RAW RESPONSIBILITY

SUSTAINABILITY REPORT 2023

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ABOUT THIS REPORT

Every year, G-Star publishes a sustainability report, reflecting G-Star's performance on key environmental and social priorities and our implementation of due diligence within our value chain. Due diligence, as defined by the Organization for Economic Cooperation and Development (OECD), is the process enterprises should carry out to identify, prevent, mitigate, and take accountability for actual and potential adverse impacts in their value chain.

G-Star's sustainability priorities are linked to key impact areas that were determined through a risk assessment that is based on the methodology of the OECD. The risk assessment is a key part of our due diligence process and guides us in forming and strengthening our Sustainability Strategy and priorities.

This report focuses on the sustainability progress made in 2023, the planned actions for 2024, and our long-term goals and ambitions for 2025 and 2030.

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Other reads

In addition to this report, the following documents, which outline G-Star's policies, guidelines, and actions, are also part of our (reporting on) due diligence.

Sustainable Supply Chain Handbook

This Handbook explains our due diligence process that identifies (potential) risks and includes G-Star's Compliance Policy, a detailed supply chain explanation, our sustainability monitoring tools and process, our supplier onboarding process, and our Supplier Development Program.

Sustainability Milestones Overview

This document shows our sustainability journey since 2006.

Transparency Tools

- Manufacturing Map: This tool shows all direct suppliers with whom G-Star has had a business relationship for over 2 years.
- Responsible Materials Ranking: This tool scales our fibres from sustainable to not sustainable.

G-Star's Policies

- G-Star Supplier Code of Conduct
  - Social & Labour Guidelines
  - Environmental Guidelines
- G-Star Materials Policy & Animal Welfare Policy
- Modern Slavery Act

All downloads can be found here.

Explore our RAW Responsibility webpage to find out more about up-to-date actions regarding our Sustainability Strategy.

ACRONYMS

ACT	Action, Collaboration, Transformation
Higg BRM	Higg Brand & Retail Module
Higg FEM	Higg Facility Environmental Module
Higg FSLM	Higg Facility Social Labor Module
LWI	Living Wage Indicator
MRSL	Manufacturing Restricted Substances List
OCA	Organic Cotton Accelerator
OECD	Organisation for Economic Cooperation and Development
SDGs	Sustainable Development Goals
SLCP	Social & Labor Convergence Program
ZDHC	Zero Discharge of Hazardous Chemicals

CONTACT

If any comments or questions arise after reading this report or related G-Star documents, or if you want to raise any related concerns, please contact us at cr@g-star.com or at:

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Amsterdam, The Netherlands

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LETTER FROM OUR CEO

Looking back at 2023, it was a year marked by geopolitical and macroeconomic challenges, affecting consumer confidence and shopping behaviour globally. Nonetheless we were able to prioritize our responsibilities and further build on improving our impact, both on people and planet.

Our starting point for progress is always in close collaboration with our partners in the supply chain, to innovate and improve together, both in working conditions and actual garment-making. That is why we invited our world class sourcing partners for some quality time at our headquarters in Amsterdam. We spent two days together to connect, align, and define how we can progress our collaborations in a responsible way.

When it comes to the materials we used in 2023, 95% of all materials was organic, recycled, regenerative, bio-based, compostable, or sourced via the Better Cotton Initiative. Our partnership with Organic Cotton Accelerator resulted in the support of 125 famers in India, by sourcing directly from them.

Circularity is one of the ongoing big themes that we continuously aim to further implement in every phase of the G-Star product lifecycle. This year we were able to add another initiative to our REPAIR REWEAR RECYCLE strategy, introducing a second-hand platform on G-Star.com, allowing our customers to buy and sell old G-Star favourites and reduce our impact together. Our REWEAR platform was first piloted in The Netherlands, and after that successful launch we are now looking to expand this service to additional European markets.

On the topic of climate, we are happy to share that our official Science Based Targets were approved, reducing our Scope 1 and 2 emissions with 42% by 2030. In support of these targets, we started a carbon leadership program, aimed at supporting our suppliers in decarbonization. Regarding chemical management we were proud and humbled to achieve the highest level of ZDHC implementation performance.

To guarantee ongoing progress on both social and environmental topics, we continue to deeply embed sustainability into our overall strategic business priorities for the years to come. There is still so much work to be done, and to get there we need to even further expand deep knowledge on sustainability throughout our teams but also continue to educate and support our suppliers, partners and customers so they are fully empowered and equipped to do their part. We are looking forward to taking the next steps!

Rob Schilder.

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RAW RESPONSIBILITY

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RAW RESPONSIBILITY APPROACH

About G-Star

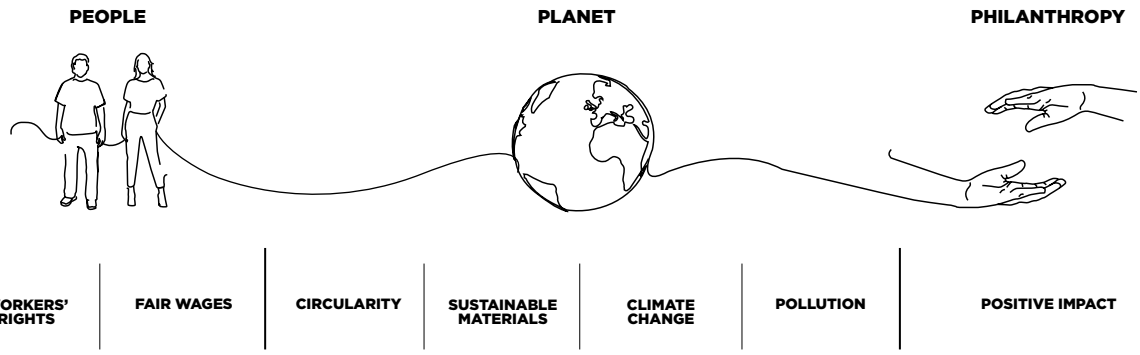
G-Star is dedicated to the cloth, the craft and the culture of denim since 1989. It has a unique position as a progressive denim brand, creating the future of denim. G-Star is driven by creativity, constantly turning ideas into denim, while consistently following their own distinctive path. The premium denim brand operates worldwide with a focus on the United States, Europe, Japan and South Africa.

About RAW Responsibility

Sustainability is key to how we operate at G-Star. It is a process of continuous improvement in both the social and environmental impact of our products and operations. We have been embedding sustainability in the core of our business since 2006. Take a look at our Sustainability Milestones Overview to see some of the highlights throughout that ongoing journey.

Our ambition is to produce our products in the most responsible way, for the future of fashion. We do this by improving our social and environmental impact across our complete value chain, from farm to factory to store to end-of-life. This is our RAW Responsibility journey.

Our journey is focused on three pillars: PEOPLE, PLANET and PHILANTHROPY, along a foundation of transparency.



PEOPLE

It is our priority to safeguard fair, safe and healthy working conditions, as well as protect the human rights of the people working for G-Star and the people that work in our supply chain.

PLANET

We produce and operate responsibly by selecting the most sustainable production processes and resources, and drive excellent performance in climate adaptation and water management.

PHILANTHROPY

We want to make a positive and lasting impact on the lives of people in countries where G-Star produce. Through the GSRD Foundation we provide education and stimulate entrepreneurship through philanthropic efforts, including training and coaching

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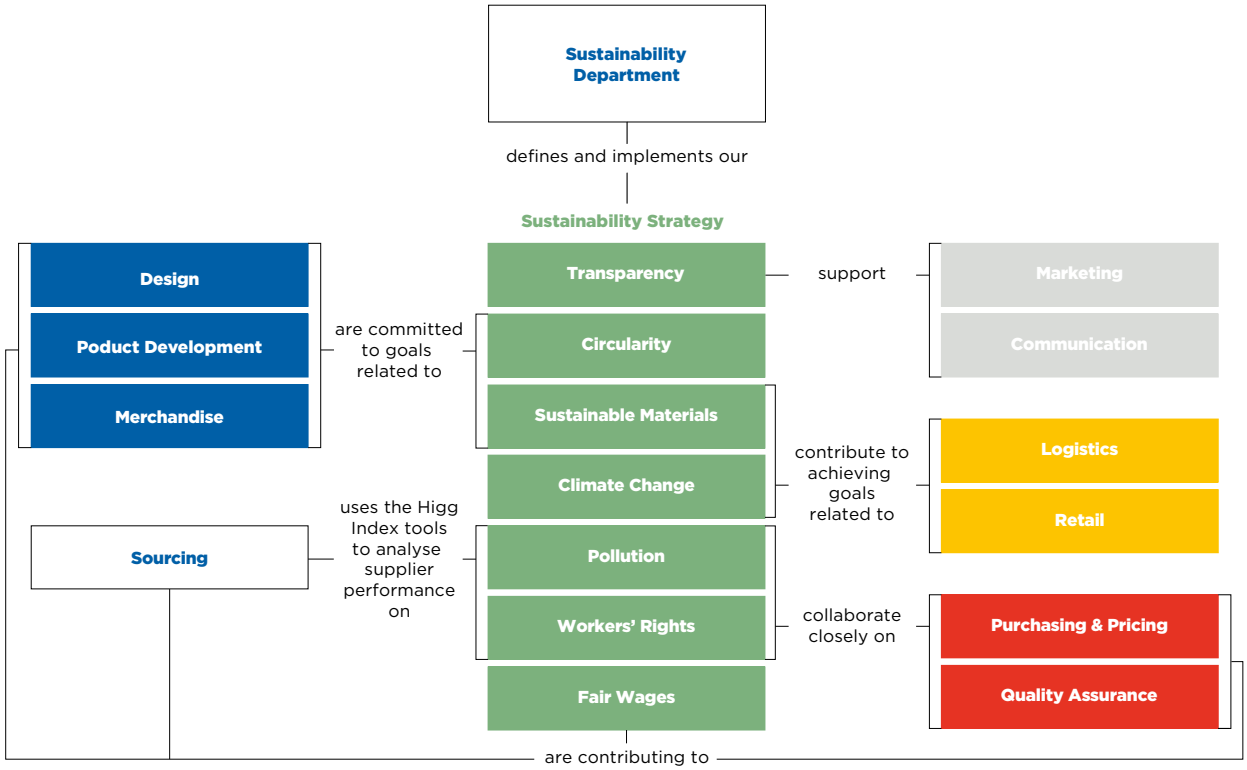
Internal Cooperation

Our Sustainability Department implements G-Star's Sustainability Strategy within and beyond our own operations. The team specializes in social and environmental sustainability across the supply chain and has a presence in the Netherlands and Asia. It is their responsibility to define and implement the Sustainability Strategy by integrating the sustainability work throughout our own organization.

The departments that help manifest our Sustainability Strategy include Design, Product Development, Merchandise, Purchasing & Pricing, Quality Assurance, Sourcing, Logistics, Marketing, and Communications. Sustainability is an integral part of our overall business strategy and a shared responsibility of the whole organization. Our Sustainability Strategy is translated into team and individual goals across the abovementioned departments; the figure below shows how we work collaboratively to bring our Sustainability Strategy together.



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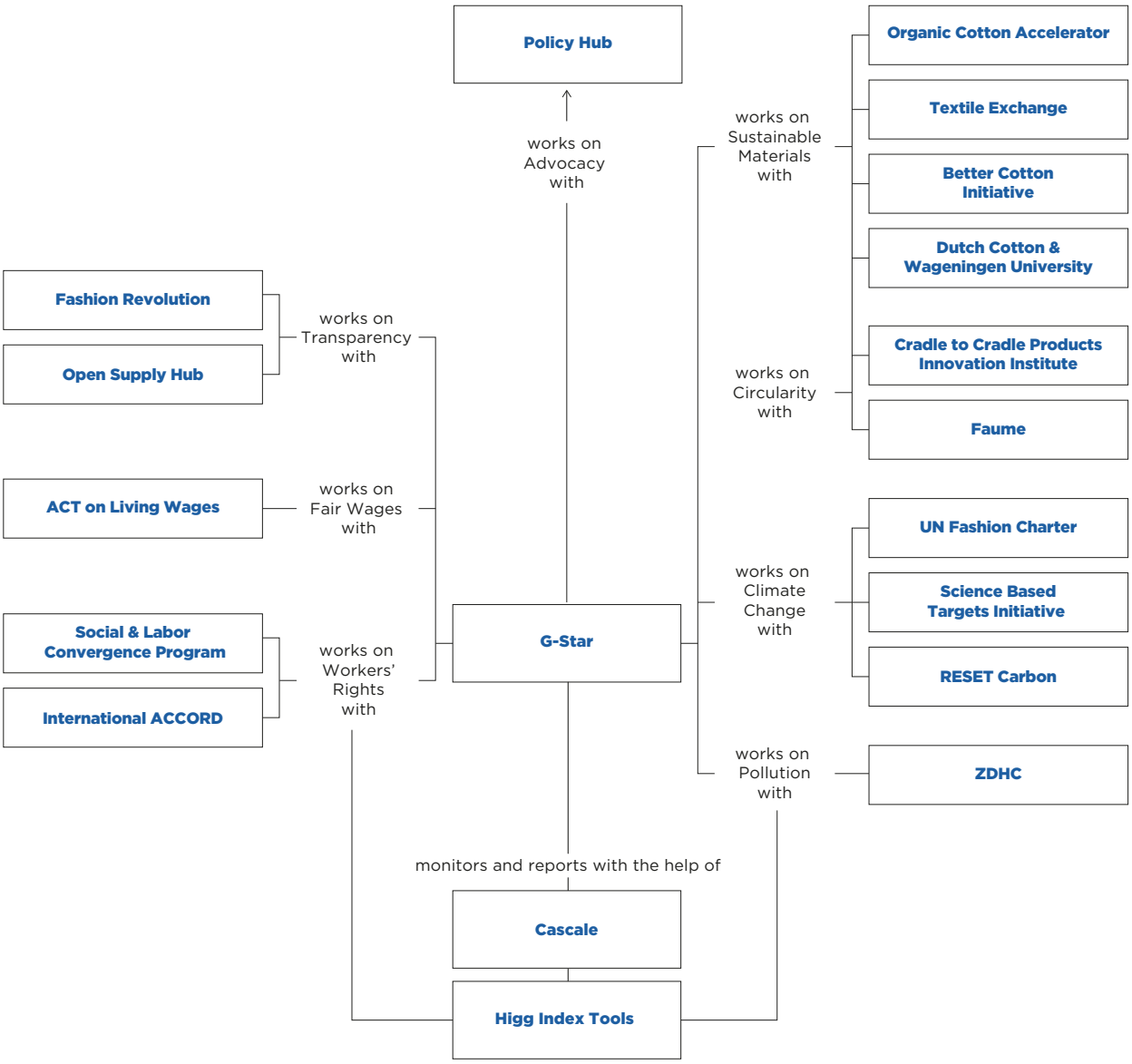
External Partnerships & Stakeholder Engagement

G-Star collaborates with a number of stakeholders to help define and develop our sustainability strategy. The overview below demonstrates how these partners and stakeholders are involved at a strategic level.



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2023 HIGHLIGHTS

REVISE ?

Please find beter examples

We launched a **RESELL PLATFORM**, a new option to prolong the life of garment, adding to our existing efforts of free repairs, lifetime warranty and return for recycling.

Started collaboration with Wageningen University & Research to explore how **GREENHOUSE COTTON GROWING** could help drastically reduce the impact of cotton growing worldwide.

Successfully dyed denim without water using **FOAM DYEING TECHNIQUES** and dyed denim using natural minerals.

95% of the materials we used were organic, recycled, regenerative, biobased, compostable, or sourced through the Better Cotton Initiative (mass balance principle).

We introduced **74** different Cradle to Cradle certified® styles, as well as 270 different products with Cradle to Cradle certified® fabric.

We achieved **BRAND LEVEL CERTIFICATION** for Organic Content Standard and Global Recycling Standard.

Started a **CARBON LEADERSHIP PROGRAM** for supply chain and supported six suppliers on decarbonization.

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Achieved the highest level of **ZDHC IMPLEMENTATION PERFORMANCE** in chemical management and supply chain practices, being awarded the title of ZDHC Champions.

We **REDUCED OUR SCOPE 1 AND 2 EMISSIONS BY 42%**, meeting our Science Based Targets for Scope 1 and 2. We reduced our Scope 3 emissions by 13%.

Supported **125 FARMERS IN INDIA** by sourcing organic cotton directly from farms and paying premiums through Organic Cotton Accelerator.

Organised a face-to-face supplier conference with a focus on our **RAW RESPONSIBILITY STRATEGY** and sharing industry best practices on sustainability.

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SUSTAINABILITY STRATEGY

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SUSTAINABILITY STRATEGY

Our long-term focus within our RAW Responsibility strategy includes key sustainability priorities specified in goals for 2025 and 2030.

Our goals and ambitions are built upon internationally recognized human rights guidelines and standards, such as the International Labour Organization (ILO) Core Conventions and the United Nations Universal Declaration of Human Rights. In addition, they are founded upon our risk assessment covering the different phases of our value chain as well as the data we collected working with different industry partners and tools. For example, the Higg Index tools of Cascale and the programs of Zero Discharge of Hazardous Chemicals (ZDHC) have ensured that we can measure and track impact and scale our strategy across our value chain.

This Sustainability Report reflects our annual progress and achievements, within our business operations and across our value chain.

Goals & Ambitions

PEOPLE	PRIORITY	GOAL
Workers' Rights	Elevate and improve fair, safe and healthy working conditions in G-Star's supply chain.	**2025** Strengthen workers voice by offering a complaints system including fair terms, anonymous accessibility, process for complaints handling and capacity building to workers in at least 30% of production countries. **2030** Realize fair, safe and healthy working conditions for all workers in G-Star's supply chain.
Fair Wages	Collaborate industry wide through 'ACT on Living Wages' to improve wages at both industry and country level. Ensure that G-Star's purchasing practices enable the payment of fair wages. Support suppliers to implement effective wage management systems that classify jobs according to skill level and pay workers according to their competence.	**2025** Realize effective wage management systems that classify jobs according to skill level and pay workers according to their competence in strategic factories in Bangladesh **2030** Actively support ACT to realize 2 country and/or industry wide wage improvements with the end goal to decrease the wage gap between paid wage and living wage.

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PLANET	PRIORITY	GOAL
Climate Change	Reduce GHG emission by switching to renewable energy, using more sustainable materials and increasing the use of low energy-intense production methods.	**2025** Reduce 15% of GHG emissions (base year 2021). **2030** Reduce 42% of GHG emissions (base year 2021).
Pollution & Waste	Ensure the continuous ban of hazardous chemicals in G-Star's supply chain.	**2030** Achieve 100% low impact chemical applications (Cradle to Cradle approved chemicals and/or ZDHC level 2 & 3 chemicals) in G-Star's products.

PRODUCT	PRIORITY	GOAL
Sustainable Materials	Increase the use of sustainable materials by partnering with innovative suppliers and initiatives that transform and/or innovate conventional and virgin materials.	**2025** Ensure 75% of the materials in our collections are regenerative, recycled, organic, bio-based and/or compostable. **2030** Ensure 100% of the materials in our collections are regenerative, recycled, organic, bio-based and/or compostable.
Circularity	Design for durability and recycling to extend the life of G-Star's products and offer solutions for re-use, remake or recycling.	**2025** Ensure 20% of G-Star's collection is made with Cradle to Cradle Certified® fabrics. **2030** Ensure 1.000.000 jeans repaired, reused or recycled.

SUPPLY CHAIN TRANSPARENCY	PRIORITY	GOAL
Transparent business & supply chain	Report on G-Star's sustainability performance through a verified industry benchmark (Higg Brand & Retail Module). Offer full product transparency on lower impact fibres and production processes, certifications, recyclability and manufacturing units through a developed claims framework.	**2025** Achieve full product transparency on fibres, lower impact production processes, certifications, recyclability and manufacturing unit on all G-Star products. **2030** Achieve 100% traceability, up to the raw materials that were used.

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Policies & Requirements

At the base of our Sustainability Strategy we have multiple policy documents to uphold our RAW Responsibility. We developed the G-Star Supplier Code of Conduct representing all standards on Social and Environmental, Safety and Health (S&ESH) regulations, to ensure that G-Star products are made under fair and safe circumstances. We continuously monitor and collaborate with our suppliers and external industry experts, to uphold these standards, improve where needed and conduct our due diligence. How we do that is explained in our Sustainable Supply Chain Handbook.

An overview of all policy documents can be found here.

Business Ethics

Social & Labour Guidelines

Environmental Guidelines

Material & product

Materials Policy & Animal Welfare policy

Restricted Substances List (RSL)

Manufacturing Restricted Substances List (MRSL)

Risk Assessment

Over the past year, we have implemented and strengthened our updated Sustainability Strategy and further built upon the OECD risk assessment that was first included in the Sustainability Report of 2021. We did this with the help of industry partners, stakeholders and external resources. We performed our social and environmental risk assessment based on the risk categories identified by the OECD.

Our risk assessment identifies both the likelihood and the severity of potential or actual risks within our value chain. Based on all the information we collected through different resources, we determined which risks are most salient in our supply chain. The outcome forms the base of our sustainability strategy moving forward. Our risk assessment can be found in Appendix A and is updated annually, or whenever significant changes occur in our operations, our supply chain or within regulations that might have an impact on sustainability risks.

Transparency

To deliver on our strategy, we enable external stakeholders to hold us accountable when it comes to assessing our data-backed sustainability performance. This includes transparent reporting.

We started reporting on sustainability in 2013 and since 2018 we have reported using the Higg Brand and Retail Module (BRM) from Cascale (formerly known as the Sustainable Apparel Coalition). This is a global sustainability measurement performance tool in the apparel and footwear sector.

G-Star's 2019 Sustainability Report was our first report that integrated the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector and its risk assessment methodology. Our 2021 Sustainability Report presented our updated Sustainability Strategy including our long-term goals and ambitions based on our extended risk assessment. Our 2023 Sustainability Report reflects on our achievements in 2023 and projects our actions for 2024.

Higg Brand & Retail Module (Higg BRM)

G-Star completes the Higg Brand & Retail Module (BRM) on an annual basis. The BRM is a self-assessment questionnaire made up of 383 questions to evaluate environmental, social and labour performance across a brand's management systems, stores, brands, operations and logistics. Our Sustainability Strategy translates the key Higg BRM topics into actions and goals to improve our sustainability performance over time.

2023 is the fourth consecutive year we have completed the Higg BRM. In 2023 Cascale released a major update to the BRM to more effectively deliver on industry needs and drive positive impact. The updated tool features a new assessment structure and updated methodology, underpinned by a due diligence approach. A brand's total score now consists of three separate scores that represent the overall points achieved across the entire questionnaire for all environmental, social and governance questions.

We asked an external 3rd party (TUV Rheinland) to verify our assessment as a pilot. This means documental evidence is analysed and G-Star employees from different departments are personally interviewed. G-Star was one of eight brands that participated in this verification pilot.

The Higg BRM verification process granted us an even better understanding of the efforts we need to take to improve our Higg BRM sustainability performance. We have engaged with all relevant departments about our Higg BRM performance and determined which topics to prioritize for improvement in the coming years.

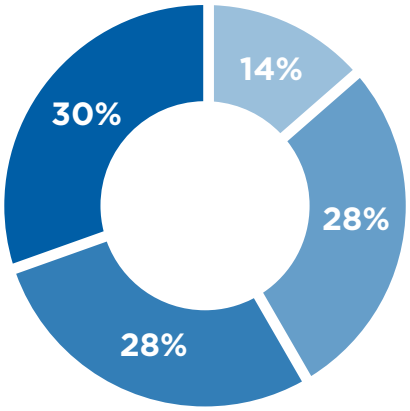
SECTION	SUB-SECTION	VERIFIED SCORE
ENVIRONMENTAL	Total	54.2
	General Environmental	80.4
	Biodiversity	16.7
	Climate	61.4
	Water	19.1
	Chemicals	92.5
	Waste	54.7
SOCIAL	Total	59.8
	General Social	73.6
	Workers	68.1
	Employees	35.3
	Consumers	47.3
	Communities	81.3
GOVERNANCE	Total	42.5
	General Governance	23.4
	Structure & Management	15.6
	Ethics & Behaviour	77.7

TRANSPARENT SUPPLY CHAIN

G-Star does not own any production factories, therefore we rely on our business partners (our suppliers) for high quality production. Providing oversight of the supply chain is part of our commitment to the apparel sector. Eight years ago, we made our Manufacturing Map public – so anyone can trace the origin of a G-Star product, now covering approximately 95% of our production volume (this differs per season) and showing all Tier 1 suppliers that we have been working with for over 2 years. In addition to the map, we publish further details on our direct suppliers, their sub-factories, processing facilities and nominated fabric mills in our Manufacturing List. This is also available on the Open Supply Hub, an open source tool that maps garment factories worldwide.

Our Manufacturing Map and Manufacturing List also offer background information such as the type of product produced and number of male and female workers.

SUPPLIER RELATIONSHIP LENGTH (TIER 1)



Where it is made

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Vendor Scorecard

The objective of our scorecard is to monitor, evaluate and incentivize suppliers to improve their practices. It also acts as a tool to support our teams in selecting existing and new suppliers.

The vendors are scored based on indicators such as research & development, cost effectiveness, speed, quality, delivery time and social and environmental benchmarks. These benchmarks are based on the programs and tools explained in the PEOPLE and PLANET chapters.

Social Benchmark

- Higg verified FSLM data and/or third-party audit score
- Active independent union
- Serious breaches of G-Star Code of Conduct

Environmental Benchmark

- DETOX Input report
- DETOX Process report
- DETOX Output report
- Higg verified FEM data
- Science Based Targets
- Zero direct coal used
- Uses renewable energy sources
- Uses recycled water in processes

Supplier Conference

In April 2023, we invited all our world class suppliers for some quality time at our headquarters in Amsterdam. Our partners Cascale, Cradle to Cradle Products Innovation Institute and the ZDHC Roadmap to Zero Programme also joined the event. We spent two days together in order to connect, align, and define how we can progress our collaborations in a responsible way.

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PEOPLE

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PEOPLE

Our social responsibility strategy is focused on achieving fair, safe and healthy working conditions for our own employees and for the people working in our supply chain.

People are the foundation of our collective success, which is why we prioritize the well-being of individuals within our company and across our supply chain.

We do this by engaging in key industry partnerships and multi-stakeholder initiatives. Through our approach, we have a clear understanding of the social risks in our supply chain, and we focus on safeguarding worker's rights and enabling fair wages at industry and country level. In addition, we look into diversity, inclusivity and equality within our own operations and within our supply chain.

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SAFEGUARDING WORKERS' RIGHTS

We work closely with our supply chain partners to improve **fair, safe and healthy working conditions** in our supply chain. We deliberately work with a limited number of suppliers to ensure high quality and continuity in our sustainability initiatives. Although the factories are owned and run by others, G-Star feels responsible to positively contribute to the labour and environmental conditions on site.

Our social framework includes supplier development tools to support direct and indirect suppliers consistently in applying high labour standards based on the G-Star Supplier Code of Conduct.

This framework consists of:
- Use of the Social and Labor Convergence Program (SLCP)
- Higg FSLM and other social standards
- Development and implementation of a complaint system
- Supplier trainings and other supplier social development programs

Continuous monitoring for improvement

In order to uphold our standards and work on necessary improvements, we continuously monitor and collaborate with our suppliers and external industry experts. G-Star is a signatory of the Social and Labor Convergence Program (SLCP). The mission of this project is to implement a common assessment framework to measure improvement in working conditions. They do this by generating comparable and verified high-quality data that increases the opportunity for transparency and eliminates audit fatigue. Up to date, the Higg Facility Social & Labor Module (Higg FSLM) and Better Work assessment both make use of the SLCP framework for monitoring.

We use the assessments to monitor the facilities we work with on whether working conditions, such as **health & safety, freedom of association, remuneration and working hours** are in line with our Code of Conduct and identify improvement opportunities. Better Work also makes use of the SLCP frame In our Sustainable Supply Chain Handbook we explain in more detail how the information from the Higg FSLM is analysed and used to monitor our suppliers.

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MONITORING PROGRESSS

Being a signatory of the SLCP, we encourage factories to complete both the self-assessment and a verified FSLM or Better Work assessment. If a factory does not have a verified SLCP assessment yet, we also accept other verified social audit standards BSCI, SA8000 and SMETA.

We require all our tier 1 factories to have done a social audit and also expect this from tier 2 and tier 3 suppliers, including trims. For a full overview of the social audits per factory, see our Manufacturing List.

STATUS

In 2023, 99% of our tier 1 production volume came from CMT factories who performed a verified Higg FSLM or comparable third-party audit.
- 72% was produced at verified FSLM factories and 24% at Better Work assessed factories
- 3% of volume came from BSCI and SMETA audited factories

In 2023, 80% of our tier 2 production volume came from fabric suppliers who have done a verified Higg FSLM or comparable third-party audit.
- 66% was produced at verified FSLM factories and 8% at Better Work assessed factories
- 6% of volume came from BSCI, SMETA and WRAP audited factories

Key fair supply chain indicators

The social monitoring assessments offer us insight into the working conditions on specific risk categories at our suppliers. We have developed indicators to monitor any changes, starting 2023. improvement in the coming years.

FAIR SUPPLY CHAIN INDICATORS	2023	PRIORITY
% of tier 1 factories with worker committee/ worker representatives	67%	Towards 100%
% of tier 2 factories with worker committee/ worker representatives	55%	Towards 100%
% of tier 3 factories with worker committee/ worker representatives	63%	Towards 100%
% of tier 1 factories with Collective Bargaining Agreement	14%	Monitoring
% of tier 2 factories with Collective Bargaining Agreement	23%	Monitoring
% of tier 3 factories with Collective Bargaining Agreement	13%	Monitoring
% of tier 1 factories with digital payment system	81%	Towards 100%
% of tier 2 factories with digital payment system	84%	Towards 100%
% of tier 3 factories with digital payment system	100%	Towards 100%

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Evaluating supplier performance

The indicators in the table above are only a fraction of all the data we receive via SLCP assessments and social audit reports. Together, the data points are scored to our Code of Conduct, or, in the case of BSCI to the amfori BSCI Code of Conduct. We combine the outcomes of SLCP assessments and social audits with key indicators on independent trade union and major social supply chain risks. If an answer is positive, the score for the factory becomes higher.

The Vendor Scorecard includes both the social and environmental performance of each factory and/or supplier in one score. Although scoring is not the end-goal of social assessments, it does offer a way to benchmark our factories and suppliers. This way, we can compare supplier performances and understand with whom and on which topic we need to intensify our engagement.

Strengthening workers' voice

The data gained via audits provides a good basis to understand the working conditions, supplier performance and to identify areas for improvement. However, we recognize that audits are limited and cannot share the full picture of the situation. It is therefore very important that workers are always able to raise issues or share feedback on their work situation. In 2021 we carried out a risk assessment that identified the need for a proper grievance mechanism to remediate worker issues. As a result, we made a public commitment to improve our complaint systems towards global independency and confidentiality by 2025 to strengthen worker voices in our supply chain.

As we are a signee of the International Accord for Health and Safety in the Textile and Garment Industry, workers employed in our Bangladesh and Pakistan factories also gain access to the Accord complaint mechanism. In Mauritius starting 2023, workers now have direct access to the G-Star compliance team (via phone & e-mail) if they want to raise a concern. Currently we are investigating new systems and we aim to have a new system in place by end of 2024.

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WORKING TOWARDS LIVING WAGES

Based on our risk assessment, one of the most important steps to improve fair working conditions is through wages. In September 2019, G-Star joined the Action, Collaboration, Transformation (ACT) on Living Wages agreement, which brings together global apparel brands, retailers, and the IndustriALL Global Union. The primary goal of this initiative is to secure a living wage for all textile workers through collective bargaining within the industry. By becoming a part of ACT, we have pledged to implement purchasing practices with our suppliers that ensure fair payment terms, cover wage increases comprehensively, improve forecasting and planning, provide training, and establish responsible exit strategies. Our 2025 goal is to work towards an industry-wide agreement on regional living wages and support their implementation in the countries where G-Star production occurs.

Wages in our supply chain

To understand the wages and potential living wage gaps in our own supply chain, from 2021 we initiated a thorough Wage Gap Analysis at our supplier factories in May 2021 to identify the gap between the legal minimum wage and the living wages necessary for workers in their respective areas. We made a public commitment towards an industry wide agreement on regional living wages and to support implementation in our production countries. In 2022 and 2023, we continued this analysis to help monitor wage gap data.

We diligently gathered monthly wage and benefit data from our suppliers and found that prior to the 2023 minimum wage adjustment, approximately 80% to 93% of workers were already receiving wages above the legal minimum.

We are committed to continuously improving wages for all workers involved in our production, ensuring they can meet their basic needs and achieve a decent standard of living. Our production units pay above the legal minimum wage to guarantee a minimum income that supports not only the worker but also their family, including some discretionary income, all within legal working hour limits.

In Bangladesh, after the new minimum wage gazette was published in November 2023, the Bangladesh government finalized the minimum wage at 12,500 BDT per month, up from 8,000 BDT. We have since continued our follow-up with our supply chain to ensure compliance with the new wage and understand the difference between the updated minimum wage and the current living wage.

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Purchasing Practices

Purchasing practices are an important part of interaction between brands and their suppliers. The way we buy from and work with our suppliers can have an impact on the working conditions at their factories. By joining ACT, we pledged ourselves to the five purchasing commitments that will ensure fair terms of payment, full coverage of wage increases, better forecasting and planning, training and responsible exit strategies. With sector common indicators, the ACT accountability and monitoring framework helps us measure progress towards more equal supplier partnership. We are improving our purchasing practices with the principles of ACT. For example, we try to plan ahead as much as possible because if for example a last-minute order is given, or last-minute changes are made to the design of a product, it is difficult for a factory to plan the schedule for the workers or manage their production capacity and costs.

Commitment 1 — Brands commit that purchasing prices include wages as itemised costs.
Commitment 2 — Brands commit to fair terms of payments.
Commitment 3 — Brands commit to better planning and forecasting.
Commitment 4 — Brands commit to undertake training on responsible sourcing and buying.
Commitment 5 — Brands commit to practice responsible exit strategies.

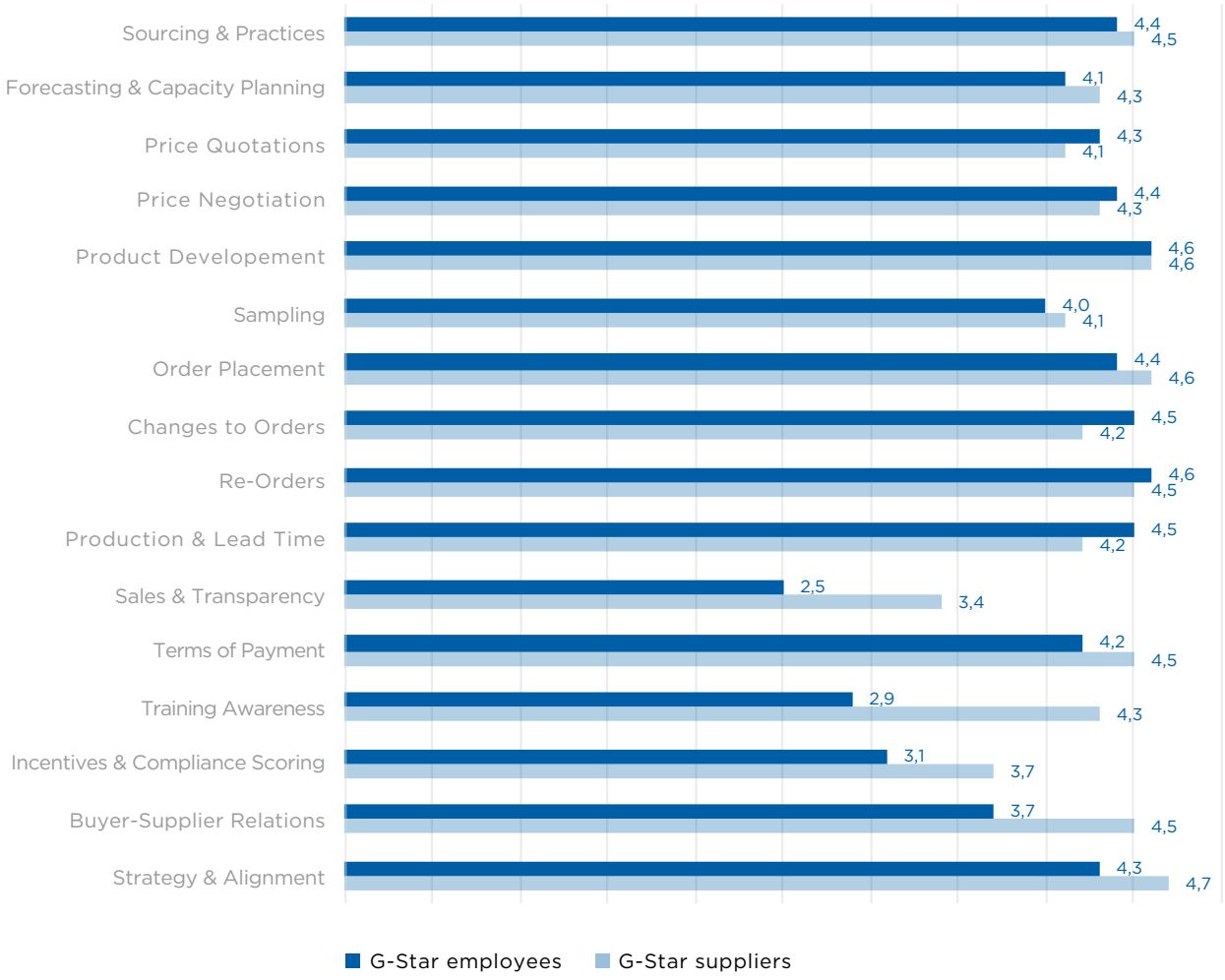
In 2023 we asked our employees to fill out the ACT Purchasing Practices Self-Assessment (PPSA) Survey. Parallel to this, our suppliers were asked to fill in the Purchasing Practices Assessment (PPA) Survey suppliers. The purpose of these surveys is to gain feedback on our purchasing practices from our own employees as well as from our suppliers. Questions in this survey are related to key topics such as sourcing practices, forecasting and capacity planning, price negotiation, changes to order, re-orders and sampling. Priority topics that require improvement were selected if (1) they received a low score from both our suppliers and G-Star employees, (2) our suppliers ranked G-Star's performance lower than the industry average, or (3) the topic received a high percentage of "Don't know" as an answer from either our suppliers or own employees. According to ACT a low score and a high number of "Don't know" indicate that action is required in the form of training and implementation of process improvements. Read more about the content and methodology of the PPA and PPSA surveys and their global results here.

Reviewing our purchasing practices

Being part of ACT, in 2023 we participated in the second ACT global survey on responsible purchasing practices. G-Star employees from Product Development, Purchasing and Sourcing, together with our suppliers, were asked to rate how G-Star performed against ACT's global purchasing practices commitments.

Scores from suppliers were generally higher than scores given by G-Star employees. We are working on improving our scores for each section, by re-evaluating our processes and giving trainings.

ACT 2023 SURVEY



- 5 is the highest and 0 is the lowest.
- The full ACT survey can be viewed here.

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Project: Supporting cotton farmers in India

While organic agriculture standards may not always explicitly include decent work or social criteria, there is a growing recognition of the importance of supporting smallholder farmers and farm workers in achieving fair working conditions. G-Star has been a partner of the Organic Cotton Accelerator (OCA) since 2021. We actively participate in their multi-stakeholder project, 'Textile in Transition: Boosting Transparency and Farmer Livelihoods in Organic Cotton Supply Chains.' Inspired and initiated by the Dutch Agreement on Sustainable Garments and Textile, this project aims to foster industry commitment to improving human rights and environmental protection in the textile industry. Through this unique partnership, we are taking critical steps to enhance working conditions, secure the livelihoods of thousands of organic cotton farmers, and promote the regenerative benefits of organic farming on the environment.

In 2023, the Organic Cotton Accelerator (OCA) developed its first training resource dedicated to promoting decent work at the farm level in India. This initiative represents a significant step in OCA's long-term commitment to improving the working conditions and well-being of individuals working on organic cotton farms in their operational regions. By investing in capacity-building, raising awareness, and implementing monitoring systems, OCA aims to equip their farming partners with the necessary tools to empower the farming communities within their network. We are proud to support OCA through our ongoing partnership.

First OCA sourced collection

In 2023 we also developed our first collection with cotton sourced from farmers who are part of the OCA Farm Programme. Around 125 farmers have grown and harvested cotton for our collection, for which they have received a premium payment. The payments to farmers are digital, which means that OCA can verify whether these payments are correct and according to the contract. OCA's Farm Programme aims to improve farmer livelihoods by establishing a stable market for their cotton and providing them with essential training, support, and access to high-quality seeds and other vital inputs required for organic cotton production.

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DIVERSITY & INCLUSION

G-Star is shaped by its people; we all contribute to making G-Star what it is today and what it will be tomorrow. G-Star believes that our diversity is our strength, and we actively embed inclusion and diversion in our culture, offices and operations. We find it of utmost importance to have a diverse and inclusive workplace that makes everyone, regardless of who they are or what they do for the business, feel equally involved, supported and valued.

To review whether G-Star employees feel happy and safe during their work, we conduct an employee survey on an annual basis which includes questions to measure whether G-Star leadership is supportive of a diverse and including working environment.

Additionally, we have developed several policies to build a more inclusive and responsible workplace. These policies include supporting breastfeed during working hours, a flexible work from home and work abroad policy, a quiet room at the office and parental leave policies. We are continuously reviewing where we can improve and do better, for example via our employee surveys.

To increase awareness on unconscious biases, G-Star employees are requested to participate in an online Unconscious Bias training every year. During this training, employees are educated to increase awareness on their biases and gives them information on how to tackle this. Following up on this, employees are encouraged to follow a face-to-face training.

In addition, for the coming years we want to focus on gender equality and inclusivity within our supply chain, at the facilities we source from and their surrounding communities. Equality is an important enabler of human rights within our value chain, which is why we actively strive for more inclusion and equality within our value chain, focusing on:

- Gender equality within our supply chain, promoting female rights.
- Health and safety for all workers in our supply chain, including zero tolerance policies and prevention practices of workplace harassment.

Gender equality can be complex, as cultural differences between countries have to be taken into account. We therefore will partner up with external expert associations to do this right.

FACTORIES IN 2023	FEMALE	MALE	% FEMALE	% FEMALE SUPERVISORS	% FACTORIES OWNED/MANAGED BY A WOMAN
TIER 1 (CMT)	33.078	27.888	54%	40%*	35%*
TIER 2 (FABRIC)	18.961	40.999	32%	14%*	28%*

* Data only includes factories that have done a vFSLM.

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REFLECTIONS ON 2023

STRATEGIC TOPIC	2023 ACTION & GOALS	2023 HIGHLIGHTS AND PROGRESS	2024 ACTION & GOALS
Workers' Rights	Adopt Higg FSLM self-assessments for Tier 1 CMT suppliers that represent 90% of business volume. Adopt Higg FSLM verified assessments for Tier 1 CMT suppliers that represent 82% of business volume.	Adopted Higg FSLM self-assessments for Tier 1 CMT suppliers that represented 96% of business volume. Adopted Higg verified FSLM assessments for Tier 1 CMT suppliers that represent 96% of business volume.	Adopt Higg FSLM verified assessments or similar assessment for Tier 1 CMT suppliers that represent 100% of business volume.
	Adopt Higg FSLM self-assessments at Tier 2 suppliers that represent 89% of business volume. Adopt Higg FSLM verified assessments for Tier 2 suppliers that represent 72% of business volume.	Adopted Higg self-assessments for Tier 2 suppliers that represent 74% of business volume. Adopted Higg verified FSLM assessments for Tier 2 suppliers that represent 74% of Tier 2 business volume.	Adopt Higg FSLM verified assessments or similar assessment for Tier 2 suppliers that represent 80% of business volume
	Evaluate the functionality of the Fair Wear complaint mechanism in Tier 1 factories within India. Roll out the Fair Wear Complaints mechanism in at least 1 additional country.	Following the conclusion of the Fair Wear project, new systems were evaluated to better meet the needs of workers, suppliers, and G-Star.	Onboard and implement a new grievance system to function in selected factories in minimum 2 countries.
	Participate in the Textile in Transition: Boosting Transparency and Farmer Livelihoods in Organic Cotton Supply Chains multi-stakeholder project initiated by Organic Cotton Accelerator.	Participation in the Textile in Transition: Boosting Transparency and Farmer Livelihoods in Organic Cotton Supply Chains ongoing. Sourced the first direct to farm organic cotton through OCA programs.	Increase direct to farm sourcing by expanding sourcing to one additional country and increase sourcing in India with 20%.

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STRATEGIC TOPIC	2023 ACTION & GOALS	2023 HIGHLIGHTS AND PROGRESS	2024 ACTION & GOALS
Fair Wages	Cover 100% of Tier 1 factories in our Living Wage Gap Analysis.	In 2023 we opted for a more detailed Living Wage Gap Analysis for selected Tier 1 factories representing 34% of our production volume.	Cover 100% of Tier 1 factories in our Living Wage Gap Analysis.
	Disclose the percentage of workers that receive payments digitally. Explore approaches to increase digital payment.	98% of workers received wages digitally.	Continue disclosing the percentage of workers that receive payments digitally. Explore approaches to increase digital payment.

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PLANET

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PLANET

Our planet is facing environmental challenges, such as climate change, loss of biodiversity and natural resources, air-, water-, and soil pollution. These challenges affect everyone, G-Star takes responsibility and tries to limit the environmental impact on our PLANET. We produce and operate responsibly by selecting the most sustainable production processes and resources, and drive superior performance in climate adaptation and a positive impact on biodiversity. We do this for our own operations and, together with our business partners, within our supply chain.

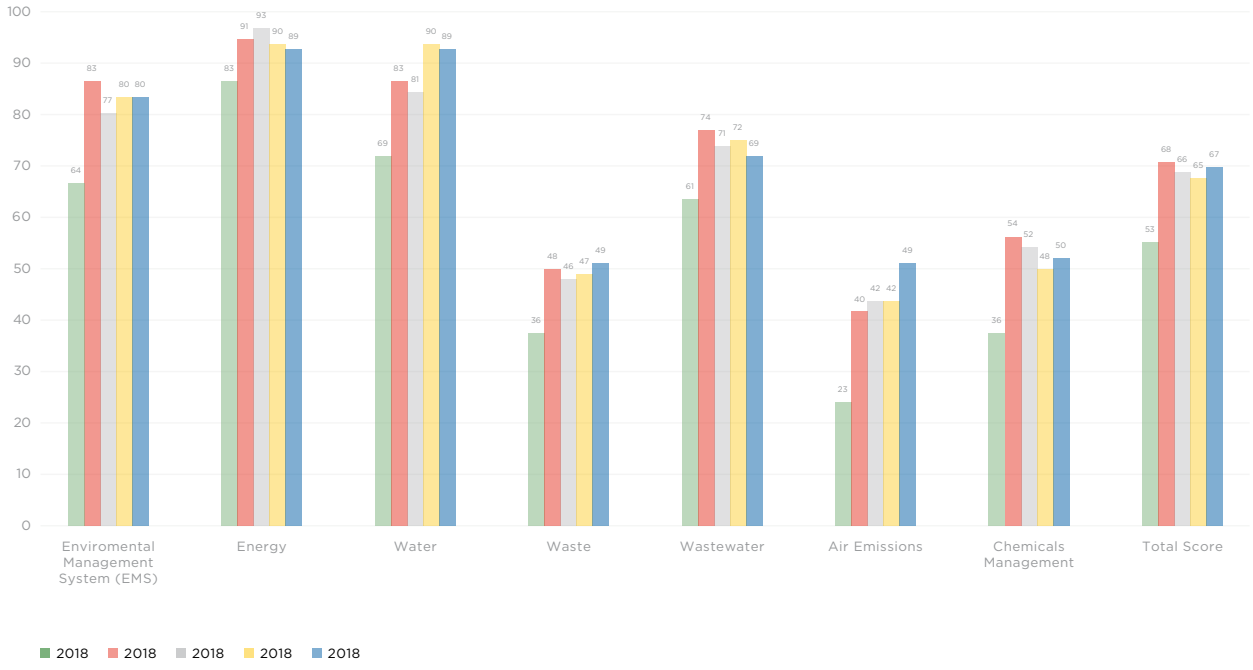
Monitoring environmental performance

The Higg Facility Environmental Module (FEM) allows manufacturing factories to measure their environmental performance, benchmark their results against peers, and identify areas to make meaningful improvements. It also guides factories through a step-by-step approach to environmental management. Scores are generated by suppliers and verified by a third-party; results refer to the previous year, meaning the figure below demonstrates verified FEM scores from 2022.

A total of 67 factories completed the Higg verified FEM providing an average score of 67%. The score is slightly higher compared to the year of 2020 and 2021. The latest score represents 85% of our Tier 1 business volume and 70% of our Tier 2 business volume.

In 2024 we will continue the Higg verified FEM assessment as part of our Supplier DETOX Program. We will aim for an average score above 68% which should cover at least 86% of Tier 1 and 82% of Tier 2 production volume. This is also in line with the Cascale's (formerly SAC) membership requirements surrounding business volume.

AVERAGE HIGG FEM SCORE



N.B. FEM results always refer to the previous year, hence this chart refers to 2022.

Looking at this information in a more granular manner, we are able to identify some of the hotspots in our supply chain and by extent areas of improvement. It is also important to note that the scores for the later years represent a higher number of factories, and across all factories, we observe an annual increase.

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CLIMATE CHANGE

At G-Star, we recognize the critical role we play in mitigating climate change and the importance of reducing our carbon footprint. As a result, we focus our climate impact work in our supply chain and consumer engagement, while also taking steps in our own offices and stores.

Science Based Targets

In July 2019, G-Star signed the UN Fashion Charter and publicly committed to addressing the topic of climate change. Read more about the start of this journey here. As a result, G-Star committed to the Science Based Targets initiative (SBTi), making sure our emission reduction goals align with the latest climate science and drive us towards meeting the 2015 Paris Accord, on limiting global warming to well below 2 degrees Celsius above pre-industrial levels. In November 2022, G-Star submitted its carbon reduction targets to the SBTi and the targets were validated in July 2023. The process was completed with the support of our partners at RESET Carbon Ltd. and included an in-depth analysis of our carbon emissions for the year of 2021, which is our emissions baseline year.

With the SBTi target validation, G-Star commits to reduce absolute Scope 1 and 2 greenhouse gas emissions 42% by 2030 from a 2021 baseline. G-Star also commits to reduce absolute Scope 3 emissions from purchased goods and services and upstream transportation and distribution 42% within the same timeframe.

You can also find G-Star listed on the SBTi website.

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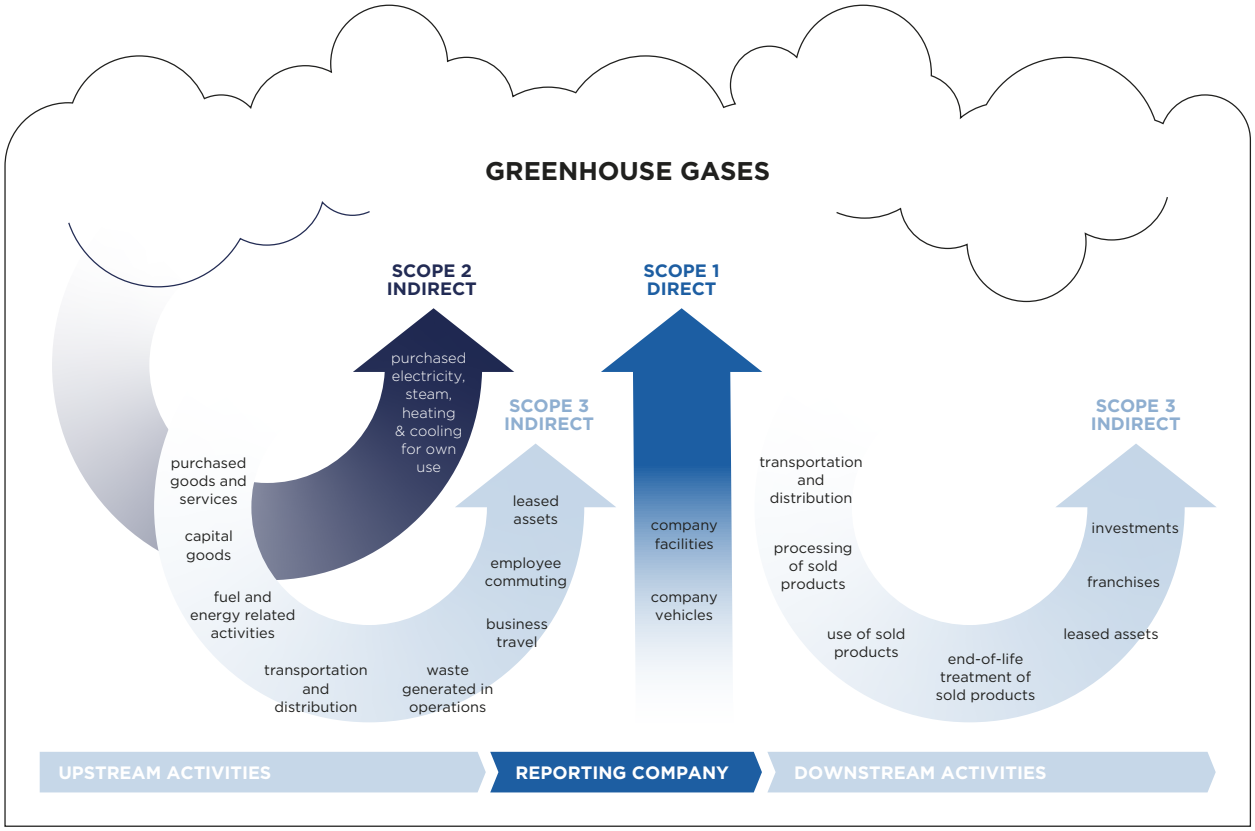
2023 Carbon Footprint Calculations

Carbon accounting is broken down into 3 categories defined by the Greenhouse Gas (GHG) Protocol Corporate Standard: Scope 1, Scope 2 and Scope 3, as can be seen in the figure below. These definitions are retrieved from the Climate Action Playbook that explains the commitment from the Fashion Industry Charter for Climate Change.



- Scope 1 emissions are directly emitted from G-Star owned and controlled operations.
- Scope 2 emissions are coming from the generation of electricity and heat and steam purchased by G-Star.
- Scope 3 includes all of G-Star's indirect emissions from value chain activities. Examples include purchased goods and services, transportation and distribution, business travel, employee commuting, and use of sold products.

To calculate our carbon footprint, we followed the guidelines provided by international standards, including the GHG Protocol for Scope 1, 2 and 3. We utilized accurate data and robust estimation methods to ensure the reliability of our results and shared these with a third-party verifier, Carbon Footprint Ltd., who provided a limited assurance verification report.

Carbon Footprint Ltd. completed the review in accordance with the 'ISO 14064 Part 3 (2019): Greenhouse Gases: Specification with guidance for the verification and validation of greenhouse gas statements'.

Based on the results of their verification process, Carbon Footprint Ltd. found no evidence that the GHG emissions statement:

- is not materially correct and is not a fair representation of the GHG emissions data and information
- has not been prepared in accordance with the GHG Protocol

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It is Carbon Footprint Ltd.'s opinion that G-Star has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of GHG emissions for the 2023 period and boundaries.

Scope 1&2

A total of 110 owned and operated sites were included in G-Star's inventory for the 2023 reporting period. The breakdown per site type and location can be found in Appendix C.

In 2023, Scope 1 and 2 emissions amounted to 2.527 tCO2e for location-based emissions and 1.860 tCO2e for market-based emissions. Compared to 2022, this represents a 5% increase in location-based emissions and a significant 40% decrease in market-based emissions. Relative to the baseline year of 2021, there is a 21% reduction in location-based emissions and a 50% reduction in market-based emissions. This is a significant step, as it means that G-Star has already achieved its Scope 1 and 2 market-based emissions SBTi target and is on a good pathway to meet its location-based emissions SBTi target with these reductions.

The reductions are mainly driven by the decrease in the number of owned and operated sites and the reduction in market-based emission factors in the countries where G-Star operates. Looking ahead, G-Star will also purchase green energy through its energy contracts in various locations. In the Netherlands, where G-Star has a significant number of sites, green energy will be purchased starting in 2025 when the current energy contract expires.

SCOPE 1 + 2 EMISSIONS (TCO2E)				COMPARISON	
	2021	2022	2023	YoY	vs. Baseline
LOCATION-BASED	3.204	2.404	2.527	5%	-21%
MARKET-BASED	3.703	3.089	1.860	-40%	-50%

2023 Scope 1+2 emissions and comparison vs 2022 and baseline year (2021).
Breakdown of Scope 1 and Scope 2 in Appendix C.

In terms of the distribution between Scope 1 and Scope 2 emissions, Scope 2 emissions accounted for 86% of the total emissions using location-based grid factors and 80% using market-based grid factors.

Purchased electricity made up the largest portion of Scope 2 emissions, accounting for 96% of the total when using the location-based calculation method. For Scope 1 emissions, 65% were due to natural gas combustion, while mobile fuel combustion contributed the remaining 35%.

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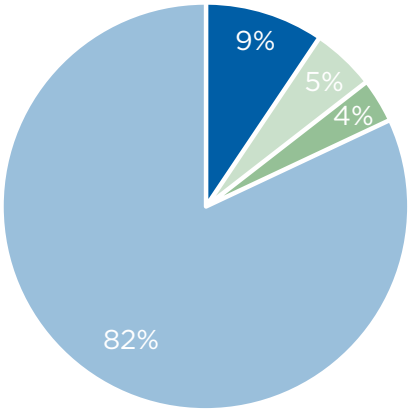
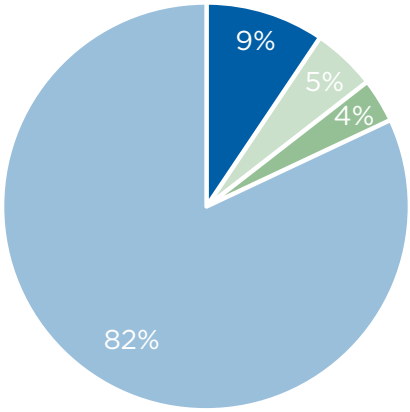
SCOPE 1&2 EMISSION BREAKDOWN LOCATION-BASED



SCOPE 1&2 EMISSION BREAKDOWN MARKET-BASED



PURCHASED ELECTRICITY (GRID)
NATURAL GAS
MOBILE COMBISTION
PURCHASED COOLING

Most of the Scope 1 and 2 emissions are attributed to five countries: the Netherlands, Japan, Belgium, the USA, and Germany. These countries together account for 90% of location-based emissions and 87% of market-based emissions.

In the Netherlands, it was found that three specific sites – the G-Star headquarters and two warehouses in Amsterdam – collectively accounted for a significant portion of the country's emissions, totalling 79%. In the other countries, emissions are driven by the mono-brand and outlet stores located there.

For information relating to Scope 1, 2 and 3 methodologies, please refer to Appendix C.

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Scope 3

Similar to the previous year, G-Star's carbon footprint in 2023 was primarily driven by Scope 3 emissions, which accounted for 98% of the company's total emissions. Compared to 2022, Scope 3 emissions decreased by 1% and were 13% lower than the baseline year of 2021.

SBTi SCOPE 3 CATEGORY	2021	2022	2023	% CHANGE YoY	% CHANGE VS. BASELINE (2021)
Cat 1 – Tier 1&2	35,836	37,943	40,061	6%	12%
Cat 1 – Tier 3&4	13,249	14,469	16,047	11%	21%
Cat 1 – Other	13,003	7,753	1,207	-84%	-91%
Cat 2 – Capital Goods*	1,688	-	2,546	-	51%
Cat 3 – Fuel and energy related	626	703	788	12%	26%
Cat 4 – Upstream transportation**	25,073	11,351	9,963	-12%	-60%
Cat 5 – Waste	709	188	20	-89%	-97%
Cat 6 – Business travel	166	567	372	-35%	124%
Cat 7 – Employee commuting	2,513	3,209	2,702	-16%	8%
Cat 11 – Use of sold products	21,987	25,206	27,156	8%	24%
Cat 12 – End-of-life of sold products	847	914	845	-8%	0%
Cat 14 – Franchises	1,202	732	528	-28%	-56%
TOTAL	**116,889**	**103,035**	**102,235**	**-1%**	**-13%**

Total Scope 3 emissions and comparison vs 2022 and baseline year (2021).

* Category 2 – Capital Goods was added to G-Star's carbon inventory during SBTi target validation, covering assets such as office/store furniture and office/store hardware.

** Category 4 – Upstream transportation covers both upstream and downstream emissions from 3rd party transportation and distribution paid by G-Star.

*** At SBTi's request, Category 13 – Downstream leased assets were removed from G-Star's carbon inventory because they related to the emissions of tenants at G-Star's HQ in Amsterdam. Since energy and heating suppliers are defined by G-Star and tenants cannot switch suppliers, these emissions are now accounted for within G-Star's Scope 1 and 2 inventory.

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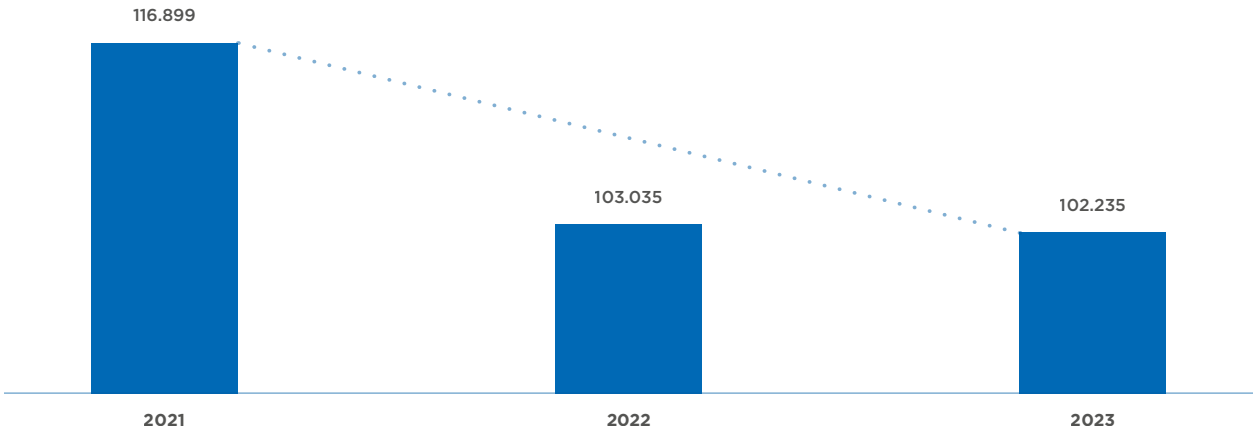
TOTAL SCOPE 3 EMISSION



Considering SBTi targets, which covers Category 1 and Category 4, G-Star had an increase of 4% from 2022 to 2023, but still a decrease of 11% compared to the 2021 baseline. This is mainly due to Category 4 decrease, as inbound air emissions have decreased significantly.

SBTi SCOPE 3 CATEGORY	2021	2022	2023	% CHANGE YoY	% CHANGE VS. BASELINE (2021)
Cat 1 – Tier 1&2	35.836	37.943	40.061	6%	12%
Cat 1 – Tier 3&4	13.249	14.469	16.047	11%	21%
Cat 4 – Upstream transportation**	25.073	11.351	9.963	-12%	-60%
TOTAL	**74.158**	**63.763**	**66.071**	**4%**	**-11%**

Scope 3 emissions – SBTi target boundary

Going forward, G-Star aims to support transition to clean energy at current sites or move its production to sites powered by clean energy, requiring less transportation (e.g., nearshoring, vertical production units), and using materials with a lower environmental impact. Additionally, G-Star will continuously improve its logistics practices to operate more efficiently and further minimize the use of air transport for inbound and outbound logistics.

Among the Scope 3 categories, Category 1 (Purchased goods and services) had the highest contribution, accounting for 56% of the total, followed by Category 11 (Use of sold products) at 27% and Category 4 (Upstream transportation) at 10%. Altogether, they account for 93% of total 2023 scope 3 emissions.

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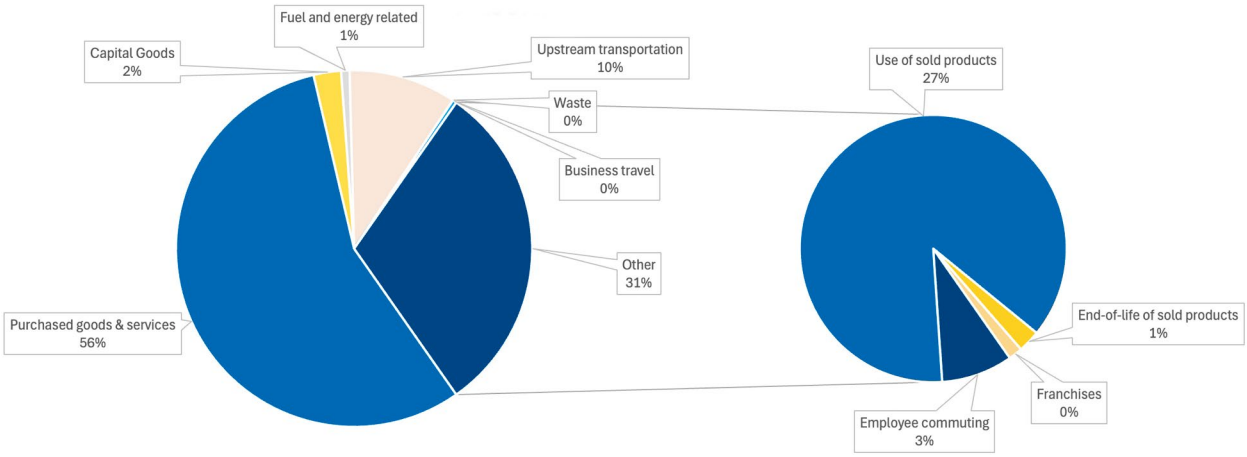
2023 SCOPE 3 EMISSION BREAKDOWN

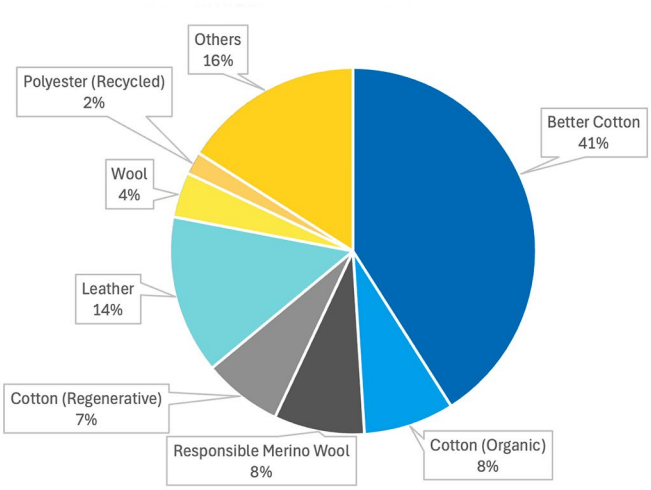


This distribution pattern remained consistent with previous years carbon footprint calculations.

Within Category 1, emissions from Tier 1 and 2 suppliers had the greatest impact, contributing 70% of the total Category 1 emissions. Tier 3 and 4 emissions (materials) accounted for 28% of Category 1 emissions, while other purchased goods and services made up only 2%. Compared to the previous year, there is a significant decrease in the “other” sub-category because some inputs in this sub-category were calculated using actual data rather than a spend-based approach (e.g., waste emissions).

In terms of material emissions, cotton had the highest contribution, amounting to 58% of the total material emissions. BCI cotton emerges as the leading contributor to materials emissions, accounting for 41% of the total. It is followed by organic cotton at 8% and responsible merino wool at 8%. The significant emissions associated with cotton can be attributed to its large quantity of purchase, while merino wool exhibits a high emission intensity.

TIER 3&4 EMISSION BREAKDOWN BY MATERIAL TYPE



though the total weight of fibres decreased by 4%. This rise in emissions is attributed to the increased use of leather in G-Star products within the 2023 collection (14% in 2023 compared to 8% in 2022). Leather has the highest emission intensity among the materials used.

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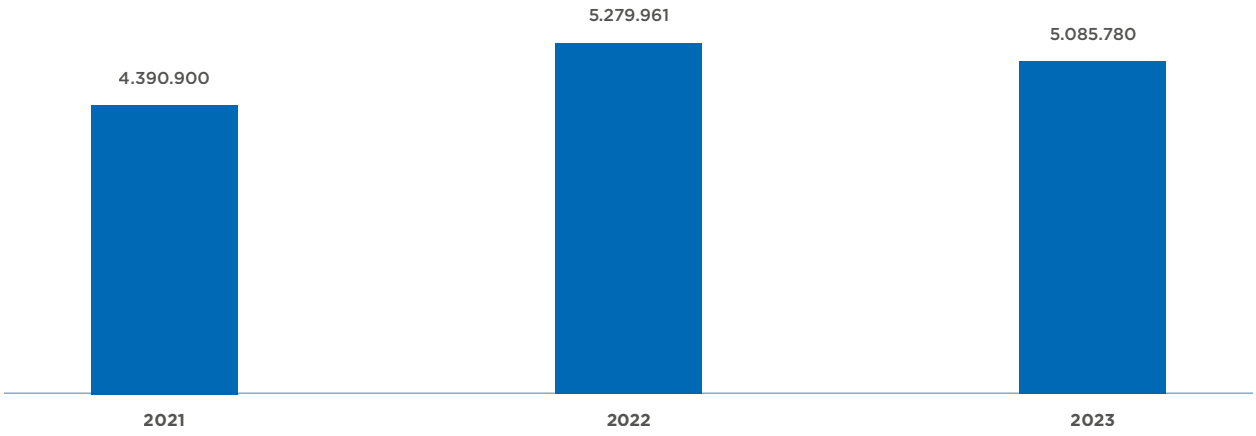
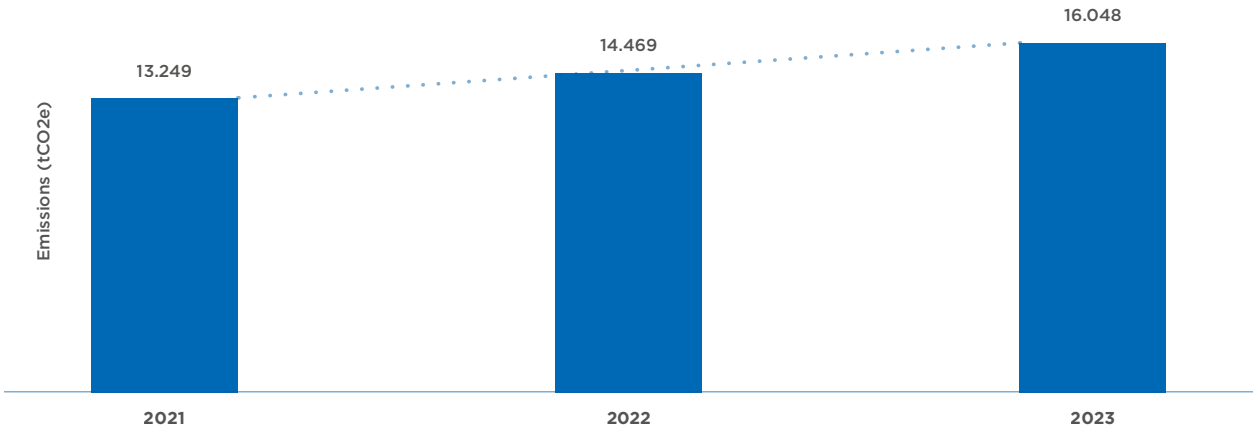
FIBRES WEIGHT (KGS)



TIER 3&4 EMISSIONS



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Examining Category 4 in more detail reveals several key trends. Despite the total shipping volume in tonne kilometres (tkm) remaining relatively steady, there is a notable 60% reduction in total emissions compared to 2021.

SCOPE 3 - TRANSPORT (TCO2E)				COMPARISON	
	2021	2022	2023	YoY	vs. Baseline
Inbound Air	16.425	4.662	2.193	-53%	-87%
Inbound Sea	949	1.164	964	-17%	2%
Inbound Road	1	-	179	-	17800%
Outbound B2B Air	2.215	1.442	1.335	-7%	-40%
Outbound B2B Road	591	423	313	-26%	-47%
Outbound B2C Air	4.460	3.490	4.759	36%	7%
Outbound B2C Road	225	169	152	-10%	-33%
Warehouse Storage	208	-	69	-	-67%
TOTAL TRANSPORT	**25.073**	**11.350**	**9.963**	**-12%**	**-60%**

2023 Transport emissions and comparison vs 2022 and baseline year (2021).

This decrease is primarily due to a significant reduction in inbound air shipment volume (4% of total), which saw a remarkable 53% decline in emissions compared to 2022 and an 87% decline in emissions compared to the baseline year of 2021. Concurrently, emissions from inbound sea and road transport have increased relative to the baseline year. This shift aligns with expectations, as sea and road transport have taken on the shipping volume previously handled by air. Additionally, the rise in inbound road emissions can be attributed to G-Star's nearshore sourcing strategy, which brings production closer to consumer markets.

INBOUND TRANSPORT	WEIGHT (TONNES)	% OF TOTAL WEIGHT
Air	204,98	4%
Ocean	4.017,07	85%
Truck	510,29	11%
GRAND TOTAL	**4.732,34**	**100%**

2023 inbound transport volume.

For information relating to Scope 3 calculation methodologies and methodology updates, please refer to Appendix B.

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Energy Consumption (G-Star own operation)

Below table indicates our 2023 energy consumption and energy sources.

The three energy sources that have been used for G-Star's own operation were distributed geographically, as per below:

SOURCE OF ENERGY	CONSUMPTION	UNIT
Total Purchased electricity	7287	mWH
Total purchased cooling	194	mWH
Natural Gas	117620	m3

Purchased electricity was consumed in 14 countries. Most purchased electricity was consumed in the Netherlands, followed by France, Belgium, United States and Japan. Natural gas was consumed in four countries. In Belgium, G-Star operations consumed most gas. Japan was responsible for 100% of the purchased cooling consumption.

The detailed overview can be found in Appendix C.

Energy consumption in the supply chain (Tier 1&2)

ENERGY BREAKDOWN OF TIER 1

The energy data of the supply chain has been analysed using the verified data from the Facility Environmental Module (FEM) to identify the sources and contributions of energy in various countries where G-Star has suppliers. The analysis focuses on tier 1 facilities and includes data from 2023, covering eight different countries where G-Star has manufacturing activities.

In terms of total energy consumption, India has the largest energy footprint, followed by Bangladesh, China, and Vietnam. Regarding energy sources, fuel oil is the highest contributor, followed by natural gas and purchased electricity. Details can be found in Appendix C.

For Tier 1 facility, In Bangladesh around 89 percent energy comes from Natural Gas. In China LPG is the most prevalent one that contributes 87 percent. In terms of purchase renewable Bangladesh is the only country that contributes 1 percent of the total energy contribution. Details can be found in Appendix C.

ENERGY BREAKDOWN OF TIER 2

The energy data of the supply chain has been analysed following the verified data of Facility Environmental Module (FEM) to identify the source of energy and contribution of each source in different countries that G-Star have suppliers. The analysis contains the data of 2023 and represents eleven different countries where G-Star have manufacturing activity. In terms of total energy consumption, the largest energy footprint is with China followed by India, Bangladesh, and Turkey that have the highest footprint. In terms of source Natural Gas is the highest contributor followed by Purchased steam and propane. Details in Appendix C.

For Tier 2 facility, In Bangladesh around 96 percent energy comes from Natural Gas. In China Purchased steam is the most prevalent one that contributes 65 percent. In terms of purchase renewable Turkey and China have the most which is 1 percent of the total energy contribution. Turkey is the only county where wind energy is also available which contributes 3 percent of the total energy consumption in the country.Details can be found in Appendix C.

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Decarbonisation of the supply chain

G-Star is committed to limiting global temperature rise to 1.5°C above pre-industrial levels and has set Science Based Targets (SBTs) validated by the Science Based Targets initiative (SBTi). Recognizing that the majority of its emissions come from the supply chain, G-Star is actively working to decarbonize this sector. A primary strategy involves increasing the use of renewable energy, which requires substantial support of our suppliers. To aid suppliers in this transition, G-Star participates in programs that facilitate collaboration between stakeholders and the supply chain through both direct and indirect investments. A notable initiative is the engagement of six suppliers in the Carbon Leadership Program (CLP), an effective and innovative program developed by Reset Carbon and the Apparel Impact Institute (AII). This program focuses on driving significant reductions in carbon emissions within the supply chain by setting facility-level carbon reduction targets, which also include energy efficiency and renewable energy action plans.

Additionally, G-Star has nominated four facilities to participate in the Cascale's 'Top Action Club' initiative. Cascale, in partnership with GIZ (The Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH or German Development Agency), through its Project Development Program (PDP), aims to accelerate decarbonization efforts. This is achieved by conducting pre-feasibility studies for rooftop solar applications, supporting manufacturing units in developing technically sound and financially attractive rooftop solar projects.

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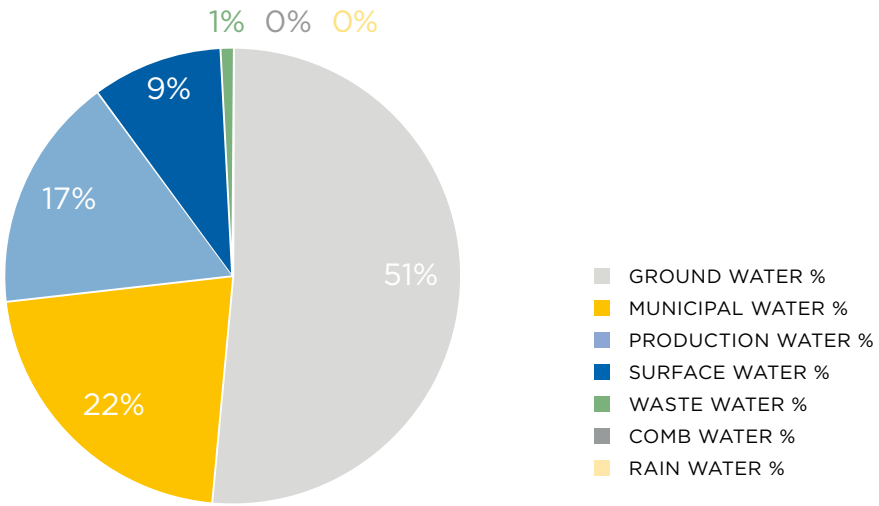
WATER MANAGEMENT

We understand the environmental impact that the fashion industry has on water, and G-Star is striving to implement innovative technologies and novel solutions to reduce our impact. We are focused on reducing our water use throughout our entire supply chain, from the start at the farm (or crop) level, all the way to the creation of our final garment. Starting from our supply chain, our most widely used raw material, which is cotton, is a relatively water intensive crop. To combat this, we have progressively shifted our material use from conventional fibres towards organic ones, and cotton sourced from organic certified farms via OCS and OCA and the Better Cotton Initiative (BCI). These organizations have been created to educate, train and improve working conditions of farmers in order to create a sustainable future for cotton. The emphasis is on efficient practices, such as crop placement, irrigation methods to provide the basis in reducing water use in this stage.

Specifically, processing fabric for denim (and garments in general) consumes a substantial amount of water, namely within the dyeing and washing processes. Therefore, decreasing the consumption of water during the processing stage of our products is a vital goal of ours. To first understand our water consumption during garment production, we collect data on water consumed and from which source this water comes from.

A substantial part of our water consumption comes from groundwater. This breakdown includes “blue water” and “grey water”. Blue water consists of freshwater from lakes, rivers and aquifers (Surface, Ground, Rain). Grey water is water that has been polluted by human activity already (production, municipal or waste water).

WATER SOURCES



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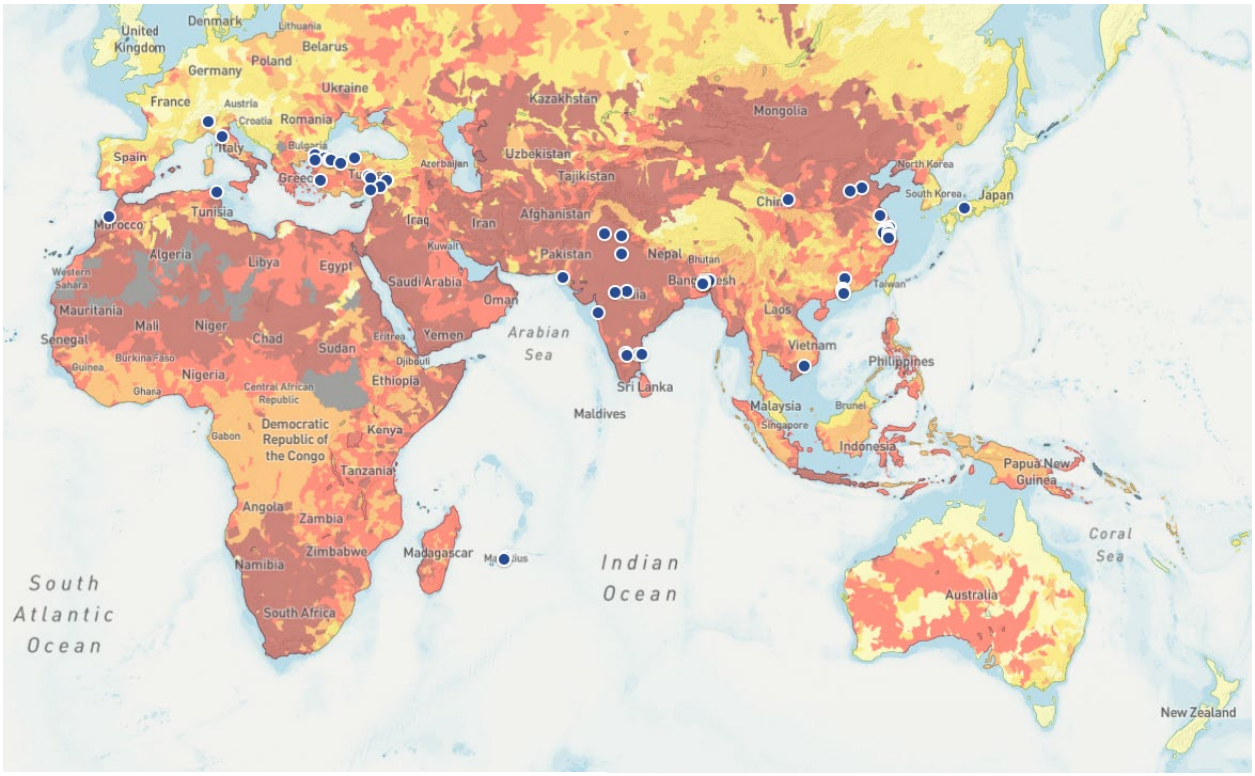
Water Risk

In order to analyse potential risks we may have with regards to water scarcity from these sources in the future, using the open source Aquaduct Water Risk Atlas, we have mapped our suppliers and their respective factories onto the platform. This is a tool created by World Resource Institute (WRI), that categorizes water risk over a 5 point scale – from low (0-1) to high (4-5). This analysis includes multiple aspects: rainwater, groundwater and an overall baseline water stress level. For the future we will be focusing on figuring out what production processes and innovations we should implement in areas with high water risk. As of now, our most high-risk areas are in the Ganges-Brahmaputra basin of Bangladesh, the state of Tamil Nadu in India and Shandong province in China.



Water Usage

Furthermore, using data provided within the Higg database, we have managed to compile how much of our water is recycled internally, and with that – how many of our garments were produced in factories with wastewater recycling capabilities. With this in mind, over 10% of our total water use has been recycled, and about 52% of all our garments were produced in factories where water is recycled. Additionally, a substantial amount of our suppliers has implemented sustainable innovations – from regenerative indigo dyeing processes (the waste designed to be used as fertilizer for agriculture), to using laser finishing (Jeanologia) and wastewater treatment plants in order to ensure that no polluted water reaches natural water systems. We are collaborating further with other suppliers to implement these, and even more sustainable solutions in the future. More information regarding our discharged water treatment can be found in the following section, with information of our Supplier DETOX program, and the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation.

It is important to note that the use phase of our garments is also a contributing factor of water use. We ask all of our customers to wash their clothes as infrequently as possible, on a low temperature and line dry to extend the life of clothes, reduce water and energy use, and minimize microplastic emissions into the environment.

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WASTE & PACKAGING

Our Packaging
Packaging is an inevitable and important part of shipping products from one place to another without damaging them. However, packaging requires additional resources, such as plastics and cardboard. To limit the environmental impact of the packaging we have developed requirements for our packaging, which are based on the same circular principle as our products.

Our key packaging requirements
- 100% packaging is made of recycled content
- 100% recyclable packaging
- Continuous, absolute reduction in plastic packaging

In 2023 we have been working on our Packaging RSL, which will be ready in 2024.

Progress
Since 2022, all our suppliers use polybags made from 100% post-consumer recycled content. We also started using smaller and thinner polybags for most product groups, beneficial as these require less material. Our packaging components are made of one material, which makes recycling easier. And to encourage the correct recycling of packaging, products ordered via G-Star.com are first unpacked in our Amsterdam-based warehouse so that polybags can be disposed of correctly and placed in the recycling bin.

We have been taking steps to reduce our packaging material. In 2022 we introduced paper mailing bags for e-commerce deliveries outside of the Netherlands as a replacement for boxes, reducing the weight of shipping. In 2023 we further reduced the average weight of our packaging from 273 grams (in 2022) to 160 grams (in 2023), a weight reduction of 41%. Currently, 64% of our orders is sent in this paper mailing bags.

Our Other Company Initiatives on Waste
On World Water Day in 2023 we introduced our first Dopper Water Tap in our flagship store in Belgium. To celebrate this, we offered a limited edition bottle carrier, made from a recycled and organic denim fabric mix, which was dyed with a sustainable foam technique, using no water or harmful chemicals to apply colour.

Tackling Supplier Waste
Besides packaging, most waste can be attributed to our production phase. Waste is generated during the different stages of production in our supply chain, from the material production – with knitting, dyeing or printing – and finished product assembly (cutting, washing, packing) towards transportation and finally the end of life of our products.
Via the Higg FEM we gather data from our suppliers regarding their generated waste. Below figure shows an overview regarding how much of this can be considered hazardous, non-hazardous and how much is upcycled.

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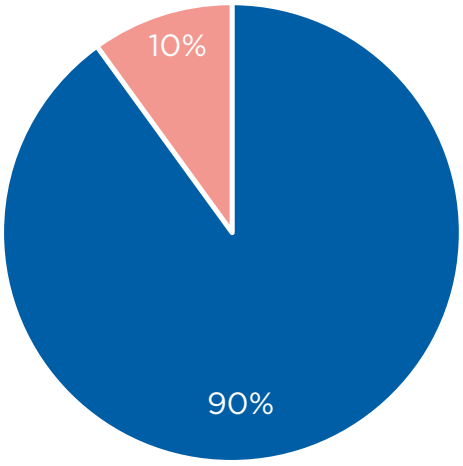
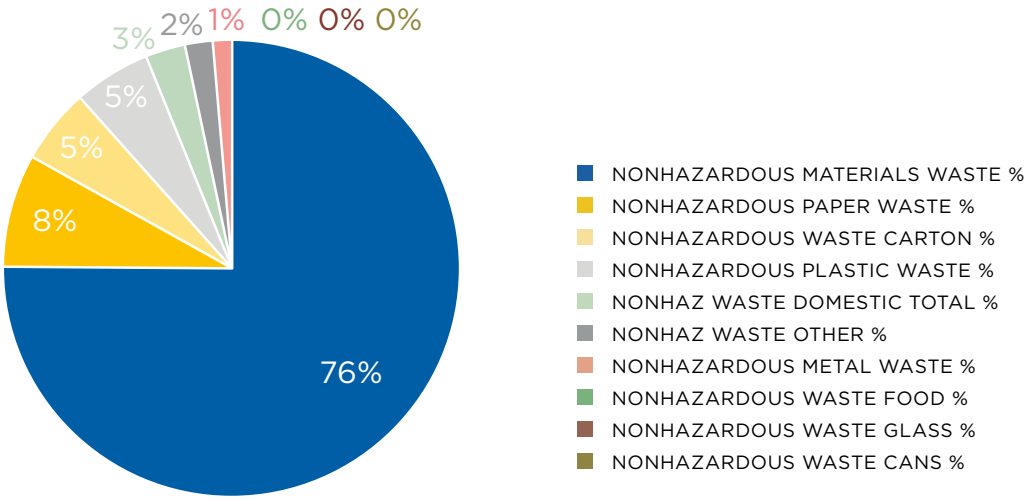
HAZARDOUS VS NON-HAZARDOUS WASTE



Non-hazardous waste accounts for just over 90% of the waste generated at our suppliers. Of this non-hazardous waste, 76% is materials waste during production.

NONHAZARDOUS WASTE BREAKDOWN



Managing waste is a crucial concern that begins with identification, segregation, and proper storage. Through monitoring we have identified that most of the waste is sold to specific dealers, where it undergoes processes such as reuse, recycling, and upcycling. With a focus on circularity, G-Star encourages suppliers to handle waste in ways that maximize its utility, contributing significantly to the circular economy.

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Climate Neutral Delivery

Besides scoping our emissions, we are already implementing more climate-friendly solutions to reduce our emissions. One example is via our bike delivery service in collaboration with Fietskoerier which operates in the largest Dutch cities, such as Amsterdam. This made up 4,7% of all delivery transportation in 2023. Next to that, our standard delivery option with DHL Parcel in the Netherlands has also become more responsible. DHL Parcel has extended its electrical fleet and launched a carbon offset program called GoGreen.

- In 2023, **65%** of international e-commerce parcels shipped to customers were carbon neutral through offsetting. This means an increase of 38% compared to 2022.
- In 2023, **100%** of parcels delivered to customers in the Netherlands were carbon neutral through offsetting.

Through DHL's GoGreen offset program we contribute to climate protection projects related to water, energy efficiency, biogas, and biomass in different countries around the world. Read more about those projects here.

Eliminating Chemicals & Chemical Pollution

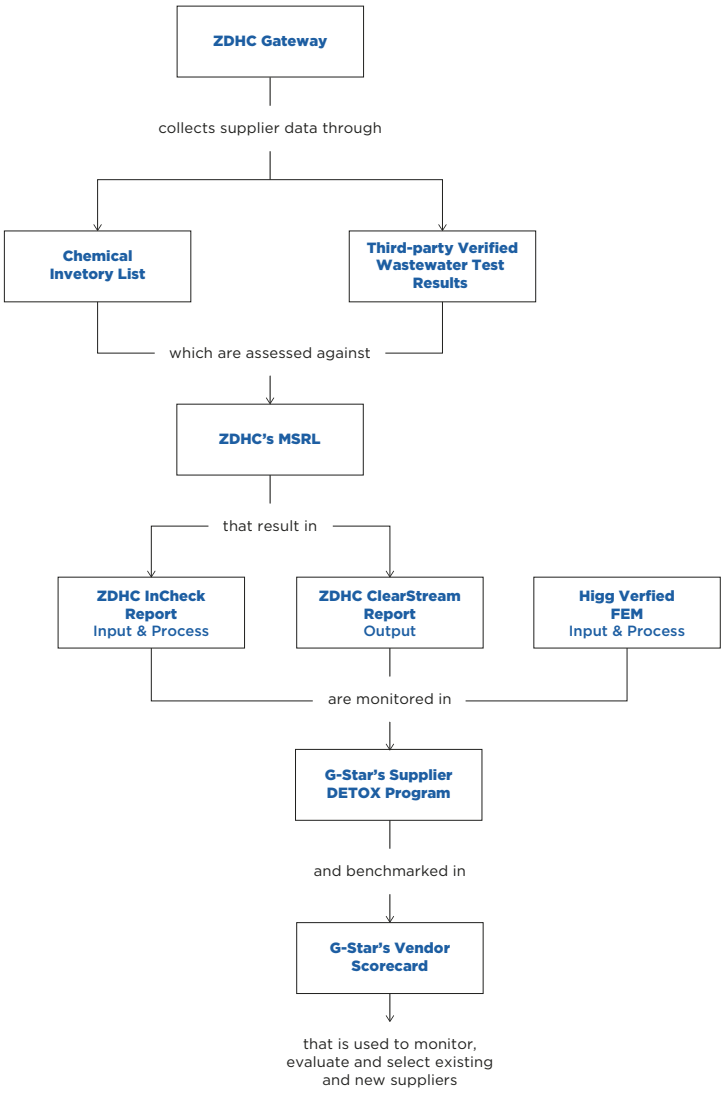
Minimizing pollution and eliminating all hazardous chemicals have been a major priority for us since signing the DETOX Commitment with Greenpeace in 2013. Through the DETOX Commitment we committed to ban the use of hazardous chemicals from our products and production processes in our supply chain. To monitor the performance of our suppliers, G-Star has been running its Supplier DETOX Program since 2018. We require all suppliers to improve their performance in the input, process and output areas of chemical management within the facilities used to produce our products.

Zero Discharge on Hazardous Chemicals (ZDHC)

G-Star joined the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation in 2012. Our first Supplier DETOX Program was established with our membership to the ZDHC initiative and later extended with the addition of complementary monitoring tools. The ZDHC member brands unite around a joint Roadmap to Zero to ensure safe and sustainable chemical use in the fashion industry. ZDHC also provides tools to improve chemical management.

As part of our Supplier DETOX Program, all G-Star supply chain partners are required to:

- Follow ZDHC's Manufacturing Restricted Substances List (MRSL).
- Upload their Chemical Inventory List (CIL) in the ZDHC Gateway monthly, checking chemicals against the latest ZDHC MRSL.
- Obtain a certificate of completion of the Supplier to Zero program (Level 1, 2, or 3), which is a roadmap to sustainable chemical management leadership.
- Carry out a wastewater test twice a year, following the latest ZDHC Wastewater Guidelines.



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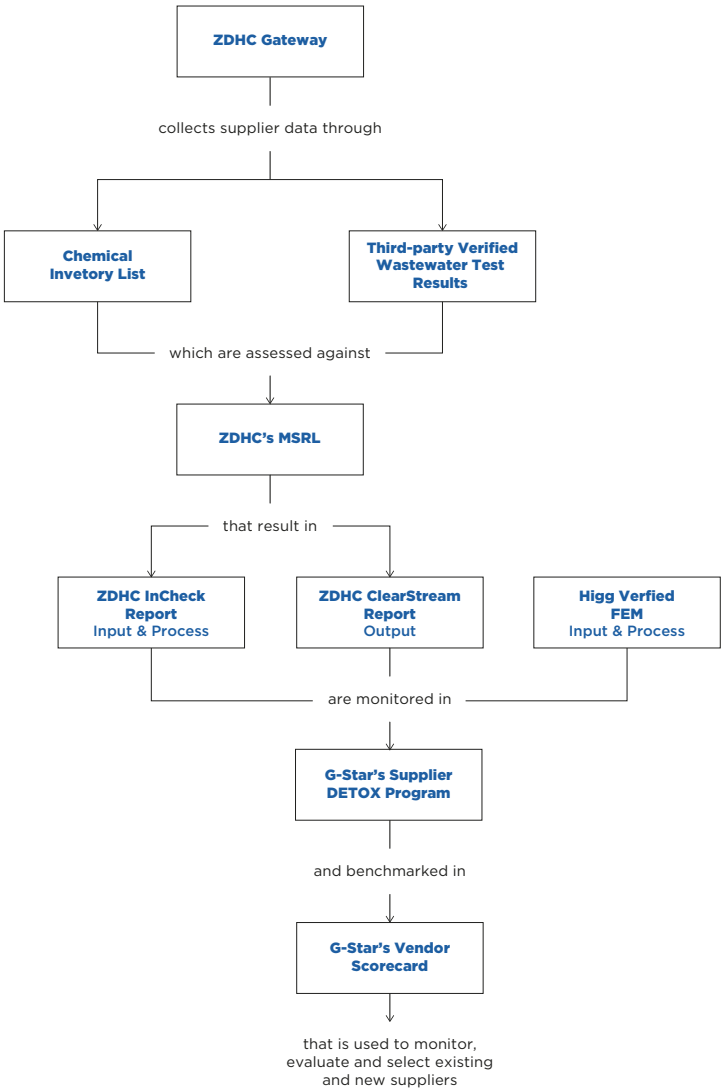

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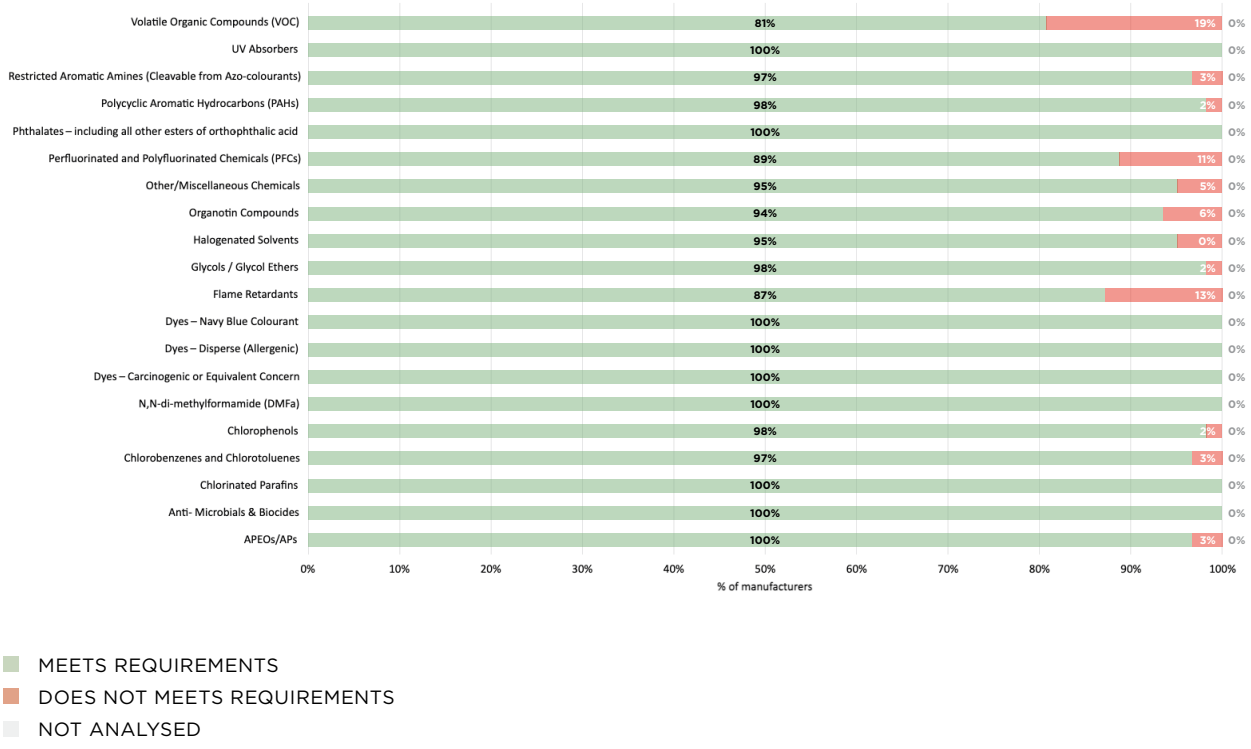
The ZDHC Gateway includes more than 30,000 chemical products that have been assessed on their conformance to ZDHC's MRSL and helps suppliers to identify safer chemicals. Alongside the CIL, wastewater is tested according to the ZDHC Wastewater guidelines, providing verified data on each supplier's chemical performance. This is used to generate a ZDHC InCheck and a ZDHC Clearstream report which, we request twice a year from our suppliers.

In 2021, ZDHC Implementation tokens were provided to G-Star Tier 1 and 2 suppliers who were new or had recently started to implement the Roadmap to Zero program. The token system enables suppliers to access training for free via the ZDHC eLearning academy or to onboard to the Supplier to Zero (StZ) program. In 2023, G-Star issued 19 tokens for the StZ program, allowing all factories to receive the Foundational Level (Level 1) certificate.

The performance of chemical substances per parameter in the Supplier DETOX Program is shown in the overview below. This performance covers all Tier 1 and Tier 2 wet processing factories that fall under the ZDHC scope in 2023, amounting to 77 in total. Over 80% of these factories' wastewater were tested against MRSL, heavy metals, and other parameters, some of which were detected. To maintain and improve these we ensured that suppliers failing to meet ZDHC requirements conducted a Root Cause Analysis (RCA) and developed a Correction Action Plan (CAP).

ALL FACTORIES - PERFORMANCE BY PARAMETER (MRSL SUBSTANCES)



G-Star jumped from Accelerator to Champion Level in the ZDHC Brands to Zero assessment report. This is based on 2023 data and sets out to understand how brands implement ZDHC requirements both internally and at a supply chain level, including how they engage with facilities. We are proud of such an achievement and will continue to pursue ZDHC tools implementation across our supply chain.

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Supplier Detox Program

The Supplier DETOX Program combines 2022 data from the Higg verified FEM with the ZDHC 2023 results from the InCheck and ClearStream reports, and supplier level on the Supplier to Zero program.

Once we receive this data it is analysed based on 3 separate areas of chemical management:

- **Input** – the level of risk regarding chemical inventory is assessed. This is based on Higg FEM 2022 and latest ZDHC InCheck results.
- **Process** – the level of risk regarding chemical management on factory premises is assessed. This is also based on Higg FEM 2022 and Supplier to Zero level of certification.
- **Output** – level of risk regarding wastewater treatment is assessed. This is based on ZDHC ClearStream reports (wastewater testing).

By providing a risk qualification in each of these 3 areas, opportunities for improving a facility's overall chemical management system are easily identified.

For each of the 3 areas one of the following 5 risk qualifications is listed in the supplier report:

- Best in class
- Low risk
- Medium risk
- High risk (non-compliance)
- High risk (unknown)

We share their performance with our suppliers in individual DETOX Supplier Reports. These serve as a starting point between G-Star and our suppliers to decide which future actions can and should be taken towards zero discharge of hazardous chemicals and more sustainable performance. From 2021, these reports also include a Corrective Action Plan (CAP) to determine which follow-up actions require the attention of the supplier based on their performance. These actions and a time indication should be added by the supplier and shared with G-Star.

	HIGG FEM 3.0 RESPONSE			ZDHC CLEARSTREAM REPORT		ZDHC INCHECK REPORT	
	Verified	**Self-Ass.**	**No Response**	**Responded**	**Did not respond**	**Response**	**No response**
2021	90%	5%	5%	88%	12%	81%	19%
2022	66%	7%	27%	62%	38%	48%	52%
2023	78%	5%	17%	82%	18%	71%	29%

Moving forward, in 2024, we will continue to work with the ZDHC tools and standards to monitor the production and manufacturing performance of suppliers in the DETOX program.

DETOX PERFORMANCE CLASSIFICATION	INPUT	PROCESS HIGG	PROCESS SUPPLIER TO ZERO	OUTPUT
Best-in-class	14%	17%	8%	27%
Low risk	31%	22%	73%	27%
Medium risk	31%	27%	5%	3%
High risk – Non-compliance	8%	17%	9%	25%
High risk – Unknown	16%	17%	5%	18%
TOTAL	**100%**	**100%**	**100%**	**100%**

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REFLECTIONS ON 2023

STRATEGIC TOPIC	2023 ACTION & GOALS	2023 HIGHLIGHTS AND PROGRESS	2024 ACTION & GOALS
Pollution & Climate Change	As a minimum, achieve a verified FEM score for Tier 1 suppliers that represent 86% of business volume, and Tier 2 suppliers that represent 82% of business volume.	Achieved a verified FEM score for 83% of Tier 1 suppliers and 80% of Tier 2 suppliers.	Achieve a verified FEM score for Tier 1 suppliers that represent 86% of business volume, and Tier 2 suppliers that represent 82% of business volume.
Pollution	Achieve 90% conformance with parameters set by ZDHC Wastewater Guidelines.	Our DETOX program included 77 factories under the ZDHC scope, with an average of 99% conformance with the parameters set by ZDHC Wastewater Guidelines.	Achieve a minimum of 90% conformance with parameters set by ZDHC Wastewater Guidelines.
	Continue to provide ZDHC implementation tokens to suppliers to implement the Roadmap to Zero program.	Provided 19 ZDHC implementation tokens to new and existing Tier 1 and 2 suppliers to implement the Roadmap to Zero program.	Continue to provide ZDHC implementation tokens to suppliers to implement the Roadmap to Zero program.
Climate Change	Achieve official validation of Science Based Targets.	Achieved official validation of Science Based Targets.	
	Increase amount of bike deliveries	Offered bike delivery option in the largest Dutch cities, covering 4,7% of transportation in the Netherlands.	
	Increase the amount of ecommerce parcels to be delivered carbon neutral.	65% of international e-commerce parcels shipped to customers were carbon neutral. 100% of parcels delivered to customers in the Netherlands were carbon neutral.	Increase the amount of ecommerce parcels to be delivered carbon neutral.

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PRODUCT

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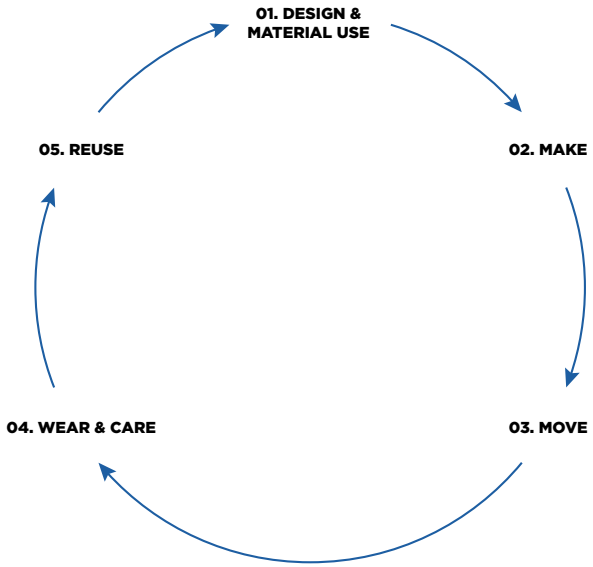
PRODUCT

Our responsible product strategy is all about choosing the lowest environmental impact materials and work towards a circular fashion industry. We consider everything from the choice of raw materials and fibres to responsible fabric and garment production all the way through to consumer care and end-of-life of the product. That is why circularity is at the base of all our Product pillars and our Product Life Cycle. If we want to stay a denim brand in the future, we need to design in 'closed loops' today.



Responsible Materials

We are committed to ensuring that all raw materials used in our products are grown and manufactured in a responsible way that preserves resources and respects human and animal rights.

After reaching our materials goals in 2020, we set new targets that are part of our Sustainability Strategy moving forward. These are broken down below and are also reflected in our Responsible Materials Ranking.

PRODUCT	GOAL 2025	GOAL 2030
Responsible Materials	75% of our collection will be made of regenerative, recycled and/or organic/ bio-based materials.	100% of our collection will be made of regenerative, recycled and/or organic/ bio-based materials.

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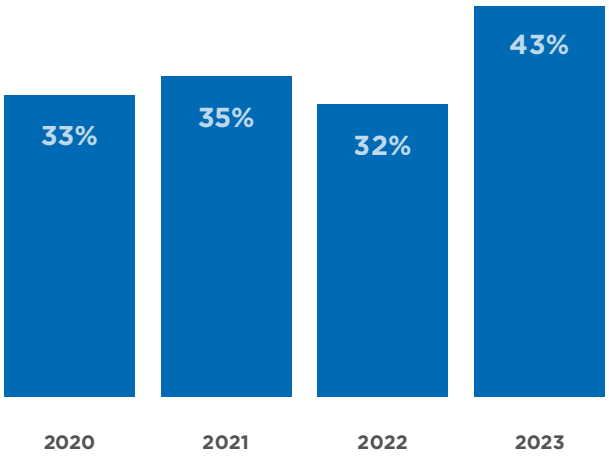
Currently, 43% of our materials are either recycled, bio-based and/or compostable. We consider materials that fall into this scope to be more responsible. The remaining 57% of our materials consist of Better Cotton sourced via a mass balance system, better than conventional, and conventional materials. If Better Cotton is included, over 95% can be seen as “more sustainable” than conventional materials.

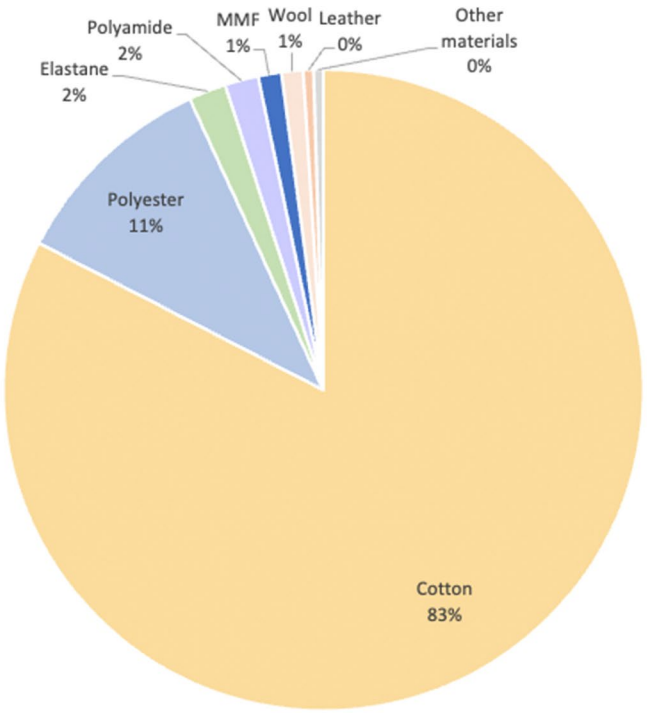


MATERIAL CATEGORY	%
Recycled or mostly recycled	14%
Organic, bio-based or composable	29%
Better Cotton	51%
Better Than Conventional	1%
Conventional	5%

Our materials portfolio

As we are a denim brand to the core, 83% of the raw material we use is cotton, a crop that has historically been associated with high water and pesticide use. 99% of all cotton we use is either organic, recycled, regenerative or sourced through the Better Cotton Initiative (BCI) via a mass balance system.

The remaining 17% of our material mix includes polyester (11% of total) and other materials such as man-made cellulosic fibres, elastane and animal fibres. Below provides a breakdown of our complete material mix.



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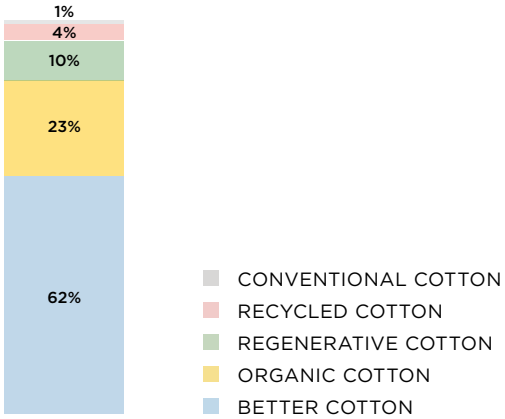
A CLOSER LOOK AT OUR KEY MATERIALS

Cotton

In 2023, Cotton made up around 83% of our complete material mix. 62% of this is sourced via the Better Cotton Initiative, 23% is organic cotton, 10% is regenerative cotton, 4% is recycled and less than 1% is conventional cotton. We are working with our suppliers to continuously increase the share of organic, regenerative and recycled cotton in our collections. Being a partner of the Organic Cotton Accelerator, we also invest in supporting farmers in their transition from conventional farming towards organic farming practices.



G-Star's approach towards the Better Cotton Initiative

By investing in the Better Cotton Initiative (BCI) we are supporting their mission to help cotton communities survive and thrive, while protecting and restoring the environment. Throughout the years, Better Cotton has been an important first step for G-Star to move away from conventional cotton and towards more sustainable cotton sourcing practices.

In 2021 BCI announced plans to develop a physical traceability solution in response to a growing need for greater transparency. G-Star will continue to stay informed about this project whilst working to increase the volume of recycled, organic and regenerative cotton in our material mix.

To strengthen our responsible materials goals we signed Textile Exchange's 2025 Sustainable Cotton Challenge in 2020 and its 2025 Recycled Polyester Challenge in 2021. In addition, through our partnership with the Organic Cotton Accelerator (OCA), we support farmers in their transition to organic cotton cultivation. In 2023 the cotton was harvested and our 24Q3 collection will include first products with organic cotton via OCA.

In 2023 we achieved brand-level certification to the Organic Cotton Standard (OCS) and the Global Recycled Standard (GRS). OCS aims to expand organic agricultural production whilst GRS strives to increase the use of recycled materials and includes social and environmental processing requirements as well as chemical restrictions; these certifications enable G-Star to make on-product claims that are verified by a reputable third party.

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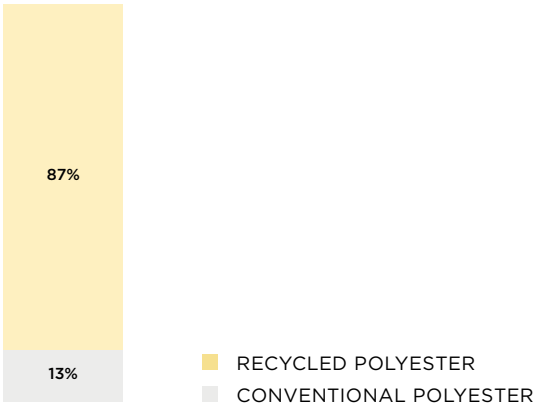
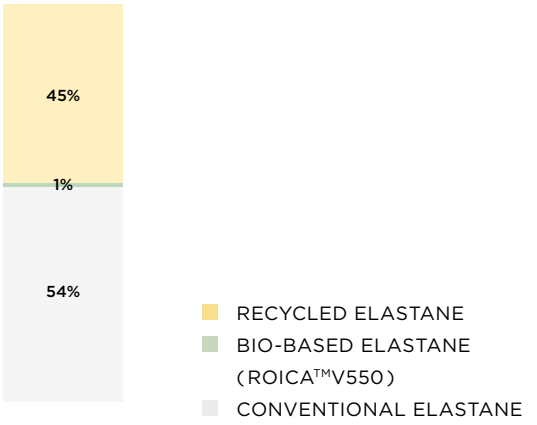
Polyester

In 2023, polyester made up 10% of our total material mix. We are proud that 87% of this is recycled polyester, which has a significantly lower climate footprint than conventional polyester. We are committed to exploring fibre-to-fibre recycled materials moving forward and, overall, to reducing the use of synthetics in our products.



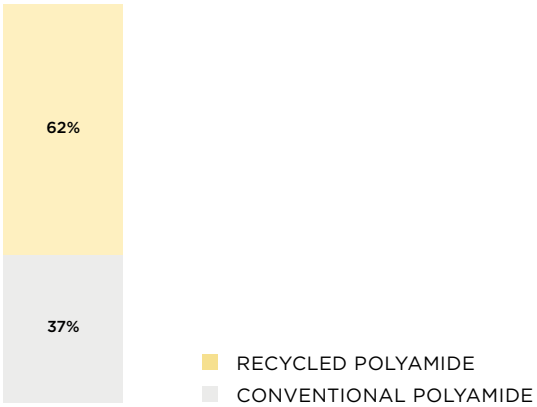
Elastane

Elastane makes up around 2% of our total material mix and is used to improve comfort, shape and fit. 46% of all elastane used in 2023 came from more responsible alternatives, such as recycled or bio-based options. For example, 45% was T400® EcoMade, which contains 50% recycled PET content. We also continued using ROICA™ V550, which is a stretch yarn based on the Asahi Kasei polymer science. The yarn achieved a Gold Material Health Certificate in Biological cycle from the Cradle to Cradle Product Innovation Institute.



Polyamide

In 2023, our share of polyamide use was around 2% of our material portfolio. Of this, 63% came from recycled resources. Similar to polyester, we work towards 100% recycled polyamide.



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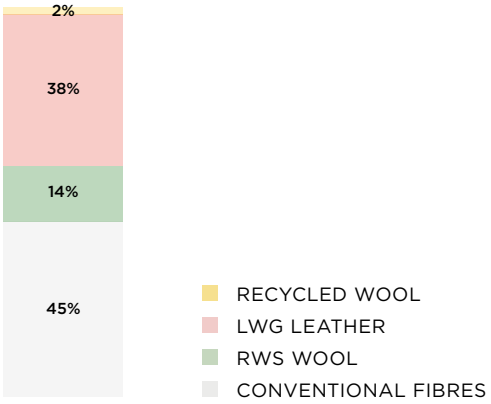
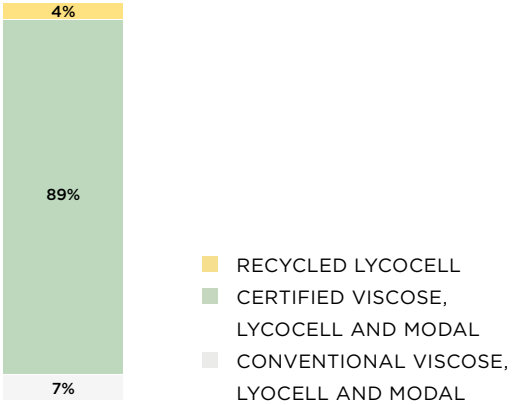
Animal-derived Fibres

Less than 2% of G-Star's products were made using animal-derived fibres in 2023. Whilst these make up a relatively small proportion of our materials, we have an Animal Welfare Policy in place to help ensure these fibres come from safe and ethical sources. As a minimum, all leather factories must be Leather Working Group (LWG) certified to a bronze, silver or gold level. Positively, we work with two leather suppliers that both hold Gold-Rated LWG certificates. In the future, we aim to phase out the use of virgin animal-derived fibres across G-Star products.



Man-Made Fibres

In 2023, Man-Made Fibres (MMF) made up 1% of our total material mix. Certified TENCEL™ Lyocell fibres and LENZING™ ECOVERO™ Viscose fibres made up 89% of this and 4% was recycled (Lyocell LENZING™ REFIBRA™).



Responsible Materials Ranking

To guide us in our sustainable materials journey we have been using a Responsible Materials Ranking since 2019, listing all the fibres we use and indicating their environmental impact, according to existing industry standards. In order to rank the fibres, we first categorized all fibres we use, as well as the ones we specifically choose not to use. To guarantee the most objective and up-to-date ranking tool, the categorization of the fibres is completely based on existing industry tools and scoring mechanisms. We included the classification of CanopyStyle's annual Hot Button Ranking, the rigorous standards of the Cradle to Cradle Products Innovation Institute, Higg Materials Sustainability Index (Higg MSI) and the Preferred Material Benchmark by Textile Exchange. We stay abreast of developments across material benchmarks and update the ranking to reflect best-practice. The latest version of our ranking can be found here. The ranking is meant to be used for each fibre separately and not to compare different fibres with each other, e.g. cotton versus synthetics.

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OUR CIRCULARITY JOURNEY

We strive to excel in circular denim innovation. To achieve this, G-Star has committed to ensuring 1 million pair of jeans to be repaired, reused or recycled by 2030. In 2023, we continued to design products for durability and educate customers on how to wear and care for their garments. We recognize that our product's life cycle does not only focus on the supply chain and garment use but also, its end-of-life phase for which, we take responsibility and ask our customers to do the same. In support of this, we have launched several programs that aim to extend the life of our products, as well as ensure responsible end of life.

MATERIALS	GOAL 2025	GOAL 2030
Circularity	20% of our collection will be made with Cradle to Cradle Certified® fabrics.	Design for durability and recycling to extend life of 1 million pair of jeans by offering solutions for re-use, remake or recycling by 2030.

Cradle to Cradle Certified™ innovations

The Cradle to Cradle Products Innovation Institute helps us to design in closed loops. Their certification process is the only one in the world designed for a circular product economy and it requires unparalleled levels of transparency across the supply chain. Cradle to Cradle designs strive to mimic the principles of nature, where there is no concept of waste. Everything effectively becomes food for another organism or a system, and all the materials are reutilized in cycles.

To implement this philosophy into products, a Cradle to Cradle certification standard, powered by the Cradle to Cradle Products Innovation Institute, is used as a framework. Cradle to Cradle also known as 'C2C' is the only certification designed for a circular product economy. It is the most rigorous, requiring unparalleled levels of transparency, collaboration throughout multiple tiers of the supply chain and a holistic design perspective. The extensive certification is further amplified by varying levels that can be achieved, ranging from bronze, silver, gold to platinum. All whilst taking into consideration these five aspects:

- **Material Health**: Ensuring all the selected materials are safe for humans and the environment
- **Product Circularity**: Enabling a circular economy through regenerative products and process design
- **Clean Air and Climate Protection**: Protecting clean air, promoting renewable energy, and reducing harmful emissions
- **Water and Soil Stewardship**: Safeguarding clean water and healthy soils
- **Social Fairness**: Respecting human rights and contributing to a fair and equitable society

G-Star has committed to ensuring 20% of our collection contains Cradle to Cradle Certified® fabrics by 2025. In 2023, 5% of all fabrics in our collection was C2C certified. G-Star recognizes the need to actively involve suppliers as part of the Cradle to Cradle roadmap and collaboration will improve our sourcing options throughout the supply chain.

By increasing our use of Cradle to Cradle Certified® fabrics, we continue to increase our use of clean chemistry as well. Part of this strategy also includes the use of specific sustainable dyes, such as EarthColors® by Archroma and Recycrom, throughout our collections. Read more about our Cradle to Cradle Certified® progress here.

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REPAIR: Certified Tailors Program

Our Certified Tailors program aims to extend the lifetime of our jeans by offering free repairs on G-Star denim via G-Star Certified Tailors. This initiative was first launched in 2021 across 5 cities in the Netherlands and in 2022 was extended to Germany, Belgium, and South Africa following its success. We work with tailors that have been trained to become G-Star denim experts, teaching them all about denim, our stitching, 3D designs, and the fit and fabrics. Only in South Africa we had 1119 pieces repaired in 2023. Learn more about our repair program, or find a certified tailor in your neighbourhood here.

REWEAR: G-Star Rewear Program

We create durable garments designed to last a lifetime. With each piece thoughtfully produced and made to wear and rewear. We are sure of this, which is why we offer customers the opportunity to return their G-Star pre-owned garments back to G-Star (online and offline) for resale on our Rewear platform. This way, products can be enjoyed by other customers again. G-Star checks and washes each garment for its quality, so that our customers can shop and sell original second-hand clothing in perfect condition on G-Star Rewear. During the first phase, Rewear is only available in the Netherlands.

Since we launched Rewear in October 2023, 1263 products have been returned for resale on our Rewear platform. In 2024, we are planning to learn from our first experiences with the expectation to grow and enhance our circularity journey

UPCYCLE: G-Star x (di)vision

In 2023, we worked together with (di)vision to upcycle our archive pieces and dropping limited-edition denim alongside the Danish fashion label. The result? A capsule collection featuring 96 reconstructed, limited-edition pieces alongside a release of 96 custom-made G-Star Elwood jeans.

(di)vision started exploring the possibilities of producing clothing made from deadstock, recycled fabrics, vintage goods and archive stock, originally by dividing clothing and putting it back together. Their playful fashion designs often bring the clothes to life, experimenting with prints and mascots. This time, we featured our very own rhino mascot G-NO in our creative collaboration.

RECYCLE: Return Your Old Denim

In 2021 we re-initiated a product takeback service during a pilot across two stores in the Netherlands. This included our outlet in Roermond and our mono-brand store in Rotterdam. In 2022 we extended this program to seven countries including Belgium, France, Germany and Austria. As a result, 97 stores (both retail and outlets) received an RYD box. To encourage our customers to return their denim, G-Star offers a discount on a new pair of jeans.

In 2023, we have continued our program and explored long-term solutions for recycling or repurposing the jeans we collected. What is possible with denim? We want to explore the endless possibilities of denim. That is why in 2023 we have collaborated with one of the most influential Dutch designers of the 21st century, Maarten Baas. We want to use less wasteful materials, make more durable products, use more of what is already there and do less harm to our planet. We recycled jeans into a new material. Baas used this to create art and design objects. The kick-off was during Milan Design Week 2023. Learn more about our collaboration here.

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INNOVATIVE PRODUCTION PROCESSES

As a denim brand for the future, we also invest in production processes for the future. Below we list some of our impactful innovations in 2023.

Raw for the Planet – Indigo

Raw for the Planet – Indigo (RFTP) is the cleanest indigo-dying process in the world, developed in cooperation with DyStar®, G-Star and Artistic Milliners. RFTP-Indigo uses 15% less indigo, 70% less chemicals, no salts, and produces no salt by-product during reduction and dyeing process, saving water and leaving clean and recyclable water effluent. This production process is used for our first Cradle to Cradle Certified® Gold Stretch Denim Fabric.

Dry Indigo® technology: Foam Dyed Denim

In 2023 Foam dyeing was a new and improved approach to yarn dyeing. Foam replaces the large vats of water and chemical baths, typically used in conventional indigo dyeing. This means zero water and a lower amount of chemicals were required to transfer indigo dye to the fabric. A greener solution, with the same outcome. Foam dyeing is the innovative technique eliminating water waste, used for our new capsule collection.

The minerals Movement

We introduced our Dyed by Minerals collection for which we used dyes made from naturally sourced colour pigments. This resulted in a collection consisting of forest greens, volcanic pink and desert yellows. The technique of transforming naturally sourced colour pigments with rich hues into dyes, has been a common historical practice for centuries. Ancient civilizations and Renaissance painters used these natural dyes for art, clothes, and even makeup. It was a meticulous process that required the extraction of colours from minerals, plants and sometimes animals, before manually turning them into a dye.

Following the example of our predecessors, we have been going back to the same process, and gave mineral dyes a fresh look in 2023. We dyed our denim with pigments extracted from sources like volcanic rocks and soil. And on top of that, the denim was dyed with cold water, instead of warm. Cold-dyeing preserves energy, in comparison to the conventional dyeing process which uses a lot more heat.

In addition, the fabric in the collection used was made from 75% regenerative cotton and 25% recycled cotton, recognized by the Cradle to Cradle Products Innovation Institute and awarded a C2C Certified®Gold rating.

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Back to Basics: Undyed, Unbleached and Unwashed

Typically, denim is created using cotton which is bleached, dyed using indigo, and then washed before it's assembled into a pair of blue jeans. Ecru denim works a little differently. Ecru is undyed cotton and therefore, it skips these chemical-intensive steps leaving a more natural-looking fabric. We worked with our supplier Saitex in Vietnam to create this collection; a vertically integrated mill that has solar panels installed on the roof of the facility to help generate electricity and power production. This undyed, unbleached, and unwashed cotton fabric consists of 75% regenerative cotton and 25% recycled cotton. It's also been recognized by the Cradle to Cradle Products Innovation Institute and awarded a C2C Certified® Gold rating.

Designing with AI

In 2023 we introduced our first denim couture piece designed by AI. We believe AI can provide benefits such as increased efficiency and accuracy. There's the potential to revolutionize the fashion industry. It can also help reduce waste in the production process by immediately visualizing a raw idea into a well-made outcome.

Exploring New Territory: Homegrown Cotton

In 2023, we embarked on a pioneering research project to explore the feasibility and potential of growing cotton in a controlled greenhouse environment in the Netherlands. This initiative, focused on sustainability, aimed to investigate the environmental and economic implications of greenhouse cotton cultivation and its role in advancing sustainable agriculture and textile production.

Through a collaborative effort between G-Star, agricultural experts from Dutch Cotton, and Wageningen University and Research (BU Greenhouse Horticulture), we examined the viability of greenhouse cotton cultivation as a sustainable alternative to traditional open-field methods.

By investing in innovative and sustainable practices, such as greenhouse cotton cultivation, we can significantly contribute to sustainable agriculture and textile production. This project highlights the potential of combining advanced agricultural techniques with a commitment to environmental stewardship, paving the way for a more sustainable future in the textile industry.

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REFLECTIONS ON 2023

STRATEGIC TOPIC	2023 ACTION & GOALS	2023 HIGHLIGHTS AND PROGRESS	2024 ACTION & GOALS
Circularity	Recertification of Cradle to Cradle Certified® Gold v 3.1.	Finalized recertification of Cradle to Cradle Certified® Gold v 3.1.	Start recertification of Cradle to Cradle Certified® Gold v.4.1
	Proceed upscaling of Cradle to Cradle Certified® fabrics with the aim to reach 20% Cradle to Cradle Certified® fabrics in 2025.	5% of our products are made with Cradle to Cradle Certified® fabrics.	Proceed upscaling of Cradle to Cradle Certified® fabrics with the aim to reach 20% Cradle to Cradle Certified® fabrics in 2025.
	Launch recommerce platform.	Started a collaboration with Faume and since the launch, 1263 products have been returned for resale.	Expand recommerce platform to at least 1 more country.
	Further rollout in-store takeback service (Return Your Old Denim) to collect post-consumer waste.	In-store take-back is now active in 97 stores across 7 stores.	Increase number of discarded denims collected and recycled.
	Increase number of denim products repaired.	1119 denims repaired in South Africa.	Increase amounts of repaired denim and set up a system to better track the number of denims repaired beyond South Africa.
Responsible Materials	Achieve brand-level certification for the Organic Content Standard and brand-level certification for the Global Recycle Standard.	Achieved brand-level certification for the Organic Content Standard and Global Recycle Standard.	Recertify OCS and GRS and achieve brand level certification for RWS and RegenAgri.
	Continued collaboration with the Organic Cotton Accelerator to support farmers in their transition to organic cotton cultivation	Developed first collection with OCA cotton sourced directly from organic farmers in India.	Increase volumes sourced through the OCA program to one additional country and increase sourcing in India with 20%.
	Implement indicators for responsible production processes in PLM.	Implemented on product level traceability for all processing and fabric units, durability and circularity.	

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PHILANTHROPY

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PHILANTHROPY

The GSRD Foundation was founded in 2007 as G-Star's corporate foundation. Its mission is to create a positive impact on the lives of the people and communities in the countries where G-Star products are made. It does so by supporting projects that focus on the education, training and coaching of young adults.

The foundation's ethos is that knowledge, an entrepreneurial mindset and self-empowerment are key to economic independence and social development. To facilitate this, the foundation supports projects that focus on education and entrepreneurship.

Education

Vocational training and education for young adults, focusing on knowledge and skills that will help them to learn a trade, improving their chances of acquiring employment and therefore, having a better future.

Entrepreneurship

Life-skills training and coaching for young adults, to help them to become independent, seize initiatives and leverage opportunities to become more self-sufficient, either as proactive employees or through self-employment.

The activities from the GSRD Foundation directly contribute to reaching the Sustainable Developments Goals 4, 8, 10 and 17. They indirectly support the SDGs 1, 2, 3, 5 and 13 as well.

Direct Impact

Indirect Impact

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The GSRD Foundation is active in 4 G-Star production countries:
Bangladesh, China, India and Vietnam.

- **Bangladesh** Active since 2008
- **China** Active since 2009
- **India** Active since 2008
- **Vietnam** Active since s 2014

The GSRD Foundation has been working together with **57 partners** over the past years. **109 projects** have been supported since 2008.

The Foundation supports all of its projects through partner organizations, which have a proven track-record in education and entrepreneurship and countries where GSRD is focusing its efforts. We strive for long-term relationships in order to strengthen the projects we support and the partner organizations that run them. All projects seek to help people leverage opportunities to become more self-sufficient, either as proactive employees or through self-employment.

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APPENDICES

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APPENDIX A

Risk Assessment
In our 2019 Sustainability Report we first introduced a due diligence risk assessment following the guidelines of the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector. Our risk assessment aims to identify both the likelihood and the severity of a potential or actual harm within the value chain. It provides the foundation and justification of our actions and goals. Our Sustainable Supply Chain Handbook explains how G-Star has conducted its risk assessment and identified the most significant risks in its supply chain.

In 2023 we carried out our risk assessment with the help of industry partners, stakeholders, and external resources. This was based on Tier 1 and Tier 2 suppliers from Bangladesh, China, India, Vietnam, Turkey, Pakistan and Mauritius. Accounting for 32% of our Tier 1 production volume and 23% of our Tier 2 production volume.

Risk Matrix
The risk matrixes below illustrate the salient risks that have been identified for mitigation. The first matrix shows the social risk categories as identified by OECD translated to our supply chain Bangladesh, China, India, Turkey, Mauritius and Vietnam. The second matrix shows the environmental risk categories in Tier 1, Tier 2, Tier 3 and Tier 4, also based on data from our 6 production countries. Based on the analysed information from our supply chain we can conclude that the areas in the right and middle to top corner of the matrix can be scaled as salient risks. These risks are included as key priorities as part of our Sustainability Strategy and action plan towards mitigation.

Compared to our assessment in our Sustainability Report of 2022, we can see that the most prevalent social risk factors remain similar with the addition of Turkey and Tunisia. Including Turkey and Tunisia does show some changes in environmental risk factors on tier level. We need to pay additional attention to the increased likelihood of water pollution in Tier 4, greenhouse gas emissions throughout Tier 1 and 3, and water consumption in Tier 1 and 2. A review of our supplier data showed that no major changes had to be made regarding the risk assessment.

Next steps
Due diligence is an ongoing process, and so is this risk assessment. Our risk assessment supports us in defining and implementing our new Sustainability Strategy. In 2024, we will undergo a double materiality assessment and create an even more holistic overview of the context of our value chain. We will also integrate more dialogue with additional stakeholders. This way we aim to include additional local perspective to be able to determine more specific actions in certain areas.

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FIGURE 1
Risk matrix for social risk factors in **B**angladesh, **C**hina, **I**ndia, **T**unisia, **T**urkey and **V**ietnam

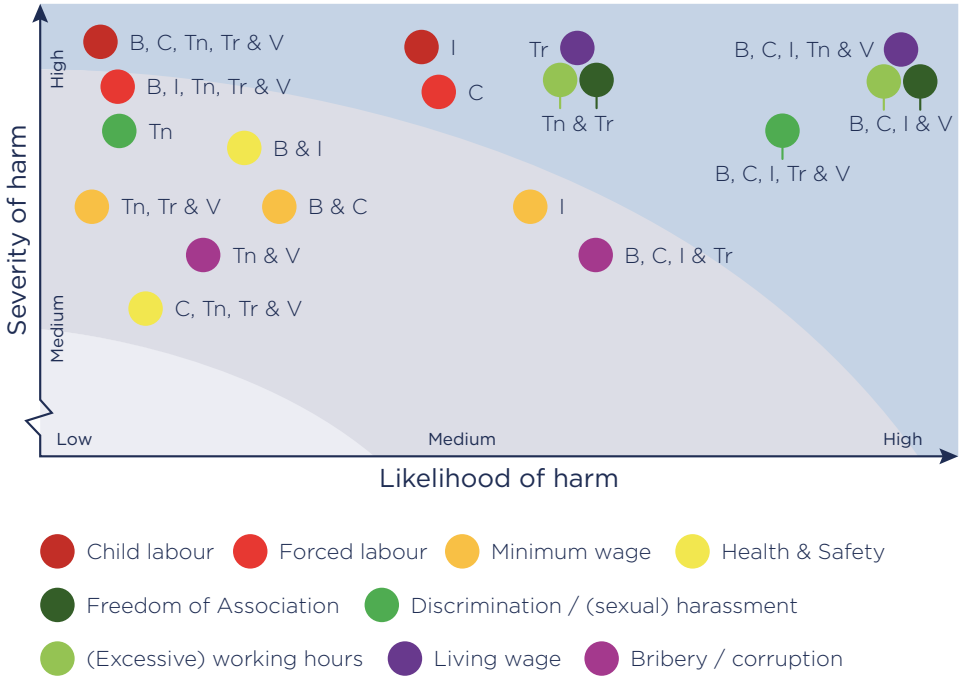
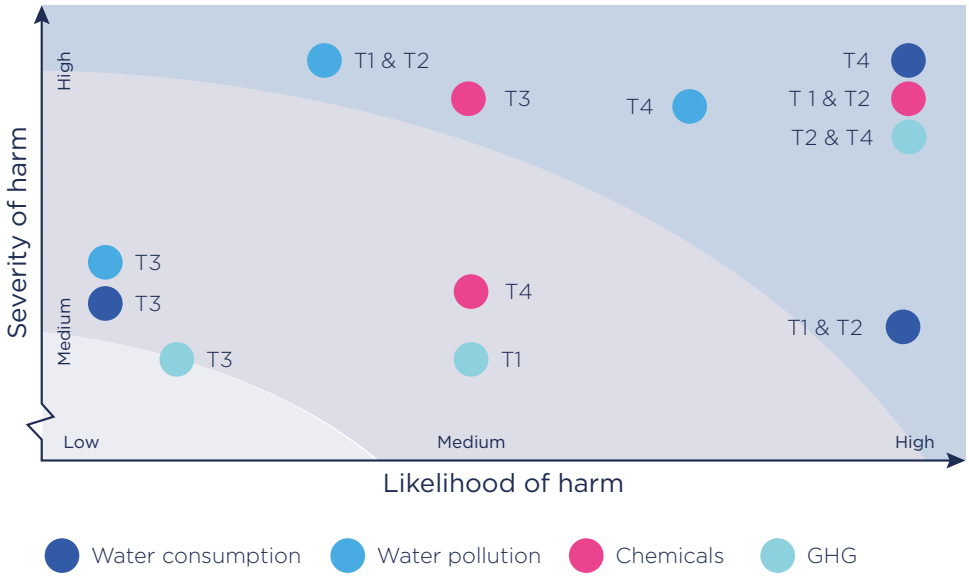


FIGURE 2
Risk matrix for environmental risk factors in Tier 1 (**T1**), Tier 2 (**T2**), Tier 3 (**T3**) and Tier 4 (**T4**)



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Appendix B

Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a unified set of goals to address sustainability issues simultaneously, through a global and inclusive approach. G-Star recognizes that businesses, along with governments and civil society, play a crucial role in reaching the SDGs. G-Star therefore aligned its strategy with the 17 SDGs and defined 4 high impact goals that are most closely linked to our core operations and value chain. Next to that, 7 high impact SDGs are identified that relate to the 4 main high impact SDGs. Our operations are indirectly linked to the final 6 SDGs.

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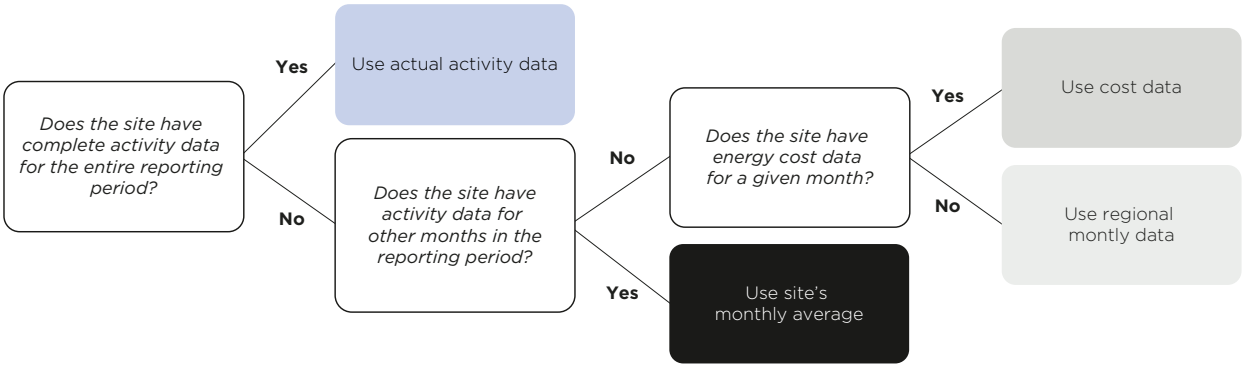
Appendix C

FASHION INDUSTRY CHARTER FOR CLIMATE IMPACT – CARBON FOOTPRINT CALCULATIONS

Methodology for calculating Scope 1, 2 and 3 emissions
This flow diagram demonstrates the methodology used for Scope 1 and 2 calculations.

Total GHG emissions (tCO2e)= Σsources (Activity data x Emission factor[1] x Global Warming Potential[2])



1. Emission factors from internartional standards are used (e.g. IEA, US e-GRID, GHG Protocol, DEBRIS)
2. Global Warming Potential of Fourth Assessment Report published by Intergovernmental Panel on Climate Change (IPCC AR4) is adopted

This table below demonstrates the methodology used for calculating Scope 3 emissions.

CATEGORY	SUB-CATEGORY	QUANTIFICATION METHOD	SOURCE OF DATA	SOURCE OF EMISSION FACTORS/ REFERENCES
Cat 1: Purchased goods and services	Tier 1 and 2	Supplier specific and extrapolation	Procurement data, Higg Facility Environmental Module (FEM)	Emissions directly extracted from Higg FEM
	Tier 3 and 4	Average data	Weight by material type	Higg Material Sustainability Index (MSI) LCA number
	Other purchased goods and services	Spend data	Spend on other purchased goods and services	DEFRA - Conversion factors KgCO2 per £ spent, by SIC code 2020
Cat 2: Capital goods	-	Spend data	Spend on capital goods (i.e., store/ office furniture)	UK DEFRA

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CATEGORY	SUB-CATEGORY	QUANTIFICATION METHOD	SOURCE OF DATA	SOURCE OF EMISSION FACTORS/ REFERENCES
Cat 3: Fuel and energy related activities (not included in Scope 1 or Scope 2)	-	Company-specific data	Energy consumption data from G Star's operation (Scope 1 and 2)	UK DEFRA
Cat 4: Upstream transportation and distribution	-	Average data	Inbound and outbound delivery reports	UK DEFRA
Cat 5: Waste generated in operations	-	Spend data	Spend on waste management	GHG Protocol Scope 3 Evaluator
Cat 6: Business travel	Business air travel	Average data	Business air travel record	UK DEFRA
	Business rail travel, road travel and hotel stays	Spend data	Business rail and road travel and hotel stays record	GHG Protocol Scope 3 Evaluator
Cat 7: Employee commuting	-	Average data and extrapolation	Employee numbers, transport type and distance assumptions based on allowance type	UK DEFRA
Cat 11: Use of sold products	-	Average data	Sales volume by product type	IEA grid factor
Cat 12: End of life treatment of sold products	-	Average data	Sales volume by product type and region	UK DEFRA, waste disposal methods from The World Bank "What a Waste Global Database"
Cat 13: Downstream leased assets	Emissions for tenants in G-Star headquarters	Average data	Floor area of tenants in headquarter	Proxy from Scope 1 and 2 emissions
Cat 14: Franchises	-	Average data and extrapolation	Franchises' Sales Surface Area, purchased volume from G-Star's licensee	IEA grid factor

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These tables present the breakdown per site type and location used for Scope 1 and Scope 2 calculations:

SITE TYPE	NUMBER OF SITES
Mono Brand Store	54
Office	5
Office/Showroom	4
Outlet	44
Showroom	1
Warehouse	2
TOTAL	**110**

COUNTRY	NUMBER OF SITES
Austria	2
Bangladesh	1
Belgium	12
Canada	2
China	1
France	21
Germany	11
Japan	17
Macau	1
Netherlands	21
South Africa	5
Spain	2
Switzerland	1
USA	13
TOTAL	**110**

SCOPE 3 - TRANSPORT (TCO2E)				COMPARISON	
	2021	**2022**	**2023**	**YoY**	**vs. Baseline**
Scope 1	356	342	367	7%	3%

2023 Scope 1 emissions and comparison vs 2022 and baseline year (2021).

SCOPE 3 - TRANSPORT (TCO2E)				COMPARISON	
	2021	**2022**	**2023**	**YoY**	**vs. Baseline**
Scope 2 (Location-based)	2.848	2.062	2.160	5%	-24%
Scope 2 (Market-based)	3.347	2.748	1.493	-46%	-55%

2023 Scope 2 emissions and comparison vs 2022 and baseline year (2021).

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The table presents the calculation of Scope 3.

GREENHOUSE GAS PROTOCOL SCOPE 3 CATEGORY	DESCRIPTION
Cat 1: Purchased goods & services	Emissions from tier 1, 2, 3 and 4 suppliers and emissions from other purchased goods and services
Cat 2: Capital goods	Emissions from the production and delivery of durable items, such as office/store furniture and office/store hardware
Cat 3: Fuel and energy-related emissions not included in Scope 1 or Scope 2	Upstream emissions related to production of fuels and energy consumed by G-Star own operations
Cat 4: Upstream transportation and distribution	Emissions from 3rd party transportation and distribution paid by G-Star
Cat 5: Waste generated in operations	Emissions from waste disposed from G-Star's operations
Cat 6: Business travel	Emissions from G-Star employees' business travel, including air, sea, rail, land travel and hotel stay
Cat 7: Employee commuting	Emissions from G-Star employees' commuting
Cat 11: Use of sold products	Emissions from washing and drying of G-Star sold products
Cat 12: End-of-life treatment of sold products	Emissions from disposal of G-Star sold products
Cat 14: Franchises	Emissions from G-Star's franchisees and licensees

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The table below shows the Greenhouse Gas Protocol Scope 3 categories that were excluded from the calculations and their respective justifications.

GREENHOUSE GAS PROTOCOL SCOPE 3 CATEGORY	DESCRIPTION
Cat 1: Purchased goods and services (packaging materials and financial costs)	Excluded due to insufficient data available
Cat 8: Upstream leased assets	All upstream leased assets are captured in Scope 1 and 2 emissions
Cat 9: Downstream transportation and distribution	All product distribution and transportation are paid by G-Star and considered as upstream transportation and distribution
Cat 10: Processing of sold products	Not relevant. No additional processing is required for G-Star sold products (i.e. finished goods)
Cat 13: Downstream leased assets	Energy and heating suppliers are defined by G-Star and tenants at G-Star HQ cannot switch suppliers, so accounted for in Scope 1 and 2 emissions
Cat 15: Investments	Investment is not a relevant emissions category for G-Star based on its business model

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Overview purchased electricity.

COUNTRY	PURCHASED ELECTRICITY (MWH)
Austria	85
Bangladesh	49
Belgium	561
Canada	81
China	3
France	695
Germany	252
Japan	417
Macau	5
Netherlands	4,491
South Africa	111
Spain	7
Switzerland	30
USA	500
TOTAL	**7,287**

Overview purchased natural gas.

COUNTRY	NATURAL GAS (M3)
Austria	10,798
Belgium	61,612
Canada	219
Netherlands	44,991
Total	**117,620**

Overview purchased cooling.

COUNTRY	PURCHASED COOLING (MWH)
Japan	194

Please see here the Table for the Country specific Energy breakdown & percentage for Tier 1.

Please see here the Table for the Country specific Energy breakdown & percentage for Tier 2.

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