



EQUILIBRIUM

GUCCI EQUILIBRIUM

IMPACT *Report 2021*

LETTER FROM OUR CEO

MARCO BIZZARRI
President and CEO, GUCCI



Photographer: Piotr Niepsuj

2021 was a very special year for Gucci.

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.

Indeed, the talk of needing deep, systemic change across our industry must be put into real practice and we take our role to influence this change very seriously. Working with leaders in various communities and fields to bring a new generation of thinkers, makers and activists into our universe, many of whom we have the honour of featuring in this report.

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.

ABOUT US

Innovative, progressive, and influential, at Gucci we are creating a wholly modern approach to fashion.

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.



Key Numbers in 2021



€9,731M in revenue



501 directly operated stores



20,911 employees



Over 20,000 people work for Gucci, indirectly throughout our supply chain

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 prioritising inclusivity and respect, so that everyone in our global #GucciCommunity 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.

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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



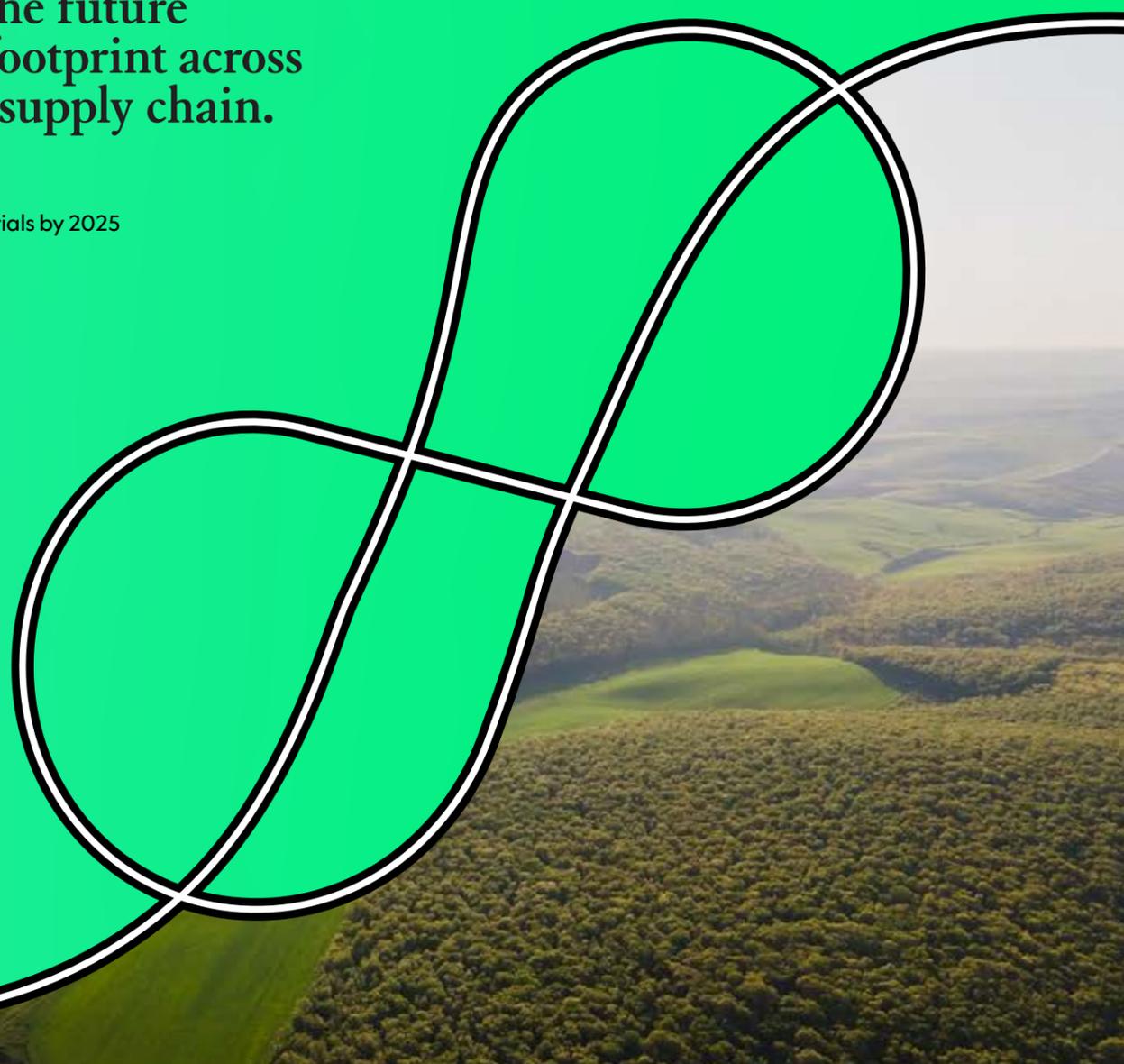
Moving to a nature-positive approach



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've 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.



OUR JOURNEY

2007

We were the first luxury brand to obtain SA 8000 (Social Accountability) certification combining criteria such as business ethics, respect for people, workplace health and safety, and equal opportunity. We're also a member of SAI's Advisory Committee.

2009

We were awarded our first LEED (Leadership in Energy and Environmental Design) certificate for sustainable buildings in 2009. Today we have over 60 certified retail and corporate buildings around the world.

2010

We launched our sustainable mobility initiatives. As of 2021, around 50% of our company cars were electric or hybrid vehicles. Additionally, all deliveries from online purchases are carbon neutral.



2013

Together with co-founders Salma Hayek Pinault and Beyoncé Knowles-Carter, we launched CHIME FOR CHANGE to convene, unite and strengthen the voices speaking out for gender equality. As of 2021, we've raised more than \$19 million USD for 457 non-profit projects worldwide, directly serving more than 630,000 girls and women and reaching more than 3 million family and community members.

2015

We launched our 10-year sustainability strategy, Culture of Purpose. We committed to ambitious targets, including reducing our total footprint by 40% and greenhouse gas emissions by 50% while also achieving gender parity by 2025. In 2020, we surpassed our total reduction target four years ahead of time reaching a -44% reduction and, in 2021 we reduced it by -49%.

2018

We've been carbon neutral across our supply chain since 2018, translating all our remaining greenhouse gas emissions every year into nature conservation. We protect craftsmanship skills for the next generation and launched Gucci École de l'Amour to pass on the skills that are critical for our artisanal craft and production methods.



2020

We launched the Gucci Off The Grid collection: our vision of circularity, promoting the regeneration of materials and textiles. Our Gucci Off The Grid product range now includes more than 70 products from shoes to accessories and luggage, including elements in Demetra, our pioneering animal-free and eco-friendly material. We also debuted our new packaging in 2020, created with strategic design choices to have a reduced impact on nature.

2008

We've been measuring and monitoring the global environmental impacts associated with our direct operations every year, focusing on energy, water, paper consumption and waste production. Since launching our sustainability strategy in 2015, we've decreased the average consumption of energy per employee by 36%.



2011

We received the ISO14001 (Environmental Management System) certification, and we started using our Environmental Profit & Loss accounting to measure our impact on the environment. We extended the annual measurement of our footprint to incorporate the entire supply chain, analysing greenhouse gas emissions, water consumption, water and air pollution, waste production and land use.

2012

We began experimenting with innovative materials, such as using a compostable bio-plastic in our footwear. Since then, we became the first luxury brand, in 2016, to use ECONYL® recycled nylon in ready-to-wear, and, in 2021, we presented our new animal-free and eco-friendly material DEMETRA.

2014

In 2014, we began developing our first metal and chrome-free leather products, which we launched in 2015. Using alternative metal and chrome-free tanning process reduces the environmental footprint when compared to traditional methods. We've scaled up metal and chrome-free leather from 0.2% to 40% of our total leather production as of 2021, with a goal to achieve 100% metal or chrome-free tanning by 2025.

2016

We've been working towards ensuring 100% of our raw materials can be traced through our entire supply chain by 2025. We achieved 95% overall traceability in 2021 with 99% traceability for plant-based and animal-based, including leather.

2017

We stopped using fur starting from our 2018 Spring/Summer collection. At the same time, we decided to stop using angora. Since early 2018 we have not used any fur from animals whatsoever.



2019

To empower our employees to make a difference in their local communities, we launched our Gucci Changemakers Volunteering Program. It allows every Gucci employee to dedicate up to four paid days of leave a year to volunteer with NGOs. In the same year we also launched the Gucci Changemakers North American Impact Fund and Scholarship Program in the US. Furthermore, with the ambition of defining the overall vision and priorities for Diversity, Equity and Inclusion, we established a Global Equity Board, responsible for informing our company culture and employee experience. We also held the first-ever ISO 20121 certified fashion show in 2019, extending and achieving certification for fashion shows and advertising campaigns from 2020.

2021

We 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. As a lead partner of the Women's Forum Italy, we signed "The Women's Forum CEO Champions Commitments" consisting of ten workable recommendations that empower our pledge of achieving gender equality towards a Zero Gender Gap. We also launched Gucci's Natural Climate Solutions Portfolio to protect and restore critical forests and mangroves, while also investing in regenerative agriculture. Furthermore, we received the "Welcome. Working for Refugee Integration" award by the UN Refugee Agency (UNHCR) for the 3rd year in a row.



PEOPLE

2021 HIGHLIGHTS

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

Promoting Inclusivity, Equity and Gender Parity

-  Increased employee diversity in corporate and retail, with 58% female members in management roles and 42% 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
-  Created greater opportunities for Disabled people in our workplace and established partnerships with organisations specialised in cultivating underrepresented talent

Achieving Gender Pay Equity for Equivalent Positions by 2025

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

Driving Positive Change in Our Communities and Supply Chain

-  Under Gucci Changemakers Global Volunteering, 1,700 employees volunteered over 9,800 hours, supporting more than 140 NGOs in 88 cities around the world
-  Supported over 25 organisations globally directly impacting 62,526 women and girls through our global campaign for gender equality CHIME 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 Forum 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

Protecting Our Heritage and Supporting the Continuation of Craftsmanship Traditions

-  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

EMPOWERING A STRONG & CARING CULTURE

We are passionate makers, thought-leaders and, above all, dreamers at Gucci. We imagine, we explore, we build.

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.

Inviting Inclusivity
We offer opportunities to build an inclusive and open community. One that is welcoming, accessible and equitable, where anyone can participate and belong.



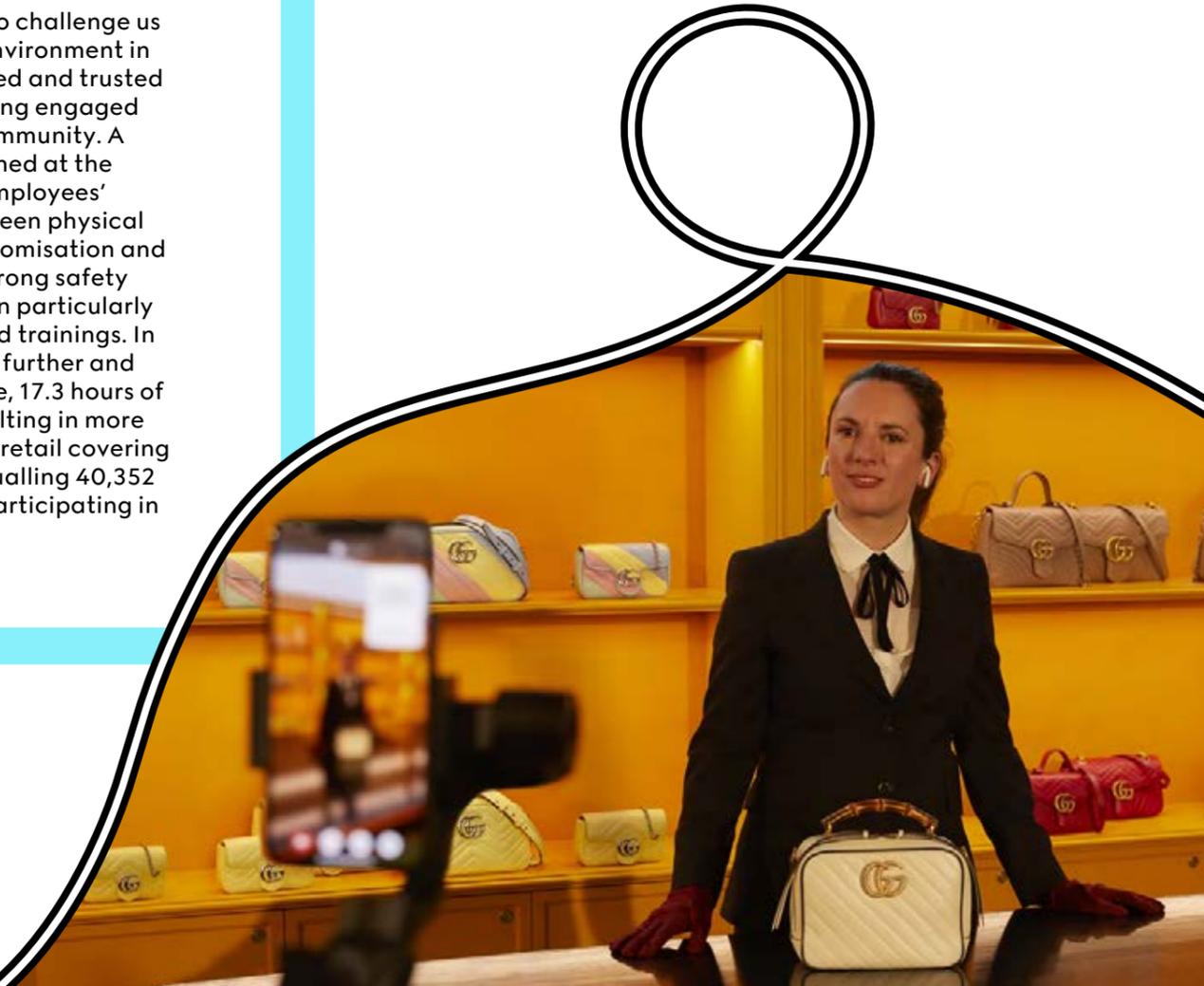
Expressing Yourself
Being who we are creates the fabric of Gucci. A place where our unique selves nurture extraordinary collaborations.

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 alternance and in compliance with strong safety 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.





Shaping Young Talents Globally

At Gucci, we invite global talents to a place where people are seen for who they are, where they are empowered to express themselves. We are constantly looking out for the next young talents around the world to become part of our Gucci Community, where unique possibilities come to life. Our Gucci Retail Graduate Program is one of the starting points on this journey, providing students with opportunities and hands-on experience to support the development of their careers for the future.

The Gucci Retail Graduate Program in Numbers



We always want to inspire a sense of belonging in our retail employee experience, where our people can shine as storytellers, stylists, and passionate leaders. We give people the possibility to express the best version of themselves and unleash their talents. Within the Retail organisation we offer dedicated learning journeys and many opportunities for growth. This helps us be an employer of choice and attract the right talent. To develop young talents interested in the embarking on a retail management career, we launched the Gucci Retail Graduate Program in 2021. Focused on recruiting academically excellent students from EMEA who have graduated in the past two years, the development programme is over a 24-month period with an end goal to hire new Team Managers in our stores. The selected talents rotate every three to six months, gaining experience in the store environment, and across four different retail supporting functions, such as retail performance, merchandising, client engagement, and operations.

In its first successful edition, over 2,500 applications were received from young graduates all over the world and seven exceptional students were selected to complete the two-year programme, who were also hired on a permanent basis in the Gucci stores involved in the programme. Following on from the programme's success, we've extended it to China, Korea and South Asia & Pacific starting in 2021.



Pursuing a career in luxury retail at Gucci means that every day you face new challenges, obstacles and objections as well as dealing with different type of clients and people and different kind of products and trends. All this represents a challenge that will enhance your skills. If I had to describe the Gucci Grade Program in 3 words, I would say that by being curious, passionate and by being yourself, you will succeed in Grade. The biggest takeaway of GRADE is to lead by love and to always lead by example. You will also learn how important your opinion is."

MARIANA,
2021 Gucci Retail Graduate Program,
Mall of Emirates, Dubai



The Gucci GRADE Program challenges me to strive to be the best, to be one of a kind and with passion. To me, the charisma of luxury retail, is not only to sell high quality products, but also to provide hope, imagination, and happiness to customers. The nature of retail is fast-paced and ever-changing therefore there are always surprises filled with rewarding challenges. If I had to describe the Gucci Grade Program in 3 words, I would say curiosity, creativity and empowerment. To all the people wishing to take part to the programme, I say that there are always opportunities for those who dare to dream big, therefore, never underestimate your abilities, always think critically and stay curious in the ever-changing environment around us."

ESTHER,
2021 Gucci Retail Graduate Program,
Selfridges, London



Our Community Supporting Global Vaccine Equity with UNICEF

During the evolving trajectory of the COVID-19 pandemic significant inequities in the distribution of 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 via the COVID-19 Vaccines 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.



From day 1 of this pandemic – even before COVID-19 was technically defined as a pandemic – we said, with no hesitation, 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. Now, after almost two years, we believe in this affirmation, more than ever – if vaccines aren't available to all, the pandemic will never truly end. This is why we created an internal initiative in which the entire company – all 20,000 of us at Gucci, united as one – donated 200,000 COVID-19 vaccine kits to UNICEF, strengthening our support in ensuring that vaccines are equitably procured and distributed to the most vulnerable communities around the world."

MARCO BIZZARRI,
President and CEO of Gucci



PROMOTING EQUITY

FOR EVERYONE

EMPOWERING DIVERSITY, EQUITY AND INCLUSION

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:

- 

Ensuring an inclusive workplace by providing educational trainings, learning opportunities, resource groups and open dialogue to increase communication, understanding and empathy
- 

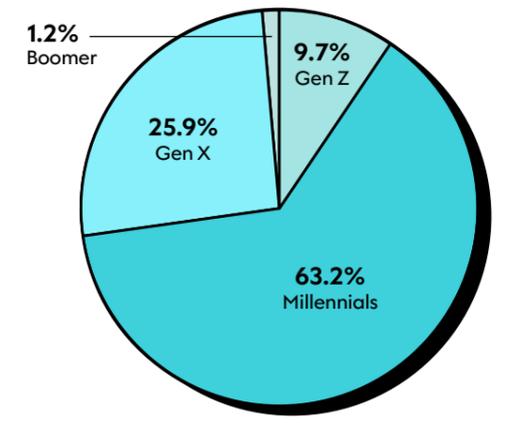
Increasing diversity in corporate and retail, with specific targets reflecting each global region
- 

Achieving gender pay parity for equivalent positions by 2025
- 

Creating greater opportunities for Disabled people in our workplace
- 

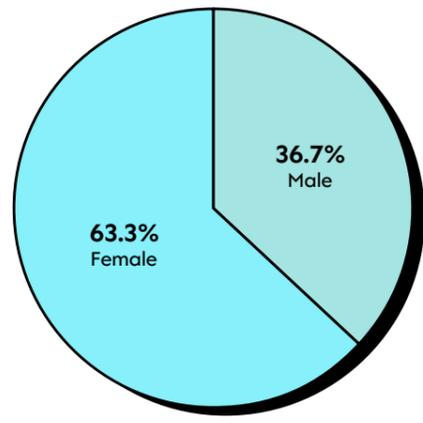
Adopting non-binary and gender-expansive language for gender self-identification internally and externally

Global Generations

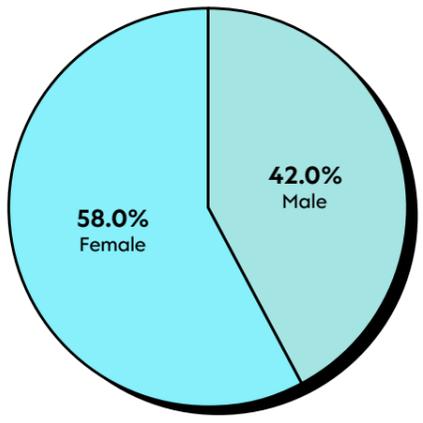


Representation in Numbers 2021

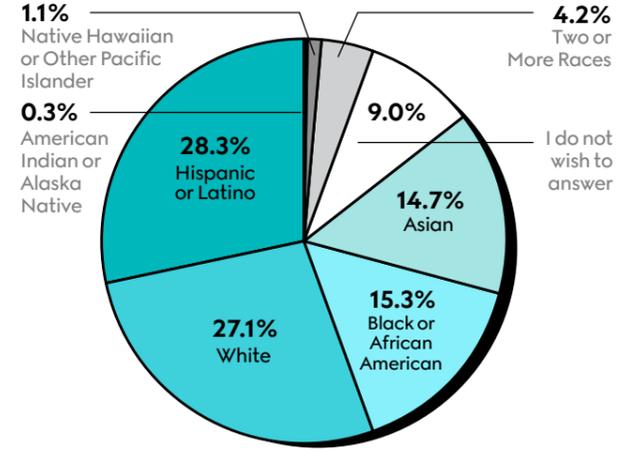
Global Gender Total



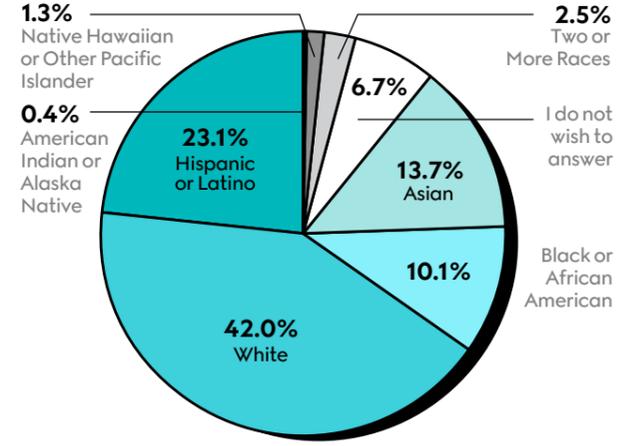
Management



U.S. Race & Ethnicity Total



Management



PUTTING PEOPLE FIRST

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 organisations specialising in underrepresented 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 furthering inclusive hiring
- ▶ Awarding scholarships for university students from diverse backgrounds who are pursuing careers in fashion through the Gucci North America Changemakers Scholarship Program
- ▶ Providing internship and mentorship in Gucci North America through the Gucci 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
- ▶ 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



Gucci Changemakers Global Volunteering with Artolution

Supporting Women and Gender Pay Parity

- ▶ Analysing global gender pay parity in over 45 countries to support our 2025 target achievement
- ▶ Developing our first Gender Gap report
- ▶ Reinforcing our commitment to gender equality by signing the Women's Forum CEO Champions Commitments at the Women's Forum G20 in Milan in 2021
- ▶ Combatting domestic violence and, in collaboration with the Kering Foundation, providing courses on domestic violence, training more than 400 ambassadors between 2013 and 2021

Creating Greater Opportunities for Disabled People

- ▶ Building a more inclusive workplace and customer experience, we piloted programmes starting in North America with the aim to improve the accessibility and experience in our stores
- ▶ Increasing disability representation among our teams and ensuring staff is trained to bring greater awareness to accessibility and inclusivity
- ▶ Launching the "Accessibility is True Inclusion" workshop in 2021, which will be mandatory for all employees in Gucci North America as part of our upcoming Unconscious Bias workshops, and extended to Europe at the beginning of 2022 with plans to expand to Latin America, South Asia and Pacific to ultimately cover all employees by 2023
- ▶ Enhancing opportunities for employees within Gucci Americas and participating in 'Guccibility', our Employee Resource Groups focused on disability
- ▶ Launching 'Coloriamo l'invisibile' in Italy for people with Asperger's syndrome and collaborating with local specialised associations to hire people with Down Syndrome in one of our factories
- ▶ Adopting expansive language and improving self-identification options for employees in 2021 as part of Gucci's overall mission to promote self-expression of all diversity dimensions, including: employees within our Gucci North America team now have the ability to self-identify as having visible or invisible disabilities, and also have the option to use gender expansion language to self-identify gender in a non-binary way as well as self-identify sexual orientation



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 a cost, but an investment in a fundamental principle of how we will need to undertake business forever more.



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-Coverry 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 mitigate the impacts of unconscious bias from our hiring and promotion processes
-  **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 in all of the above actions



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.



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



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



Providing Opportunities with Gucci's Design Fellowship Program

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.



The final 11 students for 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 mentor and Gucci's Executive Advisor on Global Equity and Culture



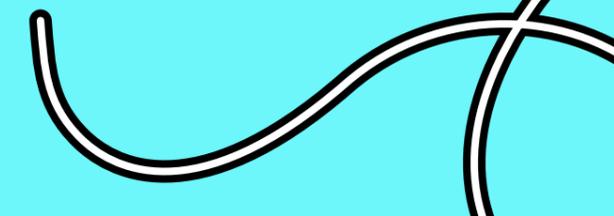
The Design Fellowship Program has been one of the most interesting learning experiences for me. I was lucky to start my Gucci journey with an incredible team in the embroidery department, every single designer within the team has been the most welcoming and have always offered to share their expertise 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 Awardee



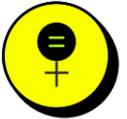
The Fellowship Program has given me the opportunity to expand my knowledge not only by being mentored and working closely on all the stages for Shoes Design and Special Projects, but also by assisting at the same time to Luxury Brands oriented Merchandising and Product Development lessons, among other 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 Awardee



CHIME FOR CHANGE

CHIME FOR CHANGE in Numbers



Supported more than 25 organisations around the world in 2021, directly impacting 62,526 women and girls



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 457 projects with 179 unique NGO partners between 2013 and 2021

Accelerating Progress Towards Gender Equality

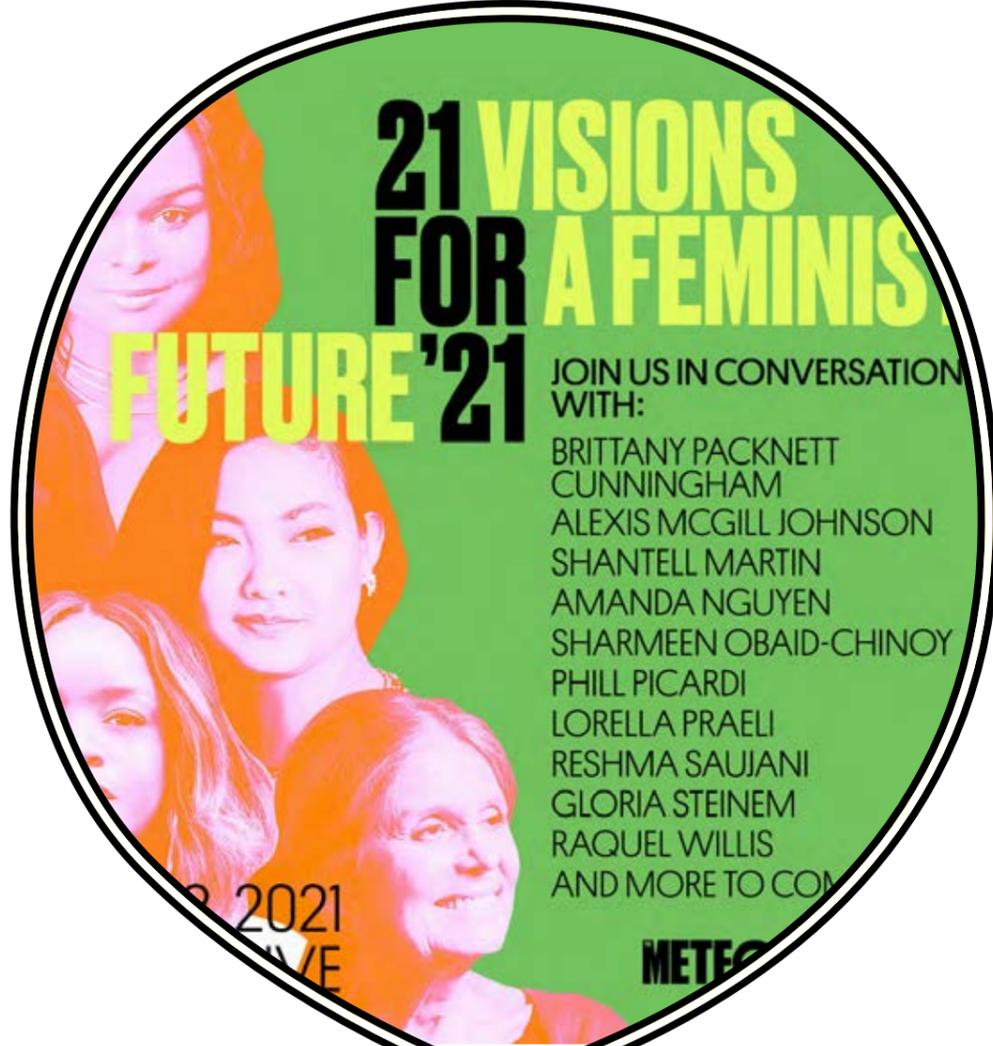
None of us can move forward if half of us are held back. That's why our CHIME FOR CHANGE campaign inspires participation in a collective community, bringing people together across borders and generations in the fight for gender equality. Since its launch in 2013, CHIME FOR CHANGE has convened, united 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.



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 not one 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 mobilization 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

**GENERATION
EQUALITY**





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 recognise 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.

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 organisations 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.

PRESERVING CRAFTSMANSHIP & SUPPORTING SUPPLIERS

FOR THE FUTURE

PROTECTING OUR LEGACY IN LUXURY

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

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.

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

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.





Supporting Women's Empowerment in Luxury's Supply Chain

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 250 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 Kering, we have deepened our commitment to women here, launching the "Women in Supply Chain Project" with Camera Nazionale della Moda Italiana in 2019. Following the first-ever study on the role of women in luxury's supply chain in Italy, initial trainings were offered starting in 2020 and during 2021 based on the results of the study with a focus on leadership and gender; career development; assertiveness; networking and group support. In 2022, these trainings will expand to a new range of our suppliers, including our factories.



Two Companies, One Mission: Sviluppo Filiere Programme

Sviluppo Filiere Programme in Numbers

-  175 of our Italian suppliers accessed loans as of the end of 2021
-  Provided loans by Intesa Sanpaolo totalling €286 million overall since launching

Initially launched in May 2020 with Intesa Sanpaolo bank 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 and conditions. We aligned loan access with ESG criteria and priorities set by the Italian government's National Recovery and Resilience Plan, such as: green logistics projects and developing facilities 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.



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

CREATING POSITIVE CHANGE

IN COMMUNITIES

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

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.

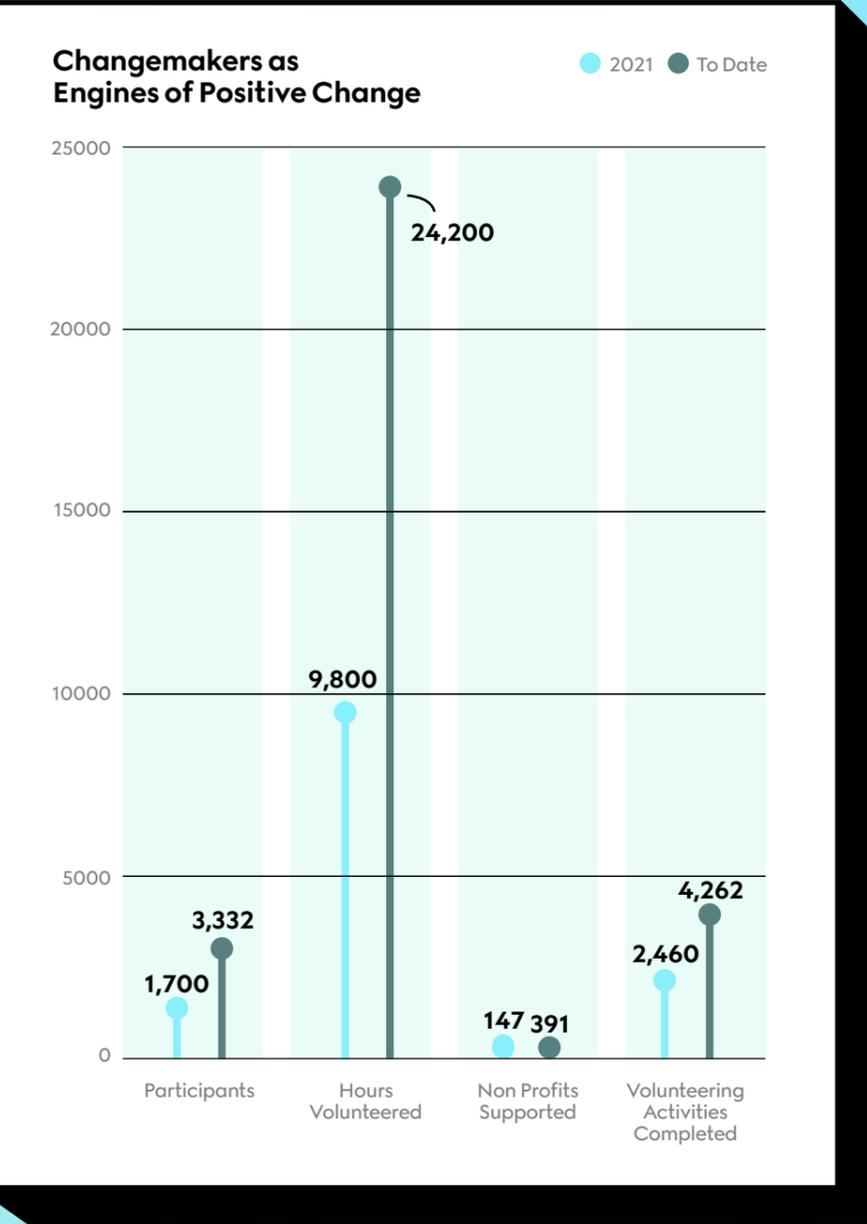


Gucci Changemakers Global Volunteering Program in 2021

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 and, through our Gucci Changemakers Global Volunteering Program, we give each and every employee up to 32 hours of paid annual leave to volunteer with non-profit organisations offering their time and skills. Throughout 2021 our employees supported their communities through international projects and opportunities that were close to their hearts.

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 world-wide
- Received Meta® "Social Impact Award 2021"



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 create 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, from discussions on drug rehabilitation and self-empowerment to counselling. Each one of them is a way of giving importance and dignity to those who don't matter to society anymore, and to remind yourself that everyone must take ownership on how society works and evolves."

ALESSANDRO,
Global Wholesale & Franchising Planner,
Gucci Corporate Italy



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

LOCAL ACTION, LASTING VALUES

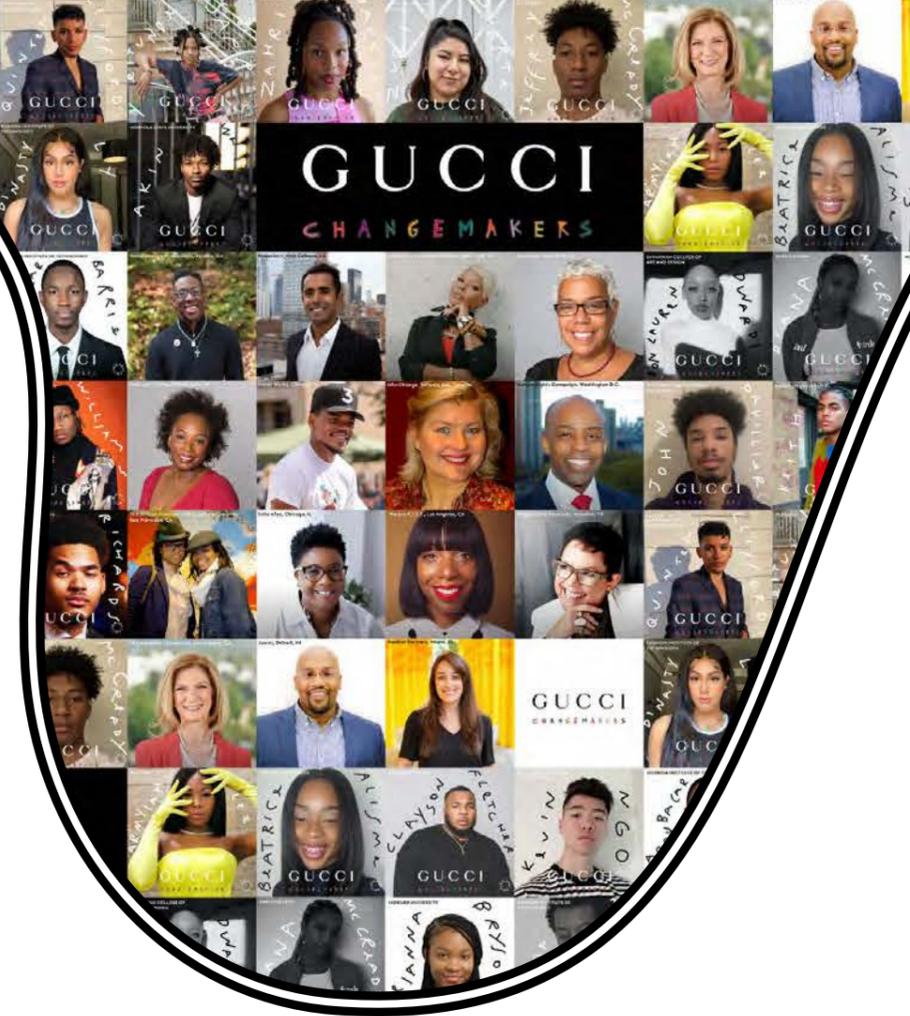
Gucci Changemakers in 2021

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.

North America Focus

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.



Gucci Changemakers North America Impact Fund in 2021

Gucci Changemakers North America Impact Fund in Numbers



At Gucci we believe that, together, we can foster unity through community action. Our Gucci Changemakers North America Impact Fund translates this philosophy into reality by helping 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 new partnership, 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 totalling an additional \$75,000 USD above and beyond the Fund’s allocated grants.





Gucci Changemakers North America Scholarship Program in 2021

Gucci Changemakers North America Scholarship Program in Numbers

- Awarded 21 Gucci Scholars
- Provided scholarships to diverse students totalling \$331,500 USD
- Selected 1 Gucci X CFDA Scholar

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 specialising 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.



GUCCI CHANGEMAKERS

LOS ANGELES GIVING

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 Hippy Foundation
Our grant is used to support My Friend's Place homeless youth programmes in Hollywood.



My Friend's Place
Our grant supports their creative arts programming through their Transformative Education Programme, providing creative and living arts programming for more than 225 youth through 200+ workshops, experiences and field trips; creating opportunities for youth to explore creative expression, craft identity, build marketable skills and develop positive self-regard and confidence through mediums that include visual arts, music, jewellery making, movement and digital media.



2 Hollywood YMCA
Our grant is used for their general programmes supporting youth sports, homelessness and hygiene, career and college programmes for young people.



3 Los Angeles LGBT Centre
Our grant is used to support their general services and programmes for LGBTQ + youth: transitional housing, culture and arts education, and leadership development.



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 give College Promise students more economic security, access to supportive services, and hone the skills needed to realise their professional dreams.



5 Sole Folks
Our grant supports their general programmes such as their Sneaker Day initiative, youth entrepreneurship workshops, and administrative support.



Gucci Love Parade show
Photographer: Dan Lecca

PLANET

2021 HIGHLIGHTS

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 95% traceability overall, with 99% 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

Tackling Climate Change by Reducing Our Overall Footprint



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

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



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 unused land

Championing Regenerative Agriculture



Committed to sourcing materials from regenerative agriculture and put in place mechanisms to set up projects across wool, leather, 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



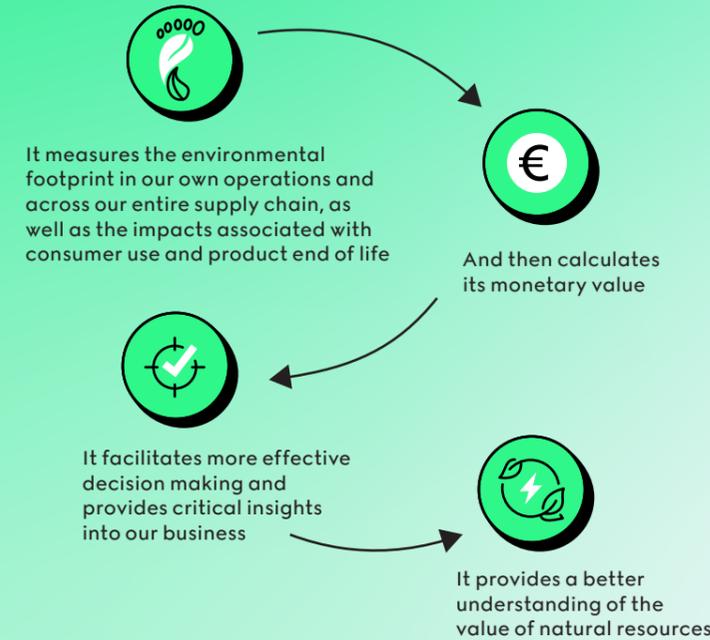
Established partnerships with farms in our own supply chain to support their adoption of regenerative practices for regenerative wool, silk, cotton and linen

ENVIRONMENTAL PROFIT & LOSS

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.



What is an EP&L?

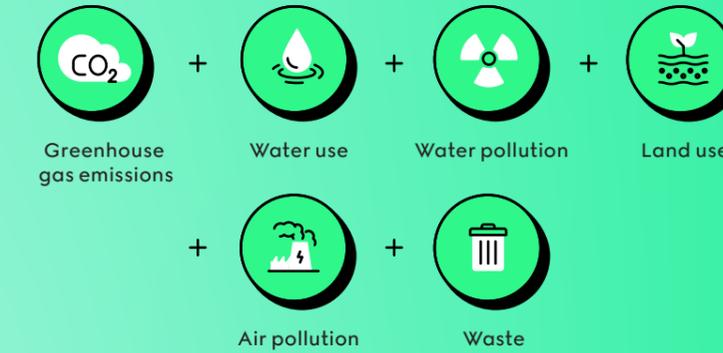


What are the benefits?

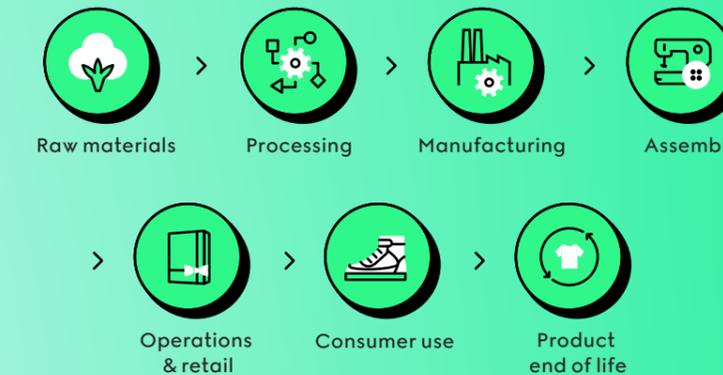
- ✓ Provides valuable information so we can understand what our largest impact drivers are and where they are located
- ✓ A decision-making tool to create targeted programmes
- ✓ Integrates its findings into our day-to-day operations and strategy, influencing our product design, sourcing decisions, manufacturing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

Understanding our impacts

To measure our total environmental footprint, we analyse:



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



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:

- ✗ ✓ In different areas of our business: the results are translated into a **language business understands**
- 🎯 Between our different impacts and business units: it shows clearly where it is best to **implement initiatives**
- 🌱 Over time: it shows where we are making progress and how we can **reduce our footprint**

Discover **Gucci's Digital EP&L**

TACKLING CLIMATE CHANGE,

REDUCING OUR OVERALL FOOTPRINT

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.

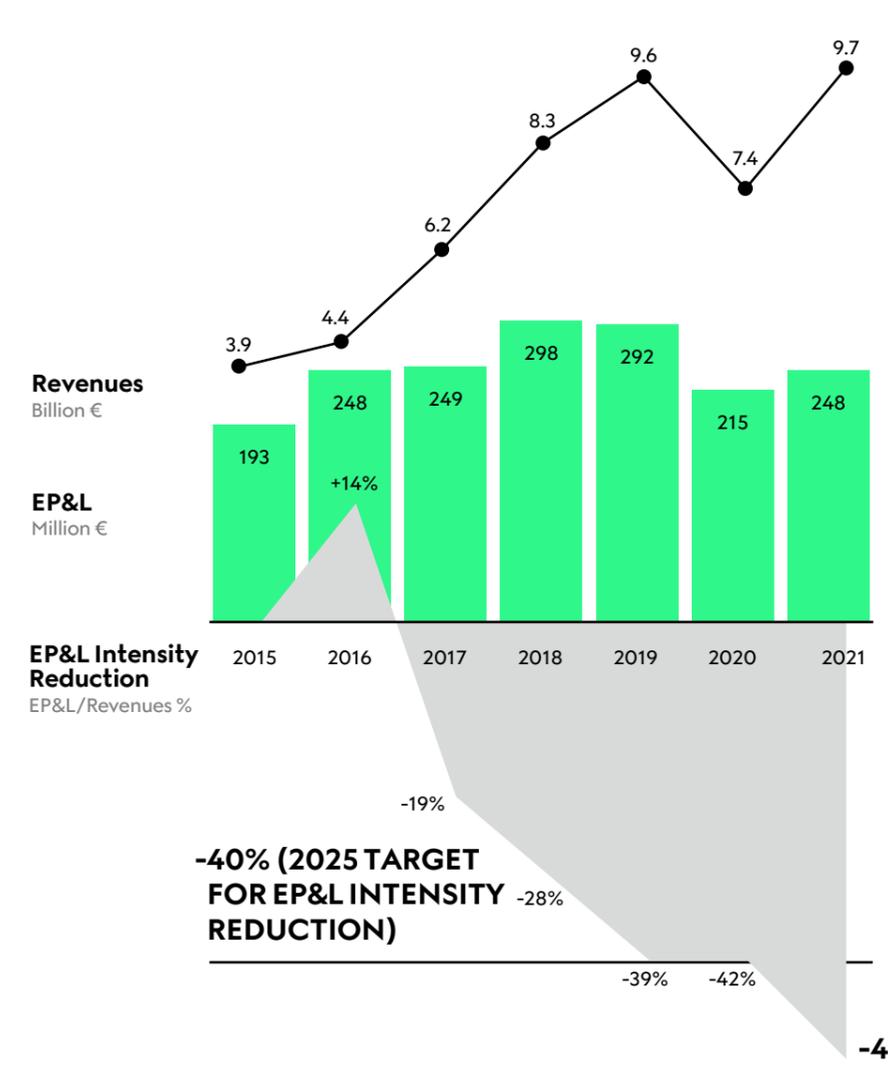
Because the EP&L provides us with a deep understanding of where and how our impacts are generated, we've been able to customise programmes to address our impacts more effectively: employing best practices; adopting more efficient manufacturing and processes; using renewable energy; sourcing sustainable,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

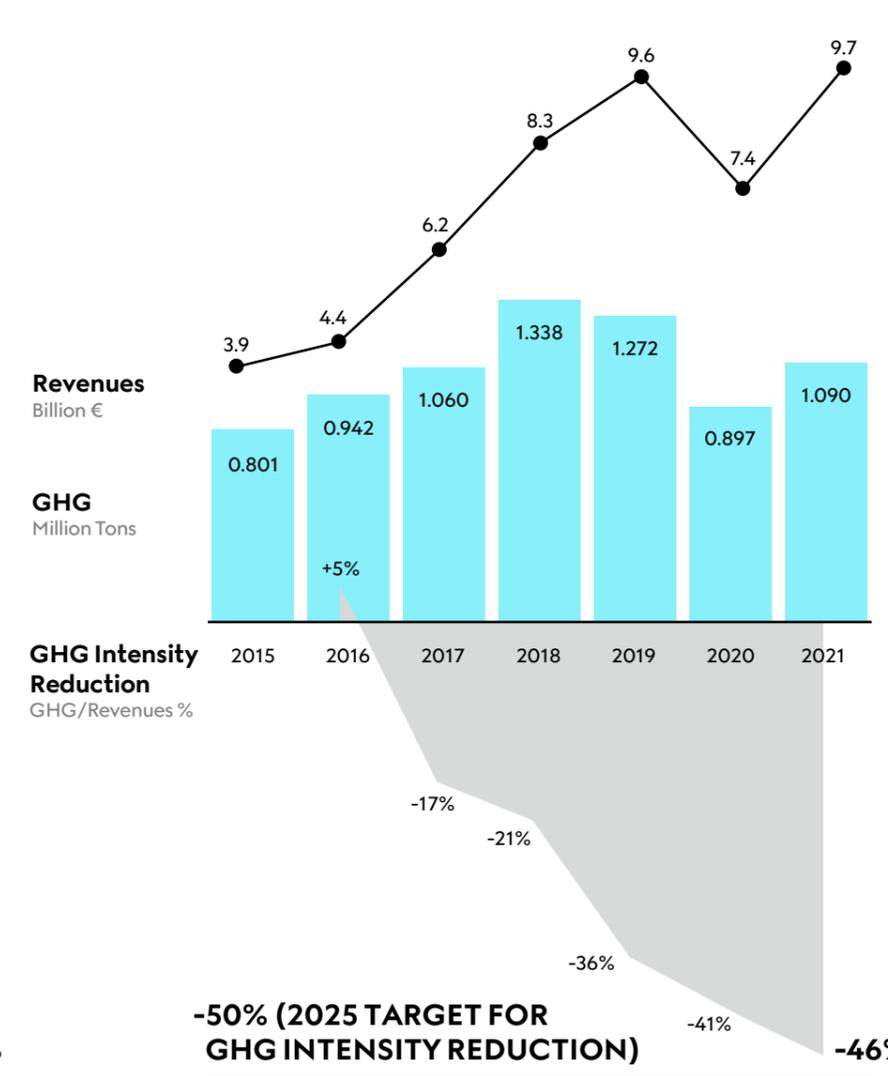
What's more, for all the remaining GHG emissions we can't reduce every year, we translate them into protecting and restoring forests and biodiversity. So, since 2018 we've been totally carbon neutral in our direct operations and across our supply chain too, and we're now moving towards a nature-positive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



Gucci's EP&L Year-on-Year Reduction

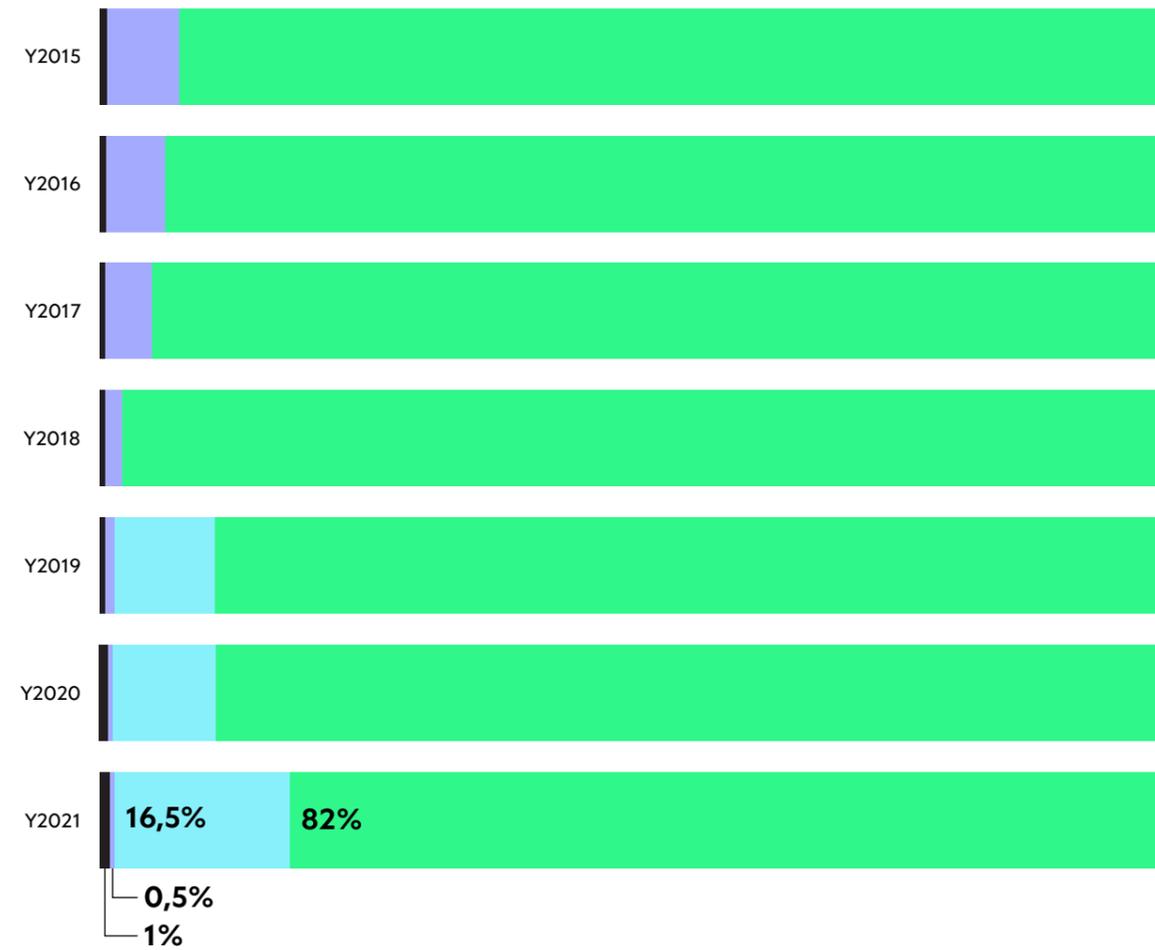


Gucci's GHG Year-on-Year Reduction



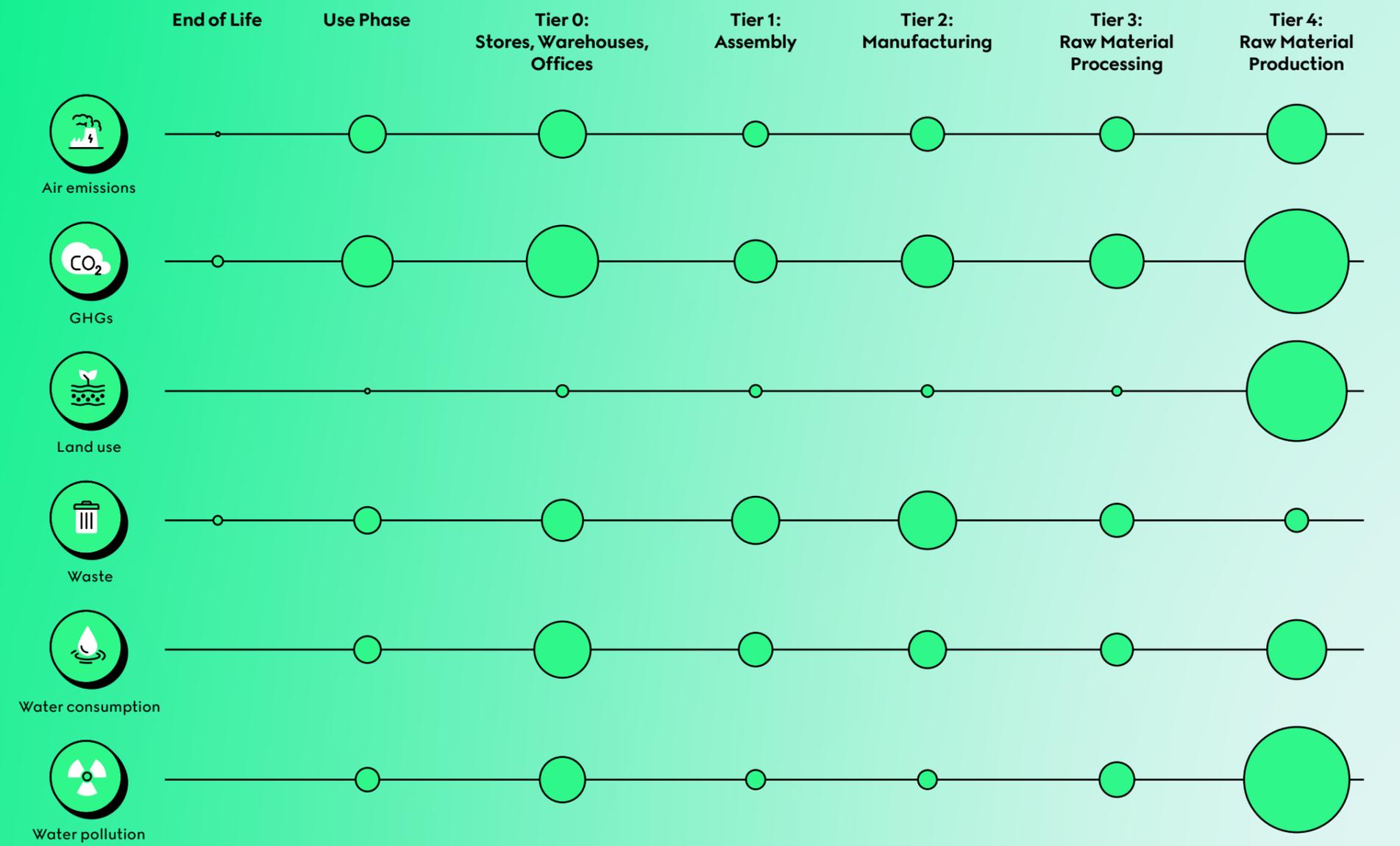
Gucci 2021 GHG Emissions

● Scope 1 ● Scope 2 ● Scope 3 Direct Operations ● Scope 3 Supply Chain



- 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 motor fuel
 - B2B Transportation
 - Ecommerce (included from 2019)
 - Business air travel
 - Supply chain equalling 82% in 2021**
 - Included: Tier 0-4
 - Excluded: End Of Life, Use Phase

Gucci's 2021 EP&L Results



TRANSFORMATIONAL ACTIONS IN OUR DIRECT OPERATIONS

Reducing Our Own Operations in Numbers



100% green energy in 44 of the 49 countries we are located in for our stores, corporate locations and factories, up from 41 countries in 2020, and equalling 93% renewable energy worldwide



66 LEED-certified stores and corporate locations, increased from over 30 locations in 2020



88% LED lighting in our stores around the world from 67% in 2020



50 Building Management Systems in our stores and corporate locations, expanded from 28 locations in 2020



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'll continue 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 the 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.

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 introduced reusable cotton canvas tote bags and 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 panning 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.



A RESPONSIBLE SUPPLY CHAIN FROM THE BEGINNING

Our Supply Chain in Numbers

 95% of our manufacturers are based in Italy

 Over 20,000 people indirectly work for us throughout our supply chain

 1702 supplier audits across our supply chain



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, benefits our Italian suppliers with fast access to loans with advantageous terms and conditions.

All our suppliers and sub-contractors are required to comply with our Sustainability Principles and Kering's Code of Ethics. In particular, our Sustainability Principles are a set of guidelines that include oversight on sustainable sourcing, legal compliance, collective and supplementary agreements, international conventions and declarations on human rights, environmental preservation and respect for animal welfare. To ensure our overarching Sustainability Principles are adhered to, they are included in our supplier contracts.

Our robust monitoring system ensures our suppliers and subcontractors are regularly audited by third-party teams and specialists from Kering to guarantee continued compliance with our high standards, as well as alignment with our Sustainability Principles and Code of Ethics. If any breaches are identified, corrective action plans are created and follow-up audits are conducted to ensure any non-conformance has been rectified. In 2021 alone, 1403 of our suppliers had at least one audit or a follow-up audit and totalled 1702 audits across our supply chain overall.



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 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'.

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.



MATERIALS MATTER

INNOVATING FOR THE FUTURE

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.



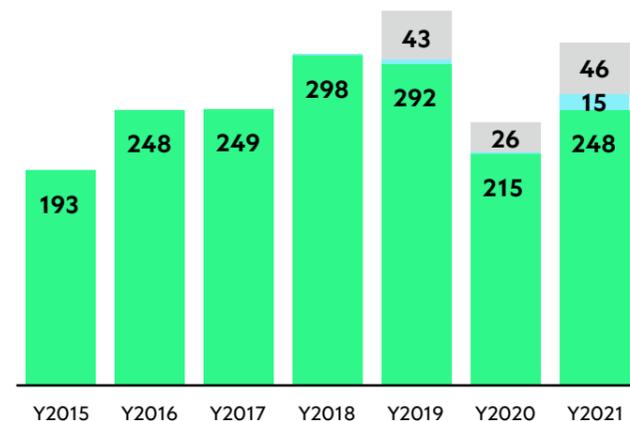
Maximising Opportunities for Maximum Sustainability

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.

Gucci's Avoided Impacts and Savings by Key Actions

EP&L Measured in Million Euros

● EP&L Proforma ● Gucci-Up ● Avoided Impact

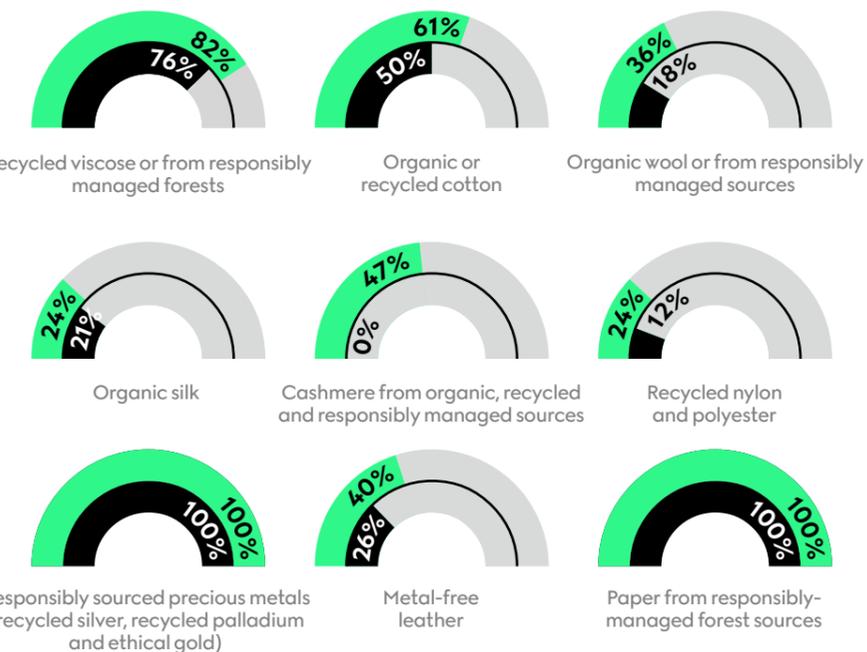


			GHGs Avoided Ton CO ₂	EPL Avoided Million €
Raw materials sourcing	Metals	Impact avoided sourcing metals that are recycled or coming from the Kering Responsible Gold Fund	28,139	24.11
	Fibers	Impact avoided using fibers that are recycled, regenerated, organic and have sustainability features such as improved land management	9,246	11.79
	Leather	Impact avoided sourcing leather that is recycled, organic and have sustainability features such as improved land management	110	0.29
Processes efficiency	Electricity	Impact avoided using green electricity rather than conventional electricity in HQ, operations and stores worldwide	51,973	7.64
	Metal-free	Impact avoided tanning leather with metal-free method instead of conventional tanning	2,619	1.82
	Scrap-less	Impact avoided cutting the leather hide to size before tanning, processing only what is needed for production, while reducing the amount of energy, water and chemicals	1,085	0.23
Total Avoided Impacts Raw Materials Sourcing + Processes Efficiency			93,172	45.88
Circularity	Gucci-Up	Impact saved giving a second life to leftover materials from manufacturing (ex. donated to NGOs and social cooperatives in Italy; placed on the market to be reused and regenerated; upcycled through anonymization; recycled as new raw material)	49,226	15.07

Sustainable Materials Across Our Collections

● 2020 ● 2021

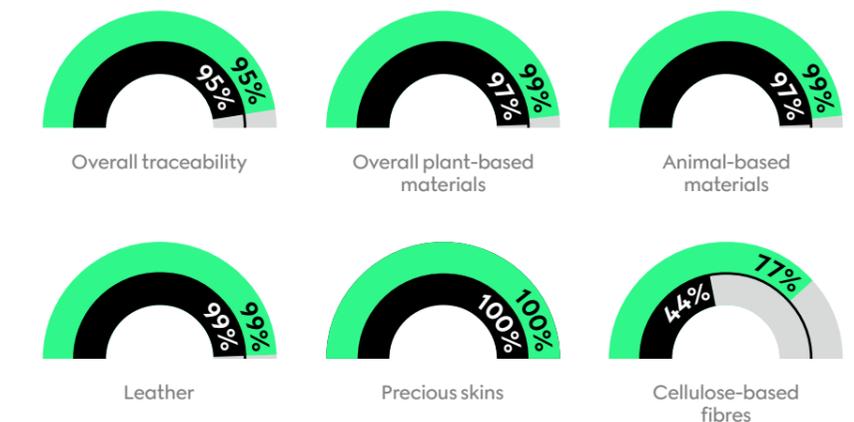
Total Percentage



Materials Traceability

● 2020 ● 2021

Total Percentage





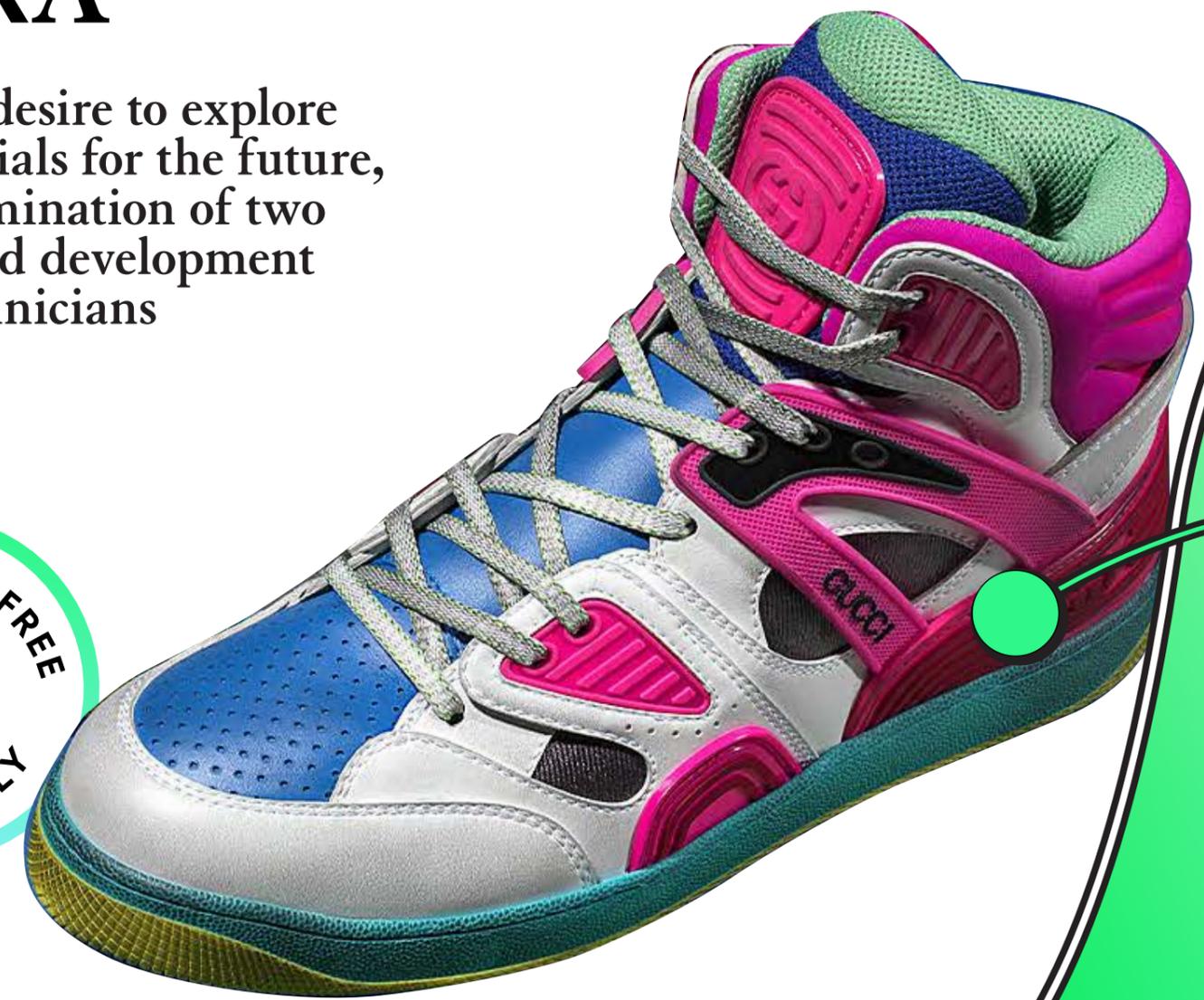
Eco-Innovation for Tanning

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



Scalable, versatile and suitable for a wide range of product categories

Manufacturing is efficient, minimising the unusable parts of the material and reducing waste from cutting

Scraps 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

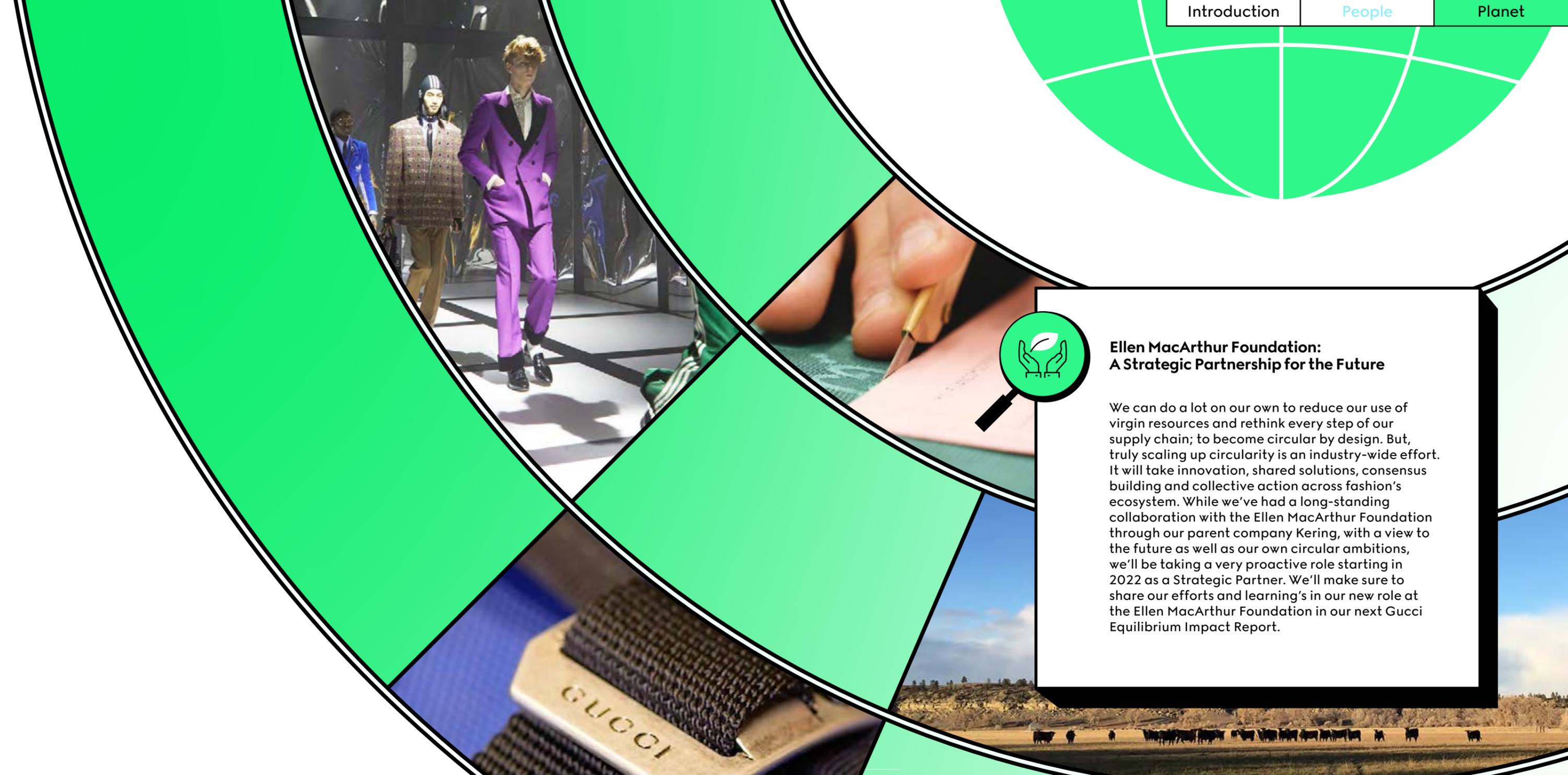
Supports open innovation to the fashion industry

A CIRCULAR VISION TO

RECOVER, REUSE, RECYCLE, RELIFE

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.



Introduction People Planet



Ellen MacArthur Foundation: A Strategic Partnership for the Future

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

Gucci-Up in Numbers



290 tons of leather leftovers recovered, totalling 617 tons since 2018



67 tons of metal scraps regenerated, equalling 203 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

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 have been transformed into limited edition, Made in Italy accessories and garments sold across our stores and B2B channels, creating revenue and impact on the fashion ecosystem and on our communities. Most importantly, the manufacturing of these products has provided training opportunities for over 150 people, mostly women, formerly at risk of labour exclusion and discrimination and now permanently employed in our social enterprise. Together with Gucci, we're truly reimagining Made in Italy to redesign a more inclusive labour market, especially for women."

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 make the clothes are an important support and help to amplify the social impact of Colori Vivi in which women, while working, are able to find renewed self-esteem and professionalism."

BARBARA SPEZINI
CEO and Founder at Colori Vivi





Minimising Waste, Innovating for Leather

Gucci Scrap-less in Numbers



13 tanneries participating



6,140kg of air emissions avoided and 13,500kg since 2018, with an additional 1,085 tons CO₂ avoided in 2021 totalling 2,328 tons of CO₂ between 2018 and 2021



253 tons of leather scraps were reduced in 2021, totalling 450 tons since 2018



9,5 millions litres of water consumption saved in 2021, with 21 millions litres of water



15,730 kg of waste production avoided in 2021, totalling 32,400 kg since 2018



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 saved, totalling 2,328 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:

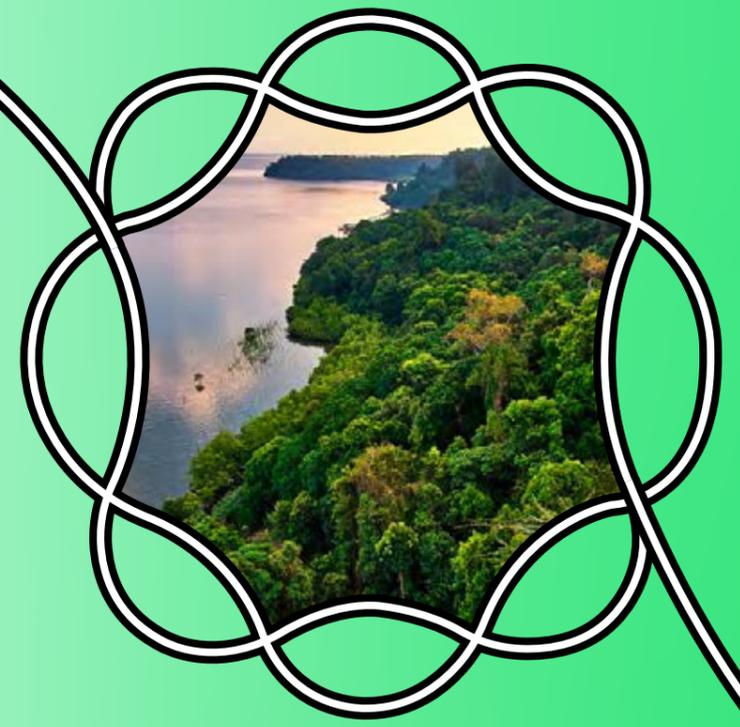
- ▶ From 2015 we've banned PVC from our products and packaging.
- ▶ We've decoupled virgin plastics from design, replacing virgin synthetic fabrics with recycled alternatives. As examples, we use recycled Acrylonitrile-Butadiene-Styrene (ABS) plastic in the heels of our shoes, and Thermoplastic Polyurethane (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 from recycled sources, such as hangars for our ready-to-wear collections from recycled polystyrene 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 equalling 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. We've committed to extending this initiative throughout our business.





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.



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."

ALESSANDRO MICHELE
Gucci's Creative Director



Gucci Vault Summer Selfie campaign
Photographer: Max Siedentopf

PROTECTING AND RESTORING

NATURE

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. We've also turned our focus to regenerative agriculture so we can give back to nature and climate. We believe it's the future for fashion.

Protecting and Restoring Nature in Numbers



Invested in regenerative projects for wool and leather covering 3,075 hectares, catalysing over 32,000 hectares of land managed with regenerative practices and enabling around 225,000 tons of CO₂ sequestered over the projects' life



Supported the Kariba REDD+ project protecting 785,000 hectares of forests and biodiversity in Zimbabwe



Funded afforestation in Kenya covering over 6,000 hectares of land to encourage local farmers to plant and maintain trees on degraded and/or unused land



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

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.



The evolution of our strategy incorporates a series of clear climate actions that will continue to prioritize reducing our emissions and drawing down CO₂, which allows us to maintain carbon neutrality across our entire supply chain. At the same time, we are investing in regenerative agriculture as an important pillar of our approach. Led by science, Gucci's new Natural Climate Solutions Portfolio protects and restores important ecosystems that mitigate climate change, while providing lasting biodiversity and climate benefits for years to come. We want to be part of the solution for nature and climate by mainstreaming practices and systems that will transform nature from being a victim of climate to becoming an actor to change climate, which will ultimately determine the future of our planet."

MARCO BIZZARRI
Gucci's President and CEO





Regenerative Farming for Our Future

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.

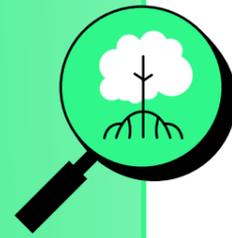
At the same time, and with a similar philosophy to how we're protecting forests and biodiversity outside our own regions of operations, it's important to support farmers shift to regenerative farming more broadly. Here, we've been incentivising farmers through 'carbon farming'. This type of investment 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

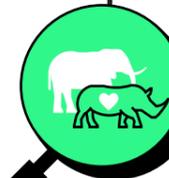
As one of the only trees that grow in saltwater, mangrove forests are considered to be "superhero" ecosystems straddling land and sea. Mangroves store up to ten times more carbon than mature terrestrial forests, however, 30-50% of the world's mangroves are already lost and they continue to disappear 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.





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 projects' 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 Mbire. 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.



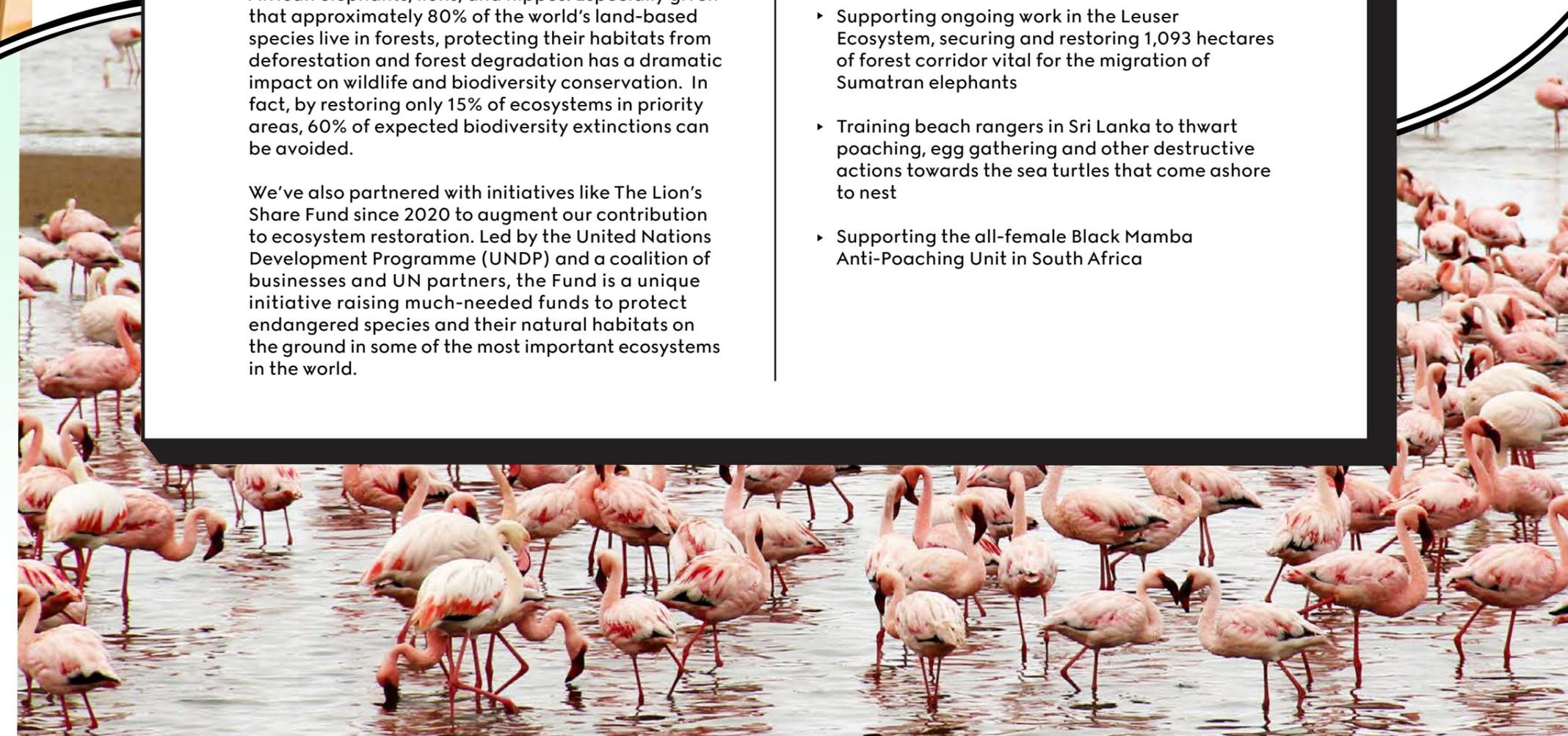
Protecting Habitats, Safeguarding Endangered Wildlife

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 hippos. 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



METHODOLOGY & REPORTING

The Gucci Equilibrium Impact Report covers a selection of the social and environmental commitments and actions we have made in our direct operations and across our supply chain.

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.

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 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.

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.



EQUILIBRIUM