacturers are based in Italy
Over 20,000 people indirectly work for us throughout our supply chain
95% of our manufacturers are based in Italy
1702 supplier audits across our supply chain

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A big part of our reduction pathway is based on how and where we source our raw materials. In fact, together, raw material production and processing represents 63% of our total footprint, that’s why we’ve been focusing a lot of our efforts on sourcing sustainably, promoting traceability and enhancing our use of low impact materials across our collections, while exploring new ways to innovate along the supply chain. Our strict guidelines ensure the highest standards for our raw materials and manufacturing processes, adhered to by our trusted suppliers who are primarily based in Italy. They account for every step in the supply chain from farm, field or mine to finishing, covering traceability, social welfare, environmental protection, animal welfare and chemical use. We have a target to 100% align with these progressive standards by 2025 and we’ve made good inroads so far.

Since the bulk of our supply chain impacts come from raw material production, we’re constantly seeking out ways to increase sustainability right from the very beginning. We carefully select all our raw materials, focusing on their production systems, through to how they are processed and manufactured, so that they have a lower carbon, water and chemical footprint while avoiding the deterioration of natural ecosystems and local biodiversity. We prefer to use certified materials whenever we can; replacing conventional with certified organic materials, including textiles and packaging, FSC®-certified cellulose fibres, paper and wood, and recycled alternatives. We’ve also committed to sourcing from regenerative agriculture to give back to climate and nature.

<table>
<thead>
<tr>
<th>Materials Traceability</th>
<th>2025</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>99%</td>
<td>97%</td>
</tr>
<tr>
<td>Plant-based materials</td>
<td>99%</td>
<td>97%</td>
</tr>
<tr>
<td>Overall</td>
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<td>95%</td>
</tr>
<tr>
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<td>99%</td>
<td>99%</td>
</tr>
<tr>
<td>Total Avoided Impacts Raw Materials Sourcing + Processes Efficiency</td>
<td>93,172</td>
<td>45.88</td>
</tr>
<tr>
<td>Metals</td>
<td>28,139</td>
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<td>Fibres</td>
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</tr>
<tr>
<td>Leather</td>
<td>2,619</td>
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</tr>
<tr>
<td>Scrap-less</td>
<td>1,085</td>
<td>0.23</td>
</tr>
<tr>
<td>Process efficiency Gucci-Up</td>
<td>93,172</td>
<td>45.88</td>
</tr>
<tr>
<td>Circularity Gucci-Up</td>
<td>65,226</td>
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<tr>
<td>Total Percentage</td>
<td>100%</td>
<td>100%</td>
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<tr>
<td>Sustainable Materials Across Our Collections</td>
<td>2020</td>
<td>2021</td>
</tr>
<tr>
<td>Overall</td>
<td>4,758</td>
<td>5,181</td>
</tr>
<tr>
<td>Plant-based</td>
<td>4,424</td>
<td>4,908</td>
</tr>
<tr>
<td>Animal-based</td>
<td>334</td>
<td>273</td>
</tr>
<tr>
<td>Recycled viscose</td>
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<td>14,086</td>
</tr>
<tr>
<td>Organic or recycled cotton</td>
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<td>15,941</td>
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<tr>
<td>Organic wool or from responsibly managed sources</td>
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<td>11,475</td>
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<tr>
<td>Recycled nylon and polyester</td>
<td>21,363</td>
<td>21,363</td>
</tr>
<tr>
<td>Leather</td>
<td>18,925</td>
<td>19,362</td>
</tr>
<tr>
<td>Paper from responsibly-managed forests</td>
<td>17,908</td>
<td>18,400</td>
</tr>
<tr>
<td>Metal-free leather</td>
<td>7,913</td>
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</tr>
</tbody>
</table>

Maximising Opportunities for Maximality Sustainability

With 63% of our footprint coming from our raw materials, we are constantly seeking ways to increase sustainability right from the very beginning. We carefully select all our raw materials, focusing on their production systems through to how they are processed and manufactured, so that they have a lower carbon, water and chemical footprint while avoiding the deterioration of natural ecosystems and local biodiversity. We prefer to use certified materials whenever we can, replacing conventional with certified organic materials, including textiles and packaging, FSC®-certified cellulose fibres, paper and wood, and recycled alternatives. We’ve also committed to sourcing from regenerative agriculture to give back to climate and nature.

### Materials Traceability
- **Overall**: 99% (97% in 2021)
- **Plant-based materials**: 99% (97% in 2021)
- **Animal-based materials**: 99% (99% in 2021)

### Total Avoided Impacts Raw Materials Sourcing + Processes Efficiency

- **2020**: 93,172 million euros
- **2021**: 45.88% reduction from the 2020 figure

<table>
<thead>
<tr>
<th>Category</th>
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- **Total avoided impacts raw materials sourcing + processes efficiency**: 93,172 million euros (45.88% reduction from 2020)

### Sustainable Materials Across Our Collections

- **Total Percentage**: 4,758 million euros (5,181 million euros in 2021)
- **Plant-based**: 4,424 million euros (4,908 million euros in 2021)
- **Animal-based**: 334 million euros (273 million euros in 2021)

- **Recycled viscose**: 14,086 million euros (14,086 million euros in 2021)
- **Organic or recycled cotton**: 15,941 million euros (15,941 million euros in 2021)
- **Organic wool or from responsibly managed sources**: 11,475 million euros (11,475 million euros in 2021)
- **Recycled nylon and polyester**: 21,363 million euros (21,363 million euros in 2021)
- **Leather**: 18,925 million euros (19,362 million euros in 2021)
- **Paper from responsibly-managed forests**: 17,908 million euros (18,400 million euros in 2021)
- **Metal-free leather**: 7,913 million euros (7,913 million euros in 2021)
Eco-Innovation for Tanning

Adopting novel, low-impact solutions for our materials and manufacturing is a big part of our strategy to minimise our impacts. With this in mind, we've been innovating to create more sustainable manufacturing methods and, starting in 2015, we've been switching to metal or chrome-free tanning as an alternative to conventional tanning techniques. It’s a greener solution reducing chemicals, water, waste and by-products from tanning and manufacturing, while at the same time saving on energy and the associated greenhouse gas emissions. Our goal is to achieve 100% metal or chrome-free tanning across our collections by 2025, and, starting from 0.2% we reached 40% of our total leather production in 2021, up from 26% in 2020.
DEMETRA

Born from Gucci’s desire to explore and innovate materials for the future, Demetra is the culmination of two years of research and development by Gucci’s own technicians and artisans.

-created using the same processes for tanning thereby achieving characteristics that give a resilient performance, with a supple and luxurious finish

Scrapes during manufacturing are upcycled and reused through an extension of the Gucci-Up programme

Tannery uses green electricity and adheres to the Environmental, Health & Safety ISO Standard

Eco-innovation combines efficient processes with animal-free raw materials that are primarily from sustainable, renewable, and bio-based sources

Contains at least 77% plant-based raw materials

Made in Italy

Remaining associated greenhouse gas emissions are translated into protecting and restoring forests and biodiversity

Supports open innovation to the fashion industry

ANIMAL-FREE & ECO-FRIENDLY
A quest for circularity—keeping resources forever circulating—and its attainment is one of the ultimate goals for fashion. Indeed, it’s intrinsically linked to meaningful climate action and biodiversity conservation. On top of our broader responsibility to people and planet, to reach our sustainability goals we need to move further and further away from fashion’s traditional, linear model, and decouple the use of new raw materials and resources from our activities as much as we can. So, we’ve been combining our creativity and technical know-how with our circular vision, championing the regeneration of materials and textiles, wasting less and minimising the use of new resources. We’ve also been incorporating innovative ways to optimise efficiencies during the production and manufacturing of our collections. And that’s not all: We’ve been exploring partnerships and new business models to extend the life of our materials and products even longer. By its very virtue, luxury has circularity built-in, retaining beauty and value for the long-term. We want to bolster these inherent attributes to extend the lifespan of our products, keeping them forever in circulation.

We can do a lot on our own to reduce our use of virgin resources and rethink every step of our supply chain; to become circular by design. But, truly scaling up circularity is an industry-wide effort. It will take innovation, shared solutions, consensus building and collective action across fashion’s ecosystem. While we’ve had a long-standing collaboration with the Ellen MacArthur Foundation through our parent company Kering, with a view to the future as well as our own circular ambitions, we’ll be taking a very proactive role starting in 2022 as a Strategic Partner. We’ll make sure to share our efforts and learning’s in our new role at the Ellen MacArthur Foundation in our next Gucci Equilibrium Impact Report.
A Virtuous Circle with Gucci-Up

Our leftover textiles and leather from manufacturing are given a new life through our Gucci-Up programme. Launched in 2018, we've focused on recovering and upcycling our leftover materials by optimising a number of different channels. If we don't use these upcycled or discontinued non-branded fabrics and leather materials ourselves, we either put them back into the marketplace or donate them to NGOs and social cooperatives in Italy. These organisations support the training of people from marginalised groups, including women, migrants, and Disabled people, and their re-integration into the community. In 2021 alone, we collected 500 tons of leather and textile leftovers from Gucci's suppliers totalling 1,500 tons between 2018 and 2021. Our material donations amounted to 15,000 meters of fabric over the same period. We will continue to expand our Gucci-Up programme and also find further innovative ways to upcycle our leftover materials.

Gucci's donated materials and fabric has contributed to our mission of social entrepreneurship in the ethical fashion sector in a twofold manner: Firstly, in our inclusive workshop, donations from the Gucci-Up programme have contributed to the reintegration of marginalized groups in a sustainable manner, providing them with the skills and knowledge to work in the fashion industry.

ANNA FISCALE
Founder and President of QUID

Colori Vivi is a social enterprise that helps migrant women to reintegrate with pride, trust and professionalism into a new working and social fabric. Touching, cutting, sewing, ironing such precious fabrics triggers an educational and technical training process in our seamstresses that allows them to learn and grow professionally. The fabrics from the Gucci-Up programme with which we work make the difference in our training work to support the social impact of Colori Vivi as both women are able to find renewed self-esteem and professionalism.

BARBARA SPEZINI
CEO and Founder at Colori Vivi

**Gucci-Up in Numbers**

- 240 tons of leather leftovers recovered, totalling 617 tons since 2018
- 215 tons of leftover textiles recovered, and 900 tons since 2018
- 9,000 meters of fabrics donated to social cooperatives and 15,000 meters donated since 2018
- 67 tons of metal scraps regenerated, equaling 203 tons since 2018

Gucci is a proud member of the Fashion Pact, a global coalition of 45 leading fashion companies committed to driving the fashion industry towards a more environmental and socially responsible future. Our commitment to sustainability is not just about reducing our environmental impact, but also about creating positive change in the communities we touch.
Gucci Scrap-less in Numbers

- 253 tons of leather scraps were reduced in 2021, totalling 450 tons since 2018
- 15,730 kg of waste production avoided in 2021, totalling 32,400 kg since 2018
- 13 tanneries participating
- 9,572 kg of waste production avoided in 2021, totalling 22,650 kg since 2018
- 9.5 million litres of water consumption saved in 2021, with 21 million litres of water saved since 2018
- 6,140 kg of air emissions avoided and 13,500 kg of CO₂ avoided since 2018
- 6 million lbs of emissions avoided, and 13,500 tons of CO₂ avoided in 2021, totalling 122,280 tons of CO₂ emissions between 2018 and 2021
- 6,140 kg of air emissions avoided and 13,500 kg of CO₂ avoided since 2018

Minimising Waste, Innovating for Leather

Our Gucci Scrap-less programme is another way we’ve been reducing our leather manufacturing footprint. We’ve rethought and upended the traditional methods of how leather hides are handled by simply cutting them to the sizes we need before tanning. So, this way, we are able to process only what we need for production, which significantly reduces the amount of energy, water and chemicals required to treat the material. It also reduces transport-related greenhouse gas emissions from tanneries to factories, too. Since launching in 2018, we’ve continued to extend the Gucci Scrap-less programme for our leather production. In 2021, 13 tanneries participated, equalling approximately 1,085 tons of CO₂ avoided since 2018.

Reducing Plastics, Keeping Plastics Circulating

We’ve been busy reducing and redesigning for plastics, implementing solutions towards a circular economy for plastic. We’ve been seriously reducing our use of plastics across all areas of our business, and also choosing alternatives where we can swap it out in products and across our supply chain, including our offices, stores and production locations. And, when plastics are used, we opt for more sustainable alternatives like recycled and bio-plastics as much as we can. To guide us, we have strict standards for plastics that are applied to all the types we use in our products, packaging and visual merchandising. Through our Fashion Pact commitment under our parent company Kering, we also have a clear target to eliminate 100% single-use plastic in our retail packaging by 2025, and, for all our industrial packaging by 2030. Over the last years, we’ve launched various game-changing programmes to address plastics; they’ve translated into real and measurable change across all our activities:

- From 2015 we’ve banned PVC from our products and packaging.
- We’ve decoupled virgin plastics from design, replacing virgin synthetic fabrics with recycled alternatives. As examples, we use recycled Acrylonitrile-Butadiene-Styrene (ABS) plastic in the heels of our shoes, and Thermoplastic Polyurethane (TPU) for our soles, which contains up to 50% bio-plastic content.
- We’ve increased the reuse, collection, and recycling of plastics across our direct operations.
- We’ve eliminated all virgin single-use plastics in our product packaging for retail, with any remaining plastic components made of recycled sources, such as hangars for our ready-to-wear collections from recycled polyethylene or rain-covers for shopping bags from recycled polyethylene, and dust bags and suit carriers made of recycled polyester and regenerated cotton.
- We’ve increased industrial packaging reuse through initiatives like our ‘Take Back’ programme where we reuse all the plastic protective boxes for our accessories. It’s been a success, avoiding 578,000 new boxes and equaling 70 tons of plastic for industrial packaging in 2021, and 131 tons since we launched the programme in 2019.
- Our plastic-free initiative for our Italian offices has eliminated single-use plastic from our cafés, canteens, vending machines and meeting rooms, replacing it with more sustainable options.
- In 2019, we committed to extending this initiative throughout our business.

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Pre-Loved Gucci, Vintage with Gucci Vault

New business models geared towards extending the life of products have had the spotlight for good reason; it’s a key component of the circular economy for fashion. This is an area we took immediate interest in and we’ve been exploring the secondary marketplace for the last years, starting with a three-month pilot with The RealReal in 2020 where we joined forces to launch an online shop dedicated to a selection of curated preloved Gucci items, and testing other platforms in 2021. Gucci Vault is another creative exploration of this model: we’ve included a curated collection of vintage Gucci items selected by our creative director Alessandro Michele and Gucci archivists. Vault showcases an edited and limited selection of hard-to-find and exclusive items, which are carefully reconditioned through the know-how and mastery of Gucci’s artisans and are then numbered and presented online.

ALESSANDRO MICHELE
Gucci’s Creative Director

We called it Vault because a vault is a storage place for beautiful things. It’s related to my passion for vintage. It is clear I love vintage. I love old things, they are present in my life with contemporary things.
Protecting and Restoring Nature in Numbers

We believe it’s critical to be part of the bigger solution for a better tomorrow; and while we focus on minimising our negative impacts across our own ecosystem, we also maximise positive impacts on people and the planet more broadly.

Supporting conservation efforts is integral here, and, through our Natural Climate Solutions Portfolio, we have been protecting and restoring forests, mangroves and natural landscapes around the world. In turn, our ongoing commitment helps mitigate climate change while safeguarding important biodiversity, wildlife and their habitats.

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A NATURE POSITIVE APPROACH: OUR NATURAL CLIMATE SOLUTIONS PORTFOLIO

Through conserving and restoring natural climate solutions like forests and wetlands, and improving land management, we are helping to ensure that these natural carbon sinks continue to play their critical role in the fight against climate change for years to come. Starting from 2018, we’ve been investing in forest conservation through our carbon neutral commitment and we follow the mitigation hierarchy: by first avoiding and reducing our greenhouse gas emissions as much as we can, and then, as a final step, translating any remaining emissions from our direct operations and our entire supply chain every year into protecting and restoring nature. In early 2021, we evolved our strategy and announced an over-arching Natural Climate Solutions Portfolio to go beyond carbon neutrality towards a nature-positive approach. While we still invested in forest conservation to compensate for our remaining emissions, we went above and beyond to invest in the protection and restoration of mangroves, as well as investing in the first steps of our long-term strategy for regenerative agriculture.

Gucci’s ambition to source, scale up and transition to regenerative agriculture for key raw materials has gone from strength to strength and the newest regenerative projects are within Gucci’s own supply chain.

We have invested in regenerative projects for wool and leather covering 3,070 hectares, catalysing over 12,000 hectares of land managed with over 215,000 tons of CO2 sequestered over the project’s life.

Supported the Kariba REDD+ project protecting 766,000 hectares of forests and biodiversity in Zimbabwe.

Funded afforestation in Kenya covering over 480 hectares of land for regenerative forest farms located on degraded and/or unused land.

Supported conservation efforts in the Anwen Ecosystem in Kenya covering 1,093 hectares of forest corridor vital for wildlife habitats and their migration.

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A big part of our sustainability focus is around the raw materials we use: not only to reduce their associated impacts, but also to leave behind a positive footprint where and when we can. This means sourcing from agricultural systems that can replenish and strengthen nature, rather than deplete it through chemically-intensive conventional methods. So, we’ve been championing organic raw materials for some time now and, at the very beginning of 2021, we announced that we’re shifting our sourcing strategy to pursue materials from regenerative farming systems, too.

In short, regenerative farming improves the overall quality and health of the land by rebuilding and regenerating; enriching and increasing soil health, water quality, biodiversity, animal welfare best practices and, significantly, removing carbon from the atmosphere which is essential in the fight against climate change.

While this is not something that can happen overnight due to raw material availability and the time it takes to implement—and reap the outcomes—of these farming methods, we made a firm commitment to source regenerative raw materials for our collections. This objective is also a linchpin in our circularity strategy, as the raw materials produced under these conditions are part of a circular economy for fashion. By using “good” materials from the very beginning, our industry would be one step closer to becoming circular in every way.

During the year since announcing our objective, we worked hard putting in place the mechanisms to set up regenerative farming projects: to turn our vision into reality. Starting with feasibility studies to map out our supply chains so we can identify farms and supplier partners that can meet our needs, we’ve been focusing on a number of our key raw materials including cotton, wool, leather, silk and linen. We’ve made good progress so far: we’ve already set up partnerships with farms to support their adoption of regenerative agriculture practices with a view to purchasing the resulting raw materials. Our newest regenerative projects include:

- Regenerative wool from Uruguay where we’re supporting a group of ten farmers for the adoption of regenerative agriculture practices, with a projected potential to replace 19% of the conventional wool we currently use.
- Regenerative wool from Alpago, in the Italian region of Veneto, whereby we’ve already started integrating this wool into our collections starting with ARIA.
- Regenerative cotton from Sicily, with a projected potential to replace 5% of the conventional cotton we currently use.
- Regenerative silk from Calabria, with an aim to use the regenerative silk for the first-ever 100% Italian Gucci scarves.
- Piloting a new project for the regenerative cultivation of linen and cotton from the Salento area, in the Italian region of Apulia.

We’ll be sharing further updates on our progress and next steps to incorporate these raw materials—and others—from regenerative farming systems into our collections.

At the same time, and with a similar philosophy to how we’re protecting forests and biodiversity outside our own regions of operations, it’s important to support farmers shift to regenerative farming more broadly. Here, we’ve been mentioning farmers through “carbon farming”. This type of investment is important to help bridge the financial gap between the cost of making changes and the time it takes for farmers to realise the productivity and profitability benefits of regenerative practices. As an example, in 2021, as part of our Natural Climate Solutions Portfolio, we funded regenerative projects for wool and leather globally covering 3,075 hectares, allowing for the capture of approximately 25,000 tons of CO₂ over five years. In turn, this will catalyse over 32,000 hectares of land managed with regenerative practices and bring about an additional 200,000 tons of CO₂ sequestered over the projects’ life. For wool sheep farmers in Patagonia, this means helping them convert to regenerative grazing on 1,800 hectares of grasslands. Over the next years, once measurable, positive outcomes have been verified through an accredited third-party and validated against a recognised standard, the resulting carbon credits we purchased in advance to fund these projects’ conversion to regenerative practices will be applied against compensating for our residual greenhouse gas emissions.
Conserving Vital Forests

Under our Natural Climate Solutions Portfolio we’ve been maintaining our commitment to carbon neutrality in Scopes 1, 2 and 3 of the Greenhouse Gas Protocol by translating all the remaining greenhouse gas emissions linked to our activities into investing in verified REDD+ (Reducing Emissions from Deforestation and Forest Degradation) projects, a United Nations backed programme to preserve and sustainably manage forests to prevent carbon from being released into the atmosphere when trees are cut or burned. This meant that we supported the Kariba REDD+ project, which protects the Miombo forest in Zimbabwe, including grasslands, savannah and shrublands in this threatened subtropical ecosystem, through compensating for our remaining emissions in 2020. For our 2021 residual emissions, we supported the Kariba REDD+ project once again as well as supporting afforestation in Kenya covering just over 6,000 hectares of land through the TIST programme which encourages local farmers to improve their environment and farms by planting and maintaining trees on degraded and/or unused land. We also pre-purchased carbon credits earmarked towards our 2022 emissions compensation to support the Madre de Dios REDD+ project in the Peruvian Amazon, which protects tropical rainforests in the region. Annually, these projects protect huge swaths of critical forests and biodiversity.

Restoring and Protecting Mangroves

As one of the only trees that grow in saltwater, mangrove forests are considered to be “superhero” ecosystems straddling land and sea. Mangroves store up to ten times more carbon than mature terrestrial forests; however, 30-50% of the world’s mangroves are already lost and they continue to disappear at a rate of 2% each year. When these ecosystems are damaged or destroyed, an enormous amount of carbon dioxide is emitted back into the atmosphere, which contributes to climate change. That’s why we invest in the protection and restoration of mangroves beyond our compensation strategy for carbon neutrality. In 2020, we invested in the Muskitia Blue Carbon REDD+ project in Honduras and we will continue supporting the conservation of this important ecosystem in 2022, too. A UNESCO world heritage site, the Muskitia region is home to some of the most unique and continuous forest in Central America. The project protects nearly 5,000 hectares of mangroves and over 285,000 hectares of forest from deforestation, translating into the prevention of 62,500 tons of CO₂ being released into the atmosphere every year.
Protecting Habitats, Safeguarding Endangered Wildlife

Through our Natural Climate Solutions Portfolio we’ve been able to play a role in protecting and restoring high biodiversity landscapes and wetlands that are home to a large variety of wildlife, many of them vulnerable and endangered species like jaguars, African elephants, lions, and hippo. Especially given that approximately 80% of the world’s land-based species live in forests, protecting their habitats from deforestation and forest degradation has a dramatic impact on wildlife and biodiversity conservation. In fact, by restoring only 15% of ecosystems in priority areas, 60% of expected biodiversity extinctions can be avoided.

We’ve also partnered with initiatives like The Lion’s Share Fund since 2020 to augment our contribution to ecosystem restoration. Led by the United Nations Development Programme (UNDP) and a coalition of businesses and UN partners, the Fund is a unique initiative raising much-needed funds to protect endangered species and their natural habitats on the ground in some of the most important ecosystems in the world.

The Lion’s Share Fund has supported over 20 conservation and animal welfare organisations through projects in 15 countries, and, in 2021, our donations were earmarked towards a variety of important programmes, including:

- Supporting ongoing work in the Leuser Ecosystem, securing and restoring 1,093 hectares of forest corridor vital for the migration of Sumatran elephants
- Training beach rangers in Sri Lanka to thwart poaching, egg gathering and other destructive actions towards the sea turtles that come ashore to nest
- Supporting the all-female Black Mamba Anti-Poaching Unit in South Africa
- Supporting Communities Locally: Education, Healthcare, Livelihoods

The projects within our Natural Climate Solutions Portfolio deliver multi-benefits to the local communities, creating a positive economic and social impact. It’s a big part of the project’s holistic approach, the thinking behind REDD+ is to create sustainable income-generating activities that empower the local communities to move away from practices linked to deforestation. Consequently, the majority of the projects’ proceeds from selling carbon credits generated by forest conservation remain in the local communities, financing a myriad of actions across health, education, training, and women empowerment. As an example, the Kariba REDD+ project we’ve been supporting since 2019 is a community-based project in Zimbabwe, administered by the four local Rural District Councils of Binga, Nyaminyami, Hurungwe and Mhore. Over 82,000 people living in the Kariba project work together to protect this important ecosystem and the proceeds from doing so have been channelled into providing better healthcare, building infrastructure and school subsidies. Creating sustainable livelihood opportunities is a big part of the project’s focus and activities in conservation agriculture, community gardens, beekeeping training, fire management, and ecotourism create jobs and facilitate climate-friendly incomes.
In addition to this overview, we report on our commitment and progress towards our sustainability goals in many other ways throughout each year, as well as through a wide range of surveys and industry rankings covering a broad array of issues. For more detailed information on Gucci’s and our parent company Kering’s sustainability strategy and methodology please refer to the following documents and platforms.

**Gucci Equilibrium**

Gucci Equilibrium is our commitment to generate positive change for people and our planet. It unifies the principles we uphold and the actions we pursue to treat our world and each other better, for our collective future. Discover Gucci’s sustainability news and articles on our efforts by visiting equilibrium.gucci.com.

**Kering Environmental Profit and Loss (EP&L)**

Gucci’s total environmental impacts associated with our business activities in our direct operations and across our supply chain are rigorously calculated on an annual basis. To do this we use Environmental Profit and Loss (EP&L) accounting, which was pioneered by our parent company Kering. An EP&L account measures greenhouse gas emissions, air and water pollution, water consumption, land use and waste production along the entire supply chain, thereby making the various environmental impacts of Gucci’s activities visible, quantifiable and comparable. EP&L accounting now also looks at consumer use and end of life. Any variation of 2015-2021 EP&L data with respect to already published data is due to a periodical update of EP&L coefficients as per Kering’s Methodology.

These impacts are then converted into monetary values to quantify the use of natural resources. By measuring all our environmental impacts, we can focus in on the most significant drivers of impacts from our business and make better-informed decisions. This data-driven approach allows us to develop robust policies and programmes to reduce our footprint and drive tangible, positive change. With this deep knowledge, we can also respond to the risks and opportunities presented by any environmental challenges.

**Kering Universal Registration Report**

The report includes Kering’s annual financial report, the report of the Board of Directors on corporate governance, the internal control and risk management procedures implemented by the company and the reports from the Auditors. The report is developed for a range of stakeholders, including employees, local communities, nongovernmental organisations (NGOs), customers, investors and government.

**Gucci Digital EP&L**

To provide even greater transparency, we launched a customised Gucci Digital EP&L in 2019. This open source platform is a testimony to our underlying philosophy of transparency, welcoming all forms of collaboration with our peers, across our industry. It drives greater understanding of our sustainability approach and enables different stakeholders in our industry to leverage the EP&L through its underlying data sets.

**Kering Integrated Report**

The report delivers a comprehensive view of Kering’s global value creation gained from its creative, financial, environmental, ethical and social dimensions.