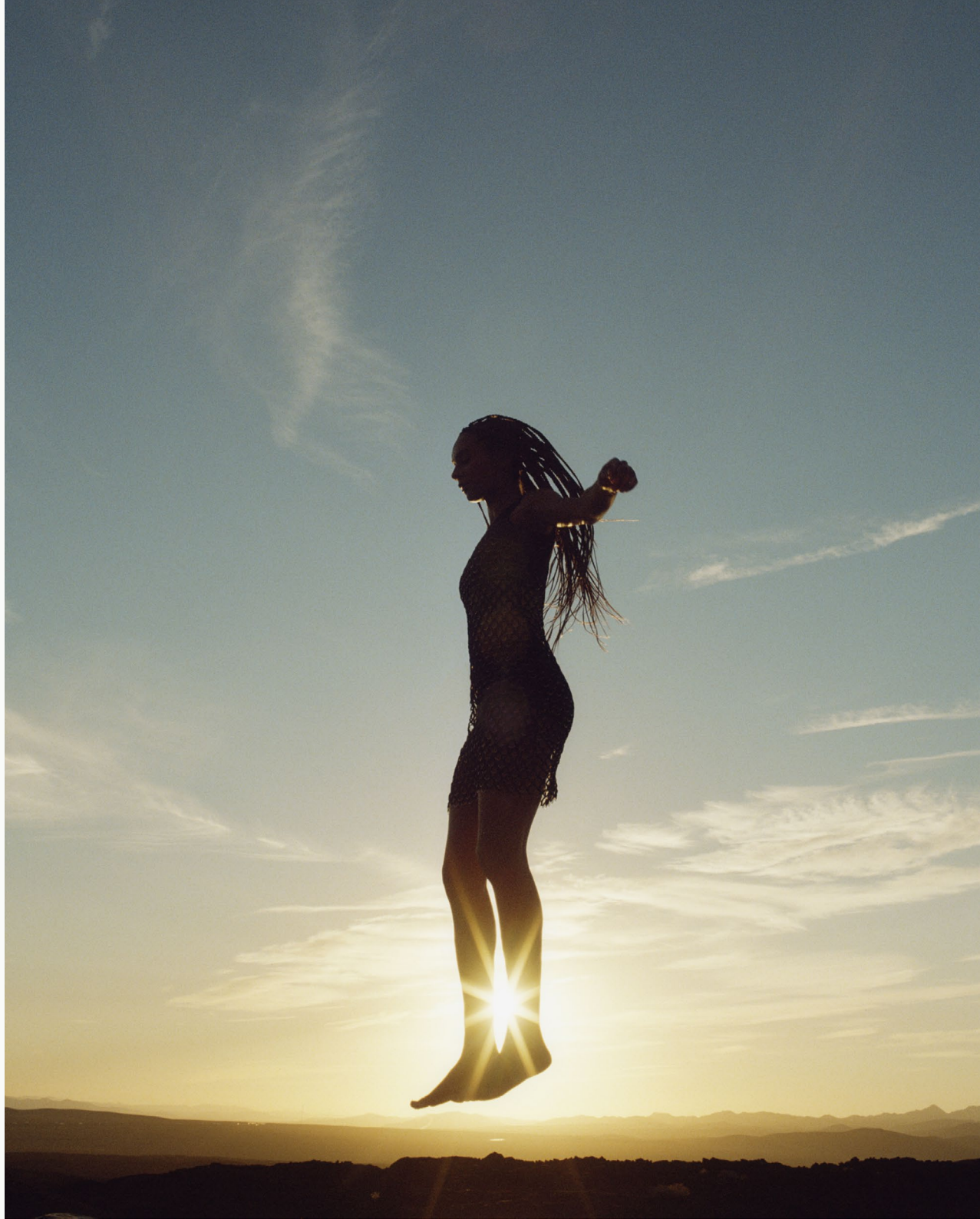


Chloé

**Impact
Report**

2022



Introduction

Gaby Aghion founded Chloé in 1952 with a clear vision of using the power of fashion and creativity to uplift and empower women. By women, for women. Her fundamental belief that her designs would allow women to express their freedom to move and be themselves, became the foundation of a larger forward-thinking vision of women empowerment, that has accompanied the Maison throughout its creative chapters.

Although a great deal has changed since 1952, gender equality is still a far cry from reality. Research demonstrates that equality is pivotal if we are to build a fairer future, both environmental & social. With access to education, decent work and opportunities, girls and women can be drivers of change. Amidst the economic, sanitary, geopolitical, and environmental crises we face today, we need their leadership more than ever to continue to contribute positively to society. This belief is reflected in our company purpose, true to our founder's vision and guiding us through everything we do: Women Forward. For a fairer future.

Our industry has a responsibility to address and improve its impact, and our vision at Chloé is to engage in its transformation by fostering collaboration across all stakeholders: we work tirelessly to build partnerships with our suppliers, with industry peers, with NGOs, with experts and of course, with our clients. From our collaborations with social enterprises, encouraging economic inclusion for women, to the launch of our Women Forward Partnerships and our FW23 runway (where gender equality is presented as a solution to climate change), our purpose infuses into our actions every day.

Our environmental commitment and climate strategy are equally important at Chloé and are a foundational pillar of our sustainability action plan, because we fundamentally believe that our economic system and our planet's well-being are intrinsically linked.

Over the past year, we have focused on initiatives aimed at reducing our carbon footprint - targeting a 25% reduction per product. We successfully reached this goal 2 years ahead of schedule, thanks to a continuous increase in the use of lower impact materials in our collections, since materials are where the majority of our impacts lie.

We are also proud to have launched an innovative Digital ID pilot initiative. The digital product passports will enable full supply chain transparency and will facilitate circular services for the consumer. Our ambition, which began with a specific product offering, is to deploy this technology on all our products by 2025.

The year 2020 was marked by the launch of our transformation plan, and 2021 by our achievement of B Corp™ certification. In 2022, you will discover in this report the actions taken to stay true to our commitments and to continue improving our social & environmental impact. These actions and the lessons learned form our focus and drive for 2023 and the years to come.

None of these achievements would be possible without the enduring commitment of our Chloé collaborators worldwide. I wish to express my sincere gratitude for their ongoing work and support as we continue our sustainability journey.

— Riccardo Bellini, President & CEO

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Everything starts with design



Gabriela Hearst, Creative Director, Chloé

For Chloé, responsible sourcing is inseparable from design.

Gabriela Hearst grew up on her family's ranch in Uruguay surrounded by animals and nature where the notion of luxury meant things were beautifully crafted and made to last.

Gabriela embodies our purpose and with the design team, they infuse the creative process with concrete action, contributing to improving our environmental and social impact.

Through meaningful partnerships and collaborations with social enterprises, she enhances the craft and skills of the women and men who make our products, and always prioritises lower impact materials or the use of existing fabrics. This year, we increased the share of lower impact materials in our collections to reach 60% on Chloé Ready-to-wear.

Gabriela's vision makes her a powerful advocate for accelerating our Maison's transformation and for driving change in our industry.

Hearst simultaneously enforces transparency and innovation on production levels — her mission is woven into the very fibers of her clothes.

— Vanity Fair (USA), December 2022

Chloé leads the industry in sustainability initiatives while continuing to offer strong designs to women. At the heart of the brand is its Creative Director, Gabriela Hearst.

— SPUR (Japan), March 2022

Hearst is a champion of sustainability in fashion. She has long believed that ecology must be appeased every step of the way to making clothes and accessories.

— Financial Times, How to spend it (UK), October 2022

Ambition 2025



People



Sourcing



Communities



Planet

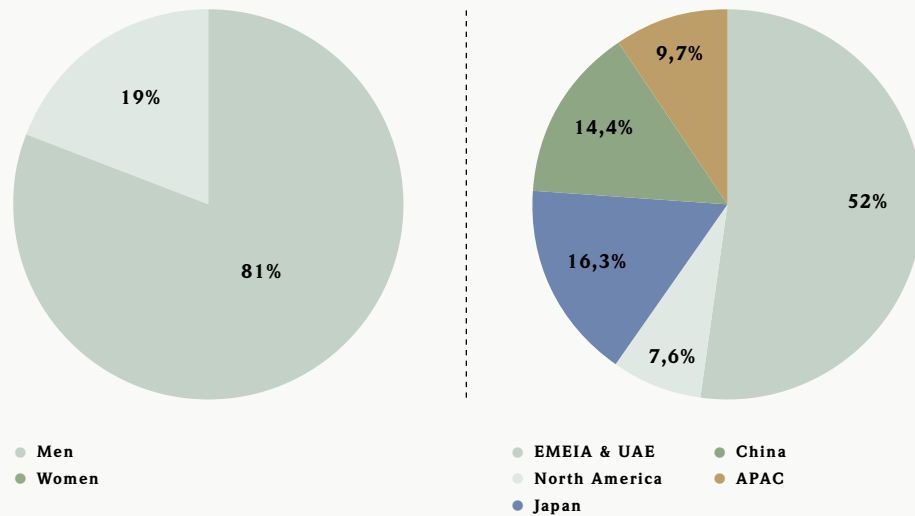
2025 Vision Advance Gender Equality and Inclusion throughout the workplace while supporting and inspiring individuals to take action.	2025 Vision Create beautiful and meaningful products, continuously improving their impact through transparency and traceability.	2025 Vision Increase economic opportunities and reduce inequalities for girls and women.	2025 Vision Reduce our impact on climate and biodiversity by tackling carbon emissions, water usage, waste, packaging and improve animal welfare, throughout our own operations and our supply chain.
2025 Objectives 100% of collaborators to be provided with sustainability training. Include sustainability objectives in 100% of performance plans. Donate 1% of working hours to volunteering programmes.	2025 Objectives Reach more than 90% Lower Impact Products & 30% of Fair Trade & Social Impact sourcing on all categories. Transparency & traceability protocol on 100% of our products.	2025 Objectives Support 150 000 girls and young women through Chloé's contribution to the UNICEF Girls Forward initiative. Donate 1% of our annual revenue to support gender equality.	2025 Objectives Reach -30% of carbon emissions per product, -25% of global water usage & -25% packaging weight and logistics waste with the aim of eliminate the use of plastic.

Methodology & Scope

Chloé organisation and teams

This report covers Chloé's global activity, corresponding to the following scope:

Chloé currently employs 1 138 collaborators worldwide. We are active in 16 countries in retail, 67 countries in wholesale and 100 countries online. Our products are housed in 5 warehouses in 5 regions.



We operate directly across four product categories: Ready-to-wear, Leather Goods, Shoes and Fashion Accessories. We also collaborate with our partners to improve sustainability on our 3 categories under licence: Fragrance, Eyewear and Children's wear.

Objectives setting

In line with Richemont's practices and fiscal year, our Chloé Impact Report 2022 covers our activity over fiscal year 2023, which runs from April 1st 2022 (Y) to March 31st 2023 (Y+1).

To make it simpler for all our stakeholders, we refer to it as year 2022.

The data collected over this period is analysed and collated in April 2023 so that our report can be published in May 2023.

All the KPIs published in this report are set on fiscal year 2023, with the exception of objectives 17 and 18 (Planet) which are measured over a calendar year from January 2022 to December 2022. For our Environmental Report 2022, we are collaborating with experts for a complete analysis that will be published in June 2023.

Impact and Environmental Reports

We currently publish two annual reports. Our Impact Report explains our entire strategy and the progress we have made so far on each of our four pillars: People, Sourcing, Communities and Planet.

In the Environmental Report, we focus more specifically on our environmental impact where we conduct an annual environmental footprint assessment, with a focus on carbon emissions and water consumption.

Our sustainability strategy is informed by a materiality assessment which is a key tool in our sustainability journey, enabling us to identify, contextualise and prioritise material ESG topics by engaging with a variety of internal and external stakeholders.

Audits

PricewaterhouseCoopers SA, Switzerland, conducts limited assurance on Richemont's group ESG report. During this process, quantitative data on branded packaging and other raw materials which are reported under Richemont's scope 3.1 Purchased Goods and Services was reviewed, however was not part of an assurance engagement itself.

Chloé Sustainability & Ecosystem

The Chloé Maison is honoured to collaborate within a purpose driven ecosystem.

Frameworks



Certifications and Frameworks



Home of Fair Trade Enterprises

Initiatives and Institutions



THE FASHION PACT



institut FRANÇAIS de la MODE



PARIS GOOD fashion



The Chloé Sustainability team also delivered over 45 hours of courses to universities and three business cases for EDHEC, Conservatoire National des Arts et Metiers (CNAM) and CentraleSupélec students.

To reach the Maison's Sustainability objectives, measuring and analysing our impact is key. Chloé is supported in this mission by Argon & Co., Carbone 4, CDC Biodiversité, Evea Conseil, Fairly Made, Quantis and Utopies.

Sustainability governance

In March 2023, Chloé became what is called a «Société à Mission» (mission-driven company) under the French law (Loi PACTE) which legally transformed our Sustainability Advisory Board into an official “Comité de Mission” (purpose-driven oversight committee). This committee will ensure that Chloé acts in accordance with its company purpose and will validate our Impact and Environmental reports moving forward.

SUSTAINABILITY ADVISORY BOARD MEMBERS



Élisabeth Laville
Founder & Chief Entrepreneur, Utopies



Lubomila Jordanova
CEO & Co-Founder, Plan A
Co-Founder, Greentech Alliance

“The role of the Sustainability Advisory Board is to advise on the overall sustainability strategy, to oversee the sustainability roadmap, to monitor progress on all sustainability Key Performance Indicators and to push for innovation.

Now in its third year of existence, I am extremely happy to see it evolve into a ‘Comité de Mission’, a committee that implies greater accountability around our purpose, and ensures that economic, social and environmental performances go hand-in-hand. The ‘Comité de Mission’ represents both internal and external stakeholders, giving a voice to our most important stakeholder of all: our clients.”

— *Aude Vergne*,
Chief Sustainability Officer, Chloé

Client Advisor to be announced soon as third board member (October 2023)

Objectives 2022

GLOBAL OBJECTIVE 1: IMPLEMENT B CORP TASKFORCE FOR RECERTIFICATION AND STRENGTHEN OUR IMPACT BUSINESS MODELS.
GLOBAL OBJECTIVE 2: OPEN-SOURCE AND DEPLOY THE SOCIAL P&L APPROACH.



People



Sourcing



Communities



Planet

2022 Objectives	2022 Objectives	2022 Objectives	2022 Objectives
● 100% of collaborators trained on Diversity and Inclusion. All collaborators will also be provided with training on gender equality and environment. ● 100% of employee performance plans to include a sustainability objective. ● 2 000 hours of volunteering delivered in France, US, China & Japan, in line with our objective of donating 1% of time by 2025.	● > 60% of lower impact materials used for Chloé Ready-to-wear, on average over one year. ● > 20% Fair Trade & social enterprises sourcing on Chloé Ready-to-wear. ● 90% of our main suppliers published on our website for transparency.	● 30 000 girls and young women impacted by Chloé's contribution to UNICEF Girls Forward partnership and launch of 3 new local partnerships supporting gender equality in France, the US and Asia. ● 0,25% of revenue donated to initiatives for gender equality. By 2025, we plan to reach 1%. ● 3 integrated (product orders + donations + volunteering) partnerships with social enterprises.	● 18% reduction of global emissions per product. ● 45% carbon emissions offset across the supply chain and 100% of scope 1&2. ● 0% PVC and plastic in our consumer packaging and a 15% reduction of packaging and logistics consumer waste.
● Pilot project Implement a D&I measurement tool.	● Pilot project Chloé Vertical project with Digital ID deployment on dedicated capsule released in March 2023 to ensure full traceability and transparency.	● Pilot project Involve our customers and partners in our volunteering programme (France).	● Pilot project Launch our first products supporting regenerative agriculture practices and accompany one partner to improve practices through a bio-diversity impact assessment.

Global Objective 1

✓ COMPLETED

Implement B Corp Task Force for recertification and strengthen our impact business models



B Corp

Chloé achieved B Corp certification in October 2021, one of the most demanding certifications that evaluates brands' social and environmental impact and governance. Through B Corp certification, we reinforced both our commitment and accountability to people and the planet. Rather than a final goal, this certification marked a new stage in our transformation towards a purpose-driven model.

Our B Corp Task Force strives to increase our scoring year-on-year through continuous improvements.

Business Models for Impact

Profoundly transforming our business to achieve our purpose requires rethinking our own business model as well as fostering collective action with our peers to drive change in our industry. We believe we can achieve greater impact through collaboration and have based this year's work on two approaches:

- **Involving all our stakeholders (internal and external) in our transformation**
Building on last year's objective to create a sustainability governance and board, we wish to go a step further and foster a culture conducive to sustainability throughout the value chain: from our suppliers (through guidelines), to our clients (through a pilot volunteering programme), to our Board (biannual Sustainability Advisory Board leading projects such as Women Forward Partnerships and Digital ID) and of course internally (through collaborator sustainability KPIs and our B Corp Task Force).
- **Collaboratively rethinking business models (for our Maison and for our industry) with:**
 - A pilot partnership with Vestiaire Collective, marking the first step of our circularity journey (a key project for 2023 under our newly recruited Head of Circularity).
 - Financial support to a joint working group with B Lab and Utopies on Impact Business Models, to help drive change in our industry and beyond.



- 85.2 Chloé overall B Impact score
- 80 Qualifies for B Corp Certification
- 50.9 Median Score for ordinary businesses

Global Objective 2



COMPLETED

Open-source and deploy the Social P&L Approach



“We are proud to contribute to the discussion around the necessity to place social and environmental impacts as a systemic factor for decision-making, by relinking impact, performance and value.”

— Mathilde Asseman and Andrée-Anne Lemieux (IFM Research Team)

A three-year academic and industry partnership

Two years ago, Chloé conceived the first version of its SP&L (Social Profit and Loss) Approach. The tool’s aim was to improve Chloé’s social impact by better monitoring the company’s actions, activities and initiatives and their resulting effects on stakeholders.

The methodology was created in partnership with the Institut Français de la Mode (IFM-Kering Sustainability Chair) and the Conservatoire National des Arts et Métiers (Sustainable Development and Foresight department) to enable fashion and luxury brands to access the full picture of their activities’ social impact – both positive and negative.

We believe you can only improve what you measure. The methodology that has been developed enables data collection, evaluation and visualisation of positive social performance throughout the value chain and product life cycles, to better measure and manage social outcomes, directly and over time.

The SP&L approach was tailor-made to better inform and facilitate decision-making by providing a more comprehensive social impact and performance picture of a company’s activities and products, in a vocabulary common to other types of performance criteria.

Critical Review and Industry Consultation

In 2021 we launched a peer review for this initial methodology and in 2022, the tool was reviewed by PricewaterhouseCoopers (PwC) to ensure its methodological robustness and adaptability. PwC deemed the methodology robust, transposable, transparent and efficient. An industry consultation coordinated by the Fédération de la Haute Couture et de la Mode (FHCM) provided the necessary industry insights to bring forward the current open-sourced methodology.

Implementing and deploying the SP&L Approach

After an initial test in 2021 on our Ready-to-wear segment, in 2022 we tested the approach on our Shoes segment, accounting for 90% of our Tier 1 Suppliers (RTW & Shoes). We additionally tested the tool on a selection of suppliers mobilised in our Chloé Vertical Capsule Collection, a capsule focused on traceability. In 2022 we further integrated the consolidated version of the SP&L within our own existing IT systems and audit processes.

In 2023, we plan to deploy the consolidated version of the SP&L approach, in alignment with our social auditing process and current auditing campaign, for all our Ready-to-wear T1 suppliers in order to start monitoring social change over time using the SP&L key performance indicators.

Global Objective 2



Open-source and deploy the Social P&L Approach

Measuring Living Wages, a crucial milestone

Chloé chose the Fair Wage Network referential to measure and evaluate the payment of living wages by our suppliers. Fair Wage Network provides living wage levels at national, regional and city level. However, since we are aware that multiple standards are currently used within (and outside of) the fashion industry, the SP&L evaluation process enables all industry brands to use our methodology and adapt it to their own living wage data and referential.

Open Source

The SP&L approach was published in March 2023 on chloe.com and included all formats necessary to understand, implement and deploy the tool*. By making sure the first version of the SP&L approach is open-source, Chloé wished to facilitate the access, integration and deployment of the methodology by other organisations within (and beyond) the fashion industry. The SP&L approach created an opportunity to discuss best practices at industry level. As these discussions continue, we hope they will also contribute to move the needle towards positive social impact throughout the industry.

*Including a methodology note, the digital assessment necessary for data collection, the data verification process template, the evaluation grid, a GitHub to guide the automatisisation of data evaluation and visualisation, and visualisation schematisations.

“We are glad at the Fair Wage Network that Chloé has started a living wage journey, by commencing in 2022 a certification process with the Fair Wage Network in pilot markets and for suppliers.”

— *Daniel Vaughan-Whitehead*,
Co-Founder, Fair Wage Network

The Roadmap Forward

By publishing the SP&L approach methodology, Chloé hopes to further contribute to the conversation on social impact and to participate in scalable and lasting change on topics such as gender equality and living wages, so vital to our industry.

The SP&L approach is by nature exploratory and evolutive. As socio-economic factors, local regulations and industry standards on social impact evolve over time, so will our tool. For instance, living wages, one of the key items measured in this methodology, does not yet benefit from a single internationally recognised standard. The methodology will thus be regularly updated.

Other key topics which we aim to include in a future iteration of the SP&L methodology are value sharing, value distribution and value redistribution, that will be addressed under a “value chain partners” new stakeholder category.

Further, current progress in traceability will more than likely contribute to additional insights and better management of positive social impact within supply chains. We hope this will lead to a systematisation of performance measurement and monitoring in the long run.



People

VISION 2025

**Advance Gender Equality and Inclusion
throughout the workplace while supporting
and inspiring individuals to take action**



Objective 3

✓ COMPLETED

**100% of collaborators to have access to training on
UN Sustainable Development Goals (SDGs), gender equality and climate change
& 100% of product teams trained on lower impact materials & circularity**

We see people as change agents with the power to accelerate our transition to a purpose-driven business model.

Committed to raising awareness on social and environmental issues globally, our objective was to train 100% of Chloé employees on sustainability, providing them with technical knowledge and expertise in their respective areas of work, and the tools to actively partake in this transition. Out of the 19 218 hours of training delivered worldwide, 2 810 hours were dedicated to sustainability. This represents 14,6% of our training hours globally vs. 15% last year*.

Our sustainability training is relayed in several forms according to the topic:

- Awareness training for all collaborators on topics such as Gender Equality or Climate Change (e.g. Climate Fresk workshop, focus p.14).
- Compulsory training for Product and Design Teams on eco-design and lower impact materials.
- Compulsory HR training for all collaborators on Diversity & Inclusion (see focus on D&I training p.14).
- A monthly sustainability newsletter for employees worldwide containing regular updates on Chloé, our industry and social and environmental topics around the globe.



*this year we extended the scope of trainings accounted for to include other types of training provided by Richemont or other Maisons such as specific compliance trainings in Americas or retail trainings that are now included into our reporting.



Objective 3

✓ COMPLETED

100% of collaborators to have access to training on
UN Sustainable Development Goals (SDGs), gender equality and climate change
& 100% of product teams trained on lower impact materials & circularity

FOCUS ON CLIMATE FRESK AND D&I TRAININGS

“The Climate Fresk was very informative and engaging. Although interested in sustainability-related matters, I was still surprised by some seemingly simple and logical facts. I think it is incredibly important for trainings like this to take place – that way Chloé employees not only understand the gravity of the issue, but also get inspired to take action on a day-to-day basis, in line with the brand’s values.”

— Antonina Wojtaszek,
Stylist, Chloé UK

Climate Fresk

As part of our commitment to raise awareness on environmental issues, we continue to offer specific climate change training to our HQ and boutique staff. Climate Fresk workshops are delivered regularly by our own dedicated team members.

The Climate Fresk, conceived by NGO Climate Fresk www.climatefresk.org, is a collaborative and creative intelligence workshop designed to explore and better understand the systemic nature of climate change with its complex causes and impacts.

Based on facts and figures sourced from IPCC reports (Intergovernmental Panel on Climate Change of the United Nations), the Climate Fresk provides on-point scientific data in an easy-to-grasp and condensed 3-hour group format.

Climate Fresk workshops are a powerful team building experience to raise awareness and trigger action - both personal and collective, towards mitigating climate change.

This fiscal year, 18 workshops were held for a total of 196 participants in 4 countries (France, Germany, the UK and USA), adding to the 260+ collaborators trained since we launched the programme in 2021.

Diversity & Inclusion Training

We aim to foster a workplace where people of every gender, ethnicity, socio-economic background, sexual orientation, age or disability – visible or invisible – feel welcomed and valued.

We believe that our collaborators can thrive in an environment that encourages Diversity, Equity and Inclusion of all individuals. Raising awareness and understanding in the workplace on the 4 pillars of Gender Equality, Gender Identity & LGBTQ+, Social and Cultural Diversity and Accessibility, is an essential part of our D&I policy. Through 3-hour training sessions delivered by our Human Resources Team, enriched by personal employee testimonials, our collaborators gained better understanding of the issues, learned how to recognise bias, how to unlearn associated negative behaviours and how to put practical actions in place.

100% of our employees under permanent contracts (Contrat à Durée Indéterminée) received D&I training this year, representing a total of 1 696 hours. A specific training module is also available on our Chloé App (used for our boutique staff in Japan who were unable to attend physical trainings). Our objective is to train all new recruits within their first year of employment at Chloé through the Chloé App, virtual classrooms or on-site trainings.



Objective 4

✓ COMPLETED

100% of performance plans to include a Sustainability Key Performance Indicator (KPI) for all collaborators

For the second year in a row, the Maison's sustainability objectives have been translated into personal objectives or KPIs (Key Performance Indicators) for each of our employees across all departments. This HR strategy was designed to foster general collaborator mobilisation and contribution to Chloé's sustainability ambitions throughout the company.

Sustainability objectives are set yearly for each team member by their managers, who help them achieve them. Much in the same way as other personal performance objectives, these KPIs are both measurable and timebound.

The KPI objectives and measurements are consolidated in our annual Impact Report.

Some examples of Sustainability KPIs set for our staff include:

- Supply Chain teams: packaging reduction targets
- Product teams: lower impact material sourcing targets
- Communication teams: runway show emissions reduction targets
- E-commerce teams: deployment of product digital IDs
- Retail teams: roll-out of sustainability training to boutique staff

“The Merchandising team has a key role to play in making sure that our collections continue to transition towards beautiful and meaningful products. To make it happen, we need to work hand-in-hand with Design and Operations for more lower impact materials, Fair Trade and social impact sourcing. It is a shared responsibility that we achieve our Sustainability targets!”

— *Marie-Laurence Petit-Thorel*,
Chief Merchandising Officer, Chloé

“Operations teams are fully engaged on the transformation journey for a more responsible supply chain: sourcing of lower impact materials & packaging, responsible manufacturing, improved quality, increase of sea freight... Individual sustainability KPIs are set to measure our progress and install a continuous improvement mindset.”

— *Yves Cauchon*,
Chief Operating Officer, Chloé



Objective 5

✓ **PARTIALLY
COMPLETED**

**Offer 8 hours of volunteering time to all our employees in France,
the US, Japan & China to total 2000 hours**

In 2021 we launched our volunteering programme as part of our vision to engage our employees to make a meaningful impact by taking concrete action in their daily lives.

The programme creates opportunities for our employees to contribute 8 hours of their work time to volunteering initiatives aligned with our purpose: Women Forward. For a fairer future. The programme includes various contributions to gender equality, social equality, diversity and inclusion, and environmental initiatives, through mentoring, brainstorming, field missions, etc. Our intention is to build long-lasting partnerships with carefully selected NGOs from our Women Forward Partners (cf. Communities section) to focus our actions and increase our impact.

In 2022, we introduced a new volunteering format at our French HQ, whereby full teams were able to participate together in the same volunteering mission. Over 1 full day or 2 half-days, our teams prepared and distributed personal hygiene and food kits to women in need.

This new format was greeted with enthusiasm by both our volunteers and our partner NGOs, and will be reiterated next year.

Today the programme is fully deployed in France, the US, Japan and China for 80% of our headcount, whilst also being available to all our other collaborators worldwide upon request.

Globally, the programme achieved uneven results. We struggled to meet our 2000h objective this year, reaching 1455 hours of volunteering time, against 800 hours the previous year. This is largely attributed to having an insufficient number of participants taking part in the programme as well as our difficulty to provide volunteering opportunities adapted to local and cultural customs. With the learnings we gained, we have made 2 major adjustments for the coming year that will help us reach our 2023 objectives:

- Doubling the number of hours available to each employee to reach 16h, so that those who are particularly engaged can make a greater contribution.
- Concluding new Women Forward Partnerships in China and Japan, integrating both volunteering and financial support from the Maison, in order to encourage employees to volunteer locally.



2021

800h

2022

1455h

2023 objective

2000h



Objective 6

✓ COMPLETED

Pilot Project - Implement a Diversity & Inclusion Tool

Since Chloe was founded in 1952, Gaby Aghion believed in fostering the development and growth of all employees. We perpetuate this approach by recruiting talent from all backgrounds, encouraging employment that is both inclusive and respectful of diversity. Our Diversity & Inclusion charter distributed to all collaborators worldwide in February 2022 is based on the four pillars of Gender Equality, Gender Identity & LGBTQ+, Social and Cultural Diversity and Accessibility. Our desire to continuously advance diversity and inclusion at Chloé, culminated in the Mixity pilot project launched in October 2022. The project allows us to measure and monitor our performance on D&I in the same way that we measure our social and environmental impacts, better focussing our actions where they are needed. One of the challenges we face in this area is linked to differing country regulations on data collection methods and standards.

“As you can only change what you can measure, I was extremely happy to start piloting a tool to measure D&I. The methodology will help us drive our roadmap.”

— *Claire de Coincy*,
Human Resources Director, Chloé

What is Mixity?

Mixity is the first digital solution for assessing diversity and inclusion within organisations. They are the leading partner for companies wishing to assess, manage and advance their commitments to diversity, equity and inclusion.

With their digital HR solutions and expertise, we are able to access our social footprint and key metrics, and devise an action plan on the 5 major dimensions of D&I: gender equality, disability, cultural and social origins, age and sexual orientation / gender identity.

Methodology

First, an assessment of our current footprint is carried out in 2 phases: phase 1, composed of questions for the company, and phase 2, composed of a questionnaire sent to all our collaborators worldwide. The compilation of these results then serves as a roadmap upon which to build our D&I policy, targeting continuous improvements year-on-year.

INSIGHTS INTO OUR PILOT MIXITY SCORE

2022

69%

2023 objective

75%



Sourcing

VISION 2025

Create beautiful and meaningful products,
continuously improving their impact through
transparency and traceability



Objective 7



>60% of lower impact products for Chloé Ready-to-wear (average over one year)

Based on our environmental impact research, we learned that our biggest impact comes from raw materials. For the third year in a row, we worked with external experts to update our list of lower impact materials. We are focused on increasing their proportion to reach 90% by 2025 at the latest.

This year, our aim was to reach 60% of lower impact products on Ready-to-wear, which we successfully achieved.

Lower Impact Materials

Textile lower impact materials are split into three categories:

- **Organic:** organic materials involve better land management practices, respect for animal welfare, elimination of synthetic pesticides and fertilizers and reduction of water consumption. The outcome is fields that are healthier for farmers, wildlife and surrounding communities.
- **Recycled:** recycled materials keep their inherent quality with a reduced environmental impact, as they enable us to extend the lifespan of fabrics that have already been produced.
- **Deadstock:** leftover materials are transformed into new products to decrease the production of new materials while lowering our environmental footprint.

The full list of what Chloé considers to be lower impact materials and the certifications we use have been developed in cooperation with external experts and supported by Life Cycle Assessments (LCA). These materials and certifications must cover climate change mitigation, protection of biodiversity or animal welfare.

The list, currently in its third version, is updated annually and available on [chloe.com](https://www.chloe.com).

Leather

We joined the Leather Working Group in 2017 to support more sustainable leather manufacturing. The Leather Working Group is an international organisation made up of stakeholders across the leather supply chain, working to promote environmental best practices within leather manufacturing and related industries.

Since April 22 (Winter 22 collection), Chloé sources bovine leather for leather goods only from animals born, reared and slaughtered in Europe. In addition, between December 22 and March 23, we consulted all main Chloé tanneries (38 in total for all categories) and conducted interviews and on-site visits, to improve traceability in our leather supply chain. For the Winter 23 collection, we will release a new model of our Lauren sneaker, composed of a plant-based, plastic free and recyclable material, as an alternative to leather.

Natural & Synthetic materials

To go one step further, we also take into account the end of life of the raw materials we use (to avoid microplastic pollution for example). We systematically encourage the use of natural materials over synthetic ones, so as to gradually eliminate synthetic fibers from our collections. We have also fully stopped the use or sale of any item containing PVC.

Chloé's lower impact products	% of lower impact products in the assortment	% of lower impact products in production volume
Ready-to-wear	60%	63%
Bags	84%	79%*
Shoes	88%	95%*

Scope: from April 2022 to March 2023 (seasons Spring 23, Summer 23, Fall 23 and Winter 23)

For Ready-to-wear and bags, a product is considered lower impact if its main material (above 80% of product weight) is a lower impact material. If a product is composed of 2 or more main materials, all the materials have to be lower impact for the product to be considered lower impact.

For shoes, a product is considered lower impact if 50% of its weight is composed of lower impact materials.

*Average production volume without Winter 23 collection as orders were not completed at the time of report publication.



Objective 8

✓ **PARTIALLY
COMPLETED**

>20% of Fair Trade made products for Chloé Ready-to-wear

The World Fair Trade Organization (WFTO) is a global community of social enterprises that fully practice Fair Trade. Its guarantee system is the only international verification model focused on social enterprises that puts the interests of people and the planet first.

Following a partnership signed with WFTO in September 2020, Chloé launched its first Fair Trade luxury collections in March 2021, which were both ethically produced and environmentally responsible.

Over time, we will increase the quantity of Fair Trade items in our collections, targeting 30% by 2025, maintaining the highest luxury quality, to offer products that are both beautiful and meaningful.

For 2022, we maintained our 2021 goal of 20% of Fair Trade products in the assortment. Reaching this objective however, remains a big challenge, and we only partially achieved it this year with 12%.

With the support of external experts, we decided to launch a new ethical trade framework specific to Chloé, inspired by several existing standards and the principles of existing French regulation for Fair Trade commerce.

This new framework will give priority to suppliers with high social impact, measured through social audits, SP&L scores and an evaluation of fair wages within the organisation, all carried out by an external third party. It will help us expand the number of social enterprises in our supply chain and help existing suppliers work towards Fair Trade certification.

“I visited one of our Fair Trade partner’s sites to help out with their first shipment, and that is when I understood that the most important part of this collaboration, was to meet people, share something with them and see the real purpose of our work.”

— *Xavier Gaillard*,
Ready-to-wear Production Manager, Chloé

Chloé’s Fair Trade products	% of Fair Trade products in the assortment	% of Fair Trade products in production volume
Ready-to-wear	12%	16%
Bags	3%	11%*

% of Fair Trade products

Scope: from April 2022 to March 2023 (seasons Spring 23, Summer 23, Fall 23 and Winter 23).
A product is considered Fair Trade if it is manufactured by a Fair Trade-certified social enterprise.

*Average production volume without Winter 23 collection as orders were not completed at the time of report publication.



Objective 8

✓ **PARTIALLY
COMPLETED**

>20% of Fair Trade made products for Chloé Ready-to-wear

Extending our approach to Bags: Focus on Mifuko & Sarah's Bag

As part of our global objective to increase the share of Fair Trade items in our collections to reach 30% by 2025, we strive to develop partnerships on our other product categories, notably our Bags.



Mifuko

Our collaboration with Mifuko began in 2020 with our Summer 21 collection and our partnership has grown stronger each season ever since. This year will mark the first time Mifuko's beautifully hand-crafted items are available in our collections all year round. In 2022, 38 409 baskets were woven for Chloé by more than 1 000 women artisans.

Mifuko, means 'pocket' in Swahili and for the artisans it means fair pay, empowerment, and less dependence on unpredictable farming as a source of income.

Their handcraft skills come through in a range of Chloé basket bags – each a unique piece. With sustainability at the forefront of design and production, the baskets are long lasting while making a positive social impact.

Mifuko is a Finnish-Kenyan social enterprise and guaranteed member of the World Fair Trade Organization (WFTO).

Sarah's Bag

Sarah's Bag is a Lebanese social enterprise that creates one-of-a-kind hand-crafted bags and accessories that empower both the women who make them and the women who wear them.

The Sarah's Bag artisans include women from underprivileged backgrounds across Lebanon. Some are illiterate with few options for employment, while others come from conservative backgrounds and are not permitted to work outside their homes despite desperately needing an income to help support their families.

We first collaborated with Sarah's Bag on our Autumn-Winter 22 collection, where their artisans produced hand-crocheted versions of our iconic Edith and Woody bags.

Today, 50 underprivileged women, of which 24% are single mothers, contribute their craft to our partnership.



Objective 8

Social Suppliers – Fair Trade

List of Fair Trade-certified social enterprises with whom Chloé collaborated in 2022 to produce Fair Trade products.

Akanjo	Akanjo is a social enterprise located in Madagascar that puts equal pay, employee's health and wellbeing at the core of their priorities. A long-standing partner of Chloé for 15 years, Akanjo is also committed to training and promoting craftsmanship.
Coccon	Coccon is an Indo-German social entrepreneurship project. They invented an organically produced, cruelty-free silk, that has made a large impact on biodiversity in the Jharkhand region of India. This project is also known as fashion4biodiversity.
Creative Handicrafts	Creative Handicrafts is a social enterprise based in Mumbai, India. Its mission is to empower disadvantaged women. They reinvest all their profits to benefit women producers, and their social mission is enforced through their board and management.
Made For A Woman	Founded in 2019, Made For A Woman is a Madagascar-based social enterprise whose aim is to give a better life to women artisans through the traditional art of weaving. Over 350 women are employed, most of whom come from vulnerable backgrounds. They are provided with a fair and equitable living wage, as well as opportunities to grow and empower themselves through a wide range of social responsibility projects.
Manos del Uruguay	Manos del Uruguay is a non-for-profit organisation. Since 1968, Manos supports the work of hundreds of artisan dyers, knitters and weavers. Honouring the legacy of Uruguayan craft, Manos create products with the highest quality and respect for our environment. Manos' vision is that giving Uruguay's rural women jobs is much more than providing them with an income, it also empowers them to personally develop and gain independence, keeping their roots and traditions close to their community and families.
Mifuko	In Swahili "mifuko" means pocket. With fair pay and less dependence on unpredictable farming as a source of income, Mifuko empowers its artisans in Kenya and ensures no one is left with empty pockets.

Scope: from April 2022 to March 2023 (seasons Spring 23, Summer 23, Fall 23 and Winter 23)



Objective 8

Social Suppliers – Fair Trade

List of social enterprises with whom Chloé collaborated in 2022 for production.

Amambaih	Amambaih is a social enterprise with the goal of offering employment opportunities, and therefore income, to the ancestral communities of artisans in Paraguay.
Gee's Bend	The Gee's Bend community, located in Alabama USA, is renowned for their exceptional artisanal skills in quilting which have been passed down through generations over the last two hundred years.
Sarah's Bag	Established in 2000, Sarah's Bag provides a livelihood for over 200 underprivileged women through the creation of elevated handcrafted fashion pieces, empowering both the women who make them and the women who wear them.
MADE51	MADE51 is an initiative created by UNHCR – the UN Refugee Agency – which gives refugees in 23 countries the opportunity to build a livelihood through their craft.

Scope: from April 2022 to March 2023 (seasons Spring 23, Summer 23, Fall 23 and Winter 23)



Objective 9

✓ COMPLETED

**90% of our procurement published
on our website for transparency**



We believe that collaboration with our supply chain partners is key to ensure we reduce our environmental impact while increasing our positive impact on communities.

We currently require all supply chain partners (Tier 1, Tier 2 and nominated Tier 3 raw material suppliers*) to comply with the Richemont Supplier Code of Conduct, updated in 2022.

The principal areas covered by the Richemont Supplier Code of Conduct are:

- Promotion of responsible practices along all supply chains and sourcing activities.
- Creation of a transparency and traceability framework from raw material to finished product.
- Focus on environmental stewardship and positive social impact.

The Richemont Supplier Code of Conduct integrates various requirements, including the International Labour Organization standard and the Declaration of Human Rights.

*T1 suppliers are finished goods suppliers. T2 suppliers are semi-finished goods suppliers. T3 are fabrics suppliers and leather tanneries.

In line with our commitment to greater supply chain transparency, we published as planned a list of main suppliers covering 96% of our procurement (Finished goods suppliers - Tanneries - Suppliers of Fabrics, Metal parts - Licence partners - Logistic - Packaging suppliers) over-achieving our objective of 90%.

Lastly, we are sharing the 2nd iteration of our guidelines launched in April 2021 to all our supply chain partners across all four product categories, encouraging them to initiate a sustainability strategy, measure progress, support innovation and seek certifications. These guidelines are updated yearly.

In 2022 we organised four webinars to share best practices with our strategic suppliers. We expect our suppliers to act in favour of gender equality, avoid any form of discrimination, promote underrepresented minority workers' communities, and support local communities whenever possible.

We also share best practices in raw material sourcing and development, traceability and transparency.



Objective 10



Reinforce our social and environmental audit policy

Chloé allocates important resources to perform social and environmental audits, following SMETA 2P and 4P referential, with the support of external independent third-party auditors. We also conduct many on-site visits in our partner factories.

The SMETA referential includes regulations covering health and safety, business ethics, entitlement to work and environment, and is widely recognised for its robustness.

After each social audit, we rank the regulatory performance of our suppliers from A to D, based on criteria of non-conformities and their recurrence. Follow-up and corrective action plans are worked on with each supplier in a timely manner.

This regulatory performance score is also used to evaluate the global performance of our partners within our supply chain, and can lead to termination of our business relationship.

Social audits are used to validate all potential new suppliers.

*A: Satisfactory / B: Needs improvement / C: Under close monitoring / D : Critical

NUMBER OF SOCIAL AUDITS CARRIED OUT IN 2022:

114

(+21% compared with 2021)

88%

of Chloé finished goods production from audited suppliers

94%

of our finished good suppliers and their
subcontractors ranked A or B*

2025 OBJECTIVES

- 100% of our finished good suppliers audited in the previous 2 years.
- 90% of our finished goods suppliers ranked A or B*



Objective 11

✓ COMPLETED

Pilot Project - Chloé Vertical: 4 key materials traced from farm to finished product

As part of the Spring-Summer 23 collection, we launched the Chloé Vertical project. This pilot project will play a key role in accelerating our business model transformation towards greater transparency and circularity.

We make a point of tracing our materials in order to measure their impact on our planet and its people. To go further and manage our impact, it is essential to know more about the fields and livestock from which our fibers and leather came. Full traceability allows us to better direct our choices in favour of more responsible farming practices.

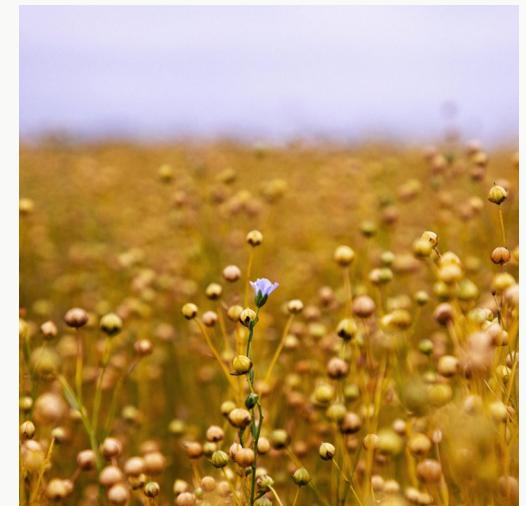
As part of the project, four materials central to Chloé design were selected and closely studied:

- Linen: grown in the fields of farming cooperative Terre de Lin in France (Normandy).
- Silk: Global Organic Textile Standard (GOTS) certified, harvested from the mulberry trees of the Sichuan Antai Silk Group in China (Sichuan).
- Leather: sourced from French farms (Normandy, Pays de la Loire and Brittany) and tanned in Tanneries Haas in France (Alsace), also part of the Leather Working Group.
- Wool: from sheep reared by Ganobran, an organic certified farm in Uruguay (Paysandu) and spun in Italy.

Chloé's trusted and committed suppliers accompanied us in the project, disclosing every step of their sourcing, following an innovative transparency protocol. Providing us with multiple insights and data, they allowed us to calculate the environmental impact of each material, following a Life Cycle Assessment* (LCA) carried out by external consultants. Measuring our impact in this way, we demonstrated that our four materials had a lower environmental impact than their conventional equivalents. For example, 1kg of Vertical linen processed entirely in France, emits 5kg CO₂e whilst linen processed outside of Europe emits 17kg CO₂e.

For Chloé, social impact is just as important as environmental impact and all of our partners are audited according to SMETA standards. 65% of the RTW Vertical items were produced by Akanjo, a WFTO certified social enterprise, which allows us to positively impact the communities who most need it whilst helping us achieve our Fair Trade objectives.

*LCA according to ISO 14001



“Terre de Lin is proud to have built a short supply chain in partnership with European yarn suppliers and textile mills, where the environmental impacts of the product can be measured at each step of the production process.”

— Anne Nizery,
Marketing & Development
Manager, Terre de Lin



Objective 12

✓ COMPLETED

Pilot Project – Chloé Vertical: a unique and innovative technology enabling traceability and full circularity of our products with Digital ID

Tracing materials upstream throughout the supply chain - from field to finished piece, allows us to make better choices in selecting the materials we use.

Sharing this information with our customers empowers them to make informed purchasing decisions. The Digital ID embedded in Chloé Vertical products was born from this ambition, and has been live since April 7th 2023, prior to being rolled out to all our products in 2025.

The digital passport, which replaces conventional paper leaflets, provides traceability throughout the entire manufacturing process, care and repair instructions, as well as product certifications through which customers have direct access to resale options for their item.

“The Digital Passport’s ultimate objective is to empower customers to make informed sustainable purchase choices as they increasingly demand disclosure, transparency and traceability.”

— *Federico Marchetti*,
Chairman, The Sustainable Markets Initiative’s
Fashion Task Force



With the objective of extending the lifespan of our products, we have developed a Digital ID that allows customers to instantly resell their pre-owned Chloé item through Vestiaire Collective.

Customers will be able to sell their pre-owned Chloé items via a co-branded platform powered by Vestiaire Collective, from the launch of Chloé Vertical. They can choose from three exchange options:

1. A Vestiaire Collective gift card, that can be used to purchase any item on the platform, demonstrating Chloé’s support of the second-hand market.
2. A Chloé gift card that can be redeemed in Chloé boutiques or online on Chloé.com.
3. A donation to UNICEF’s gender equality programmes, allowing our clients to directly and concretely contribute to our partnership.

Through this first initiative in second-hand resale, Chloé Vertical encourages circularity and provides clients with the information they need to consume more consciously.



Communities

VISION 2025

**Increase economic opportunities and reduce
inequalities for girls and women**



Objective 13

✓ COMPLETED

30 000 girls impacted by the GIRLS FORWARD partnership between Chloé and UNICEF which aims to provide girls with skills to advance in the workplace through education, entrepreneurship and digital training programmes

According to UNICEF, young girls are three times more likely than young boys to be out of school. With a secondary education however, women may expect to earn twice as much as those with no education.

In 2019, we initiated GIRLS FORWARD, a four-year partnership with UNICEF* to provide girls with skills to advance in the workplace through education, entrepreneurship, digital and training programmes in five countries: Bolivia, Jordan, Morocco, Senegal and Tajikistan.

To date, Chloé has raised more than €2 million for the GIRLS FORWARD initiative since the start of the partnership and will continue to collect funds to support UNICEF gender equality programmes.

In 2022, 30 000 girls were supported thanks to this initiative, reaching a total of 95 000 girls since the start of our partnership.

In March 2023, as part of a Chloé for UNICEF internal contest, six retail staff members from different regions had the unique opportunity to join a field trip to Jordan to meet with the girls supported by the GIRLS FORWARD partnership.

*UNICEF does not endorse any company, brand, product, or service.



Malak, 25 years old, and Muntaha, 22 years old, met during a digital skills course in 2019 in Jordan.



Chloé retail staff members during the Jordan field trip



Objective 14

✓ **PARTIALLY
COMPLETED**

0.25% of revenue donated to initiatives for gender equality

The World Economic Forum predicts that closing the Global Gender Gap will take 132 years, while closing the Economic Gender Gap will take over 150 years. Yet the share of philanthropic giving to organisations supporting women & girls remains below 2% globally.

At Chloé, we believe that girls & women are essential change agents for a fairer future. We have pledged to focus on achieving Sustainable Development Goal 5, to “Achieve gender equality and empower all women and girls” by creating an Impact Fund by 2025. This fund is dedicated to supporting gender equality initiatives that foster women’s safety and economic, social and environmental empowerment. We hope to lead the way for more organisations to join our pledge in a collective effort to achieve the Sustainable Development Goals (SDGs).

By 2025 our objective remains to allocate 1% of our annual revenue, with progressive yearly targets of 0.23% in 2021 (achieved) and 0.25% in 2022. This year’s objective was almost achieved, reaching 0.23%.

As part of our intention to better structure our philanthropic actions, we have launched our Women Forward Partnerships (WFP). The Women Forward Partnerships began with UNICEF in 2019 and has since grown to include new meaningful partnerships with both social enterprises and partners close to markets where Chloé operates. This allows us to positively impact communities locally and around the globe with one common goal: uplifting women and eliminating the barriers that stop them from reaching their full potential.

Through donations, volunteering time and supply chain orders, Chloé supports its partners in their tireless work to close the gender gap.

A questionnaire with our selection criteria for new WFP partners is available on [Chloe.com](https://chloe.com). A full list of our donations can be found at the end of this section.



@UNICEF

Emergency Donations

In 2022, the world faced considerable geopolitical instability and many humanitarian crises. Through our partnership with UNHCR we have contributed emergency donations to support the populations affected by the earthquake in Syria and Turkey.

UNHCR is the United Nations Refugee Agency, a global organisation dedicated to saving lives and protecting the rights of refugees and forcibly displaced communities around the world.



Objective 14

✓ **PARTIALLY
COMPLETED**

Focus on our local Women Forward Partners



Save the Children Federation, Inc., China,
partner since June 2022

Save the Children believes every child deserves a future. Around the world, they work every day to give children a healthy start in life, the opportunity to learn and protection from harm.

Through the “green skills for girls” programme, Save the Children offers girls in Chinese schools the skills and tools to prepare for the green jobs of the future, with a focus on sustainability in the design, textile and fashion industries.



Rêv'Elles, France,
partner since October 2022

Rêv'Elles is a non-profit organisation founded in 2013 with a mission to offer girls the confidence, tools, and opportunities they need to overcome their difficulties and reveal their potential both personally and professionally, through coaching and mentorship programmes.



STEM From Dance, US,
partner since March 2023

STEM From Dance is transforming the field of Science, Technology, Engineering and Mathematics (STEM) by empowering girls of colour with the know-how, experience, and confidence to dream big in STEM — all through the power of dance.

The partnership with STEM From Dance is built on the Laureus Sport for Good Foundation's commitment to ending violence, discrimination and inequality through the power of sport.

Our partners

NGO	Partnership category	Description	Donations	Volunteering missions
Save the Children Federation, Inc.	Gender equality, girls education	Save the Children champion the rights and interests of children worldwide, putting the most vulnerable children first. They believe in a world where every child grows up healthy, safe and educated.	800 000 € Chloé donated 800 000 € to implement an Anticipatory Action Protocol in Peru and support operational costs but also to equip young Chinese women and youths aged 15 to 24 years with green skills to increase their access to green jobs.	
Rêv'Elles	Social inclusion, education, gender equality	The French NGO inspires and supports young women from low-income neighbourhoods. Through self-confidence workshops, mentoring programmes and dedicated events, Rêv'Elles aims to broaden these young women's horizons both personally and professionally.	156 000 € As part of Chloé's partnership with Rêv'Elles, a donation of 156 000 € was made to support the launch of the eloquence program (RVL Ta Parole), the creation of the Maison Rêv'Elles and the operating cost of the organisation.	
Mifuko Trust	Women economic inclusion	Mifuko Trust works to tackle poverty and empower families and communities through projects that improve their well-being in the rural region of Machakos in Kenya. Mifuko Trust is an organisation affiliated to Mifuko, a social enterprise we are proud to collaborate with as one of our supply chain partners.	35 000 € Chloé donated 35 000 € to support Mifuko Trust's Wash and Grow!II-project which aims to promote ecological sanitation in partnership with the local health administration and trained sanitation ambassadors. It also creates new opportunities for entrepreneurship since the new project will expand its activities to promoting regenerative agriculture.	
Humanity Diaspo	Gender equality, women health and safety	Humanity Diaspo provides support to vulnerable people with the main objective of promoting their empowerment. This association is also committed to the fight against hygienic and menstrual insecurity, gender violence and student precarity.	19 300 € Chloé donated 19 300 € to Humanity Diaspo for financing hygiene and food products for several distributions to students and women in very precarious situations.	452 hours of volunteering were completed by Chloé teams with Humanity Diaspo including goods collection and distribution.
UNHCR	Support to refugees, forcibly displaced populations, women safety and economic inclusion	UNHCR is a global organisation dedicated to saving lives and protecting the rights of refugees, forcibly displaced communities and stateless people. Made 51, with whom we collaborate in our supply chain, is an initiative from the UNHCR.	10 000 € Chloé donated 10 000 € to its partner UNHCR, the UN Refugee Agency, as an emergency support for the victims of the earthquakes in Türkiye and Syria.	
MaMaMa	Women and babies' health and safety, gender equality	MaMaMa is a French organisation which distributes packages of essential items to at-risk mothers and babies in Ile-de-France.	4 000 € Chloé donated 4 000 € to MaMaMa for financing food, hygiene and well-being packages to at-risk mothers in precarious situations.	
Dress for Success	Social inclusion, gender equality	Dress for Success aims to empower women to achieve economic independence by providing a network of support, development tools, and professional attire to help women thrive in work and in life.	3 700 € Chloé donated 3 700 € to Dress for Success to help enhance its mission of economically empowering women around the world by providing a network of support, job search and career development tools, and professional attire.	60 hours of volunteering were completed by Chloé US teams with Dress for Success. Collaborators helped the organisation to sort through their monthly clothes donations.
AFMD	Diversity and inclusion	The AFMD is working to develop managerial practices in the fight against discrimination and to professionalize the management of diversity as a lever for social, societal and economic performance. It offers its members (companies, administrations, universities, etc.) avenues for action based on feedback from its members.	1 500 € Chloé donated 1 500 € to join the AFMD association and contribute to its development.	
Agir pour la Santé des Femmes	Women health and safety	Agir Pour La Santé des Femmes aims to improve support and health conditions for women in situations of extreme exclusion by organising actions that promote their access to healthcare adapted to their gender and their personal situation.	1 500 € Chloé donated 1 500 € to Agir pour la Santé des Femmes for supporting women victims of violence in France.	

TOTAL: 1 031 000 €



Our partners

As part of our deadstock management project explained on page 41, we chose to make donations of our unbranded materials to social companies and partner schools. The table below shows our donations of raw materials (leather and fabrics) plus components that were made in FY23.

NGO/Social Enterprise/School	Partnership Category	Description	In-kind Donations
ASLAM	Education	ASLAM provides services of education, training, guidance and integration into the professional world. Their objective is to support students in discovering their potential, providing them with high-level technical skills as well as soft skills, so that they can be easily integrated in the productive world, in partnership with production companies. One of their training field is design and production of leather goods.	Estimated 8 378 € Chloé donated 250 m ² of Italian baroque brown leather to the Milanese school ASLAM, estimated at 8 378 €.
Sarah's Bag	Women economic inclusion	Established in 2000, Sarah's Bag provides a livelihood for over 250 underprivileged women through the creation of elevated handcrafted fashion pieces, training them on different handcraft and providing them with continuous work. Sarah's Bag empowers the women who make the bags and the women who wear them.	Estimated 3 457 € Chloé donated 122 m ² of Italian finished bovine cow leather to Sarah's Bag, estimated at 3 457 €. The donation was composed of leather of different colours.
Association Habibi	Women and refugees economic and social inclusion	The Habibi organisation promotes social justice and socio-economic integration especially for the most vulnerable and disadvantaged people and those who have suffered the consequences of conflicts. The organisation has a sewing, tailoring and leather goods workshop in Jordan for Iraqi refugees who have fled Isis.	Estimated 3 025 € Chloé donated 137 meters of cotton, virgin wool, elastane, and mohair wool, which is estimated at 3 025 €.
Lycée de la Mode (Cholet)	Education	The Lycée de la Mode is a public institution with the label «Lycée des métiers de la mode» focusing on innovation and sustainable development. It is recognized as a centre of excellence for students to gain professional knowledge and enter careers in fashion design, pattern or model making, manufacturing, sales and distribution, in the fields of Ready-to-Wear, Shoes and Leather Goods.	Estimated 36 780 € Chloé donated 3 286 linear meters of silk, wool, cotton and others, which is estimated at 36 780 €.
Institut Français de la Mode (IFM)	Education	Institut Français de la Mode is a higher education institution, a training center for apprentices, a provider of executive education, as well as a centre of expertise for the textiles, fashion and luxury industries. Located in Paris, it provides educational programs from vocational training to doctoral level, by cross-fertilizing design, management and know-how.	Estimated 64 854 € Chloé donated 5 681 linear meters of silk and wool, 10 365 linear meters of trims such as ribbon or lace and 907 pieces of trims and accessories, estimated at 64 854 €.

TOTAL: 116 494 €



A word from our key partners

“Our partnership illustrates the crucial role that the private sector can play to achieve our shared vision that girls everywhere have real opportunities to unlock their potential. We are so proud of what this partnership has delivered and can’t wait to see what this cohort of girls do to shape and change the future for themselves and the world at large.”

— *Ruth Graham-Goulder*,
Senior Advisor, Gender Equality,
UNICEF

“Mifuko Trust is a non-profit organisation founded in 2012 to further support the social mission of Mifuko Oy, our social enterprise, in the rural region of eastern Kenya. Mifuko Trust sees that empowering women is an effective way of helping communities as a whole. Through donations and projects, Mifuko Trust improves the quality of life of artisans and communities by financing projects on sanitation, water and agroforestry. Chloé supports Mifuko through product orders and Mifuko Trust through financial donations.”

— *Minna Impio*,
Co-founder, Mifuko

“Empowering young women in working-class districts is the primary mission of Rêv’Elles. Our partnership with Maison Chloé is strategic and meaningful, since we share the vision that stronger and more confident young-women, can pave the way to a fairer and more inclusive society.”

— *Athina Marmorat*,
Founder, Rêv’Elles



Objective 15

✓ COMPLETED

Launch 3 integrated partnerships with social enterprises

Our commitment to make a positive impact translates in our long-term and multifaceted support for our social-enterprise partners.

Through our integrated partnerships, we provide 360° support to our partners, according to their specific needs.

We endeavour to make a variety of contributions which together amplify the positive impact we make. These include financial donations whenever possible (where our partner's structure allows it), Chloé staff time in the form of volunteering, workshops and training that contribute above and beyond the product procurement orders we place with our partners.

An illustration of one of these integrated partnerships is with Mifuko, a social-enterprise crafting Chloé baskets since 2021.

In the reporting period (April 22 to March 23), we donated 35 000 euros to the Mifuko Trust. By doing this, we increase the positive impact we make on the women involved in the project. To date, we have financially supported 3 parts of the Mifuko Trust Wash & Grow! Project (see box for details).

In addition to these donations, our Chloé collaborators conducted workshops with Mifuko to co-imagine new possibilities in artisanal techniques, to enrich our future collaboration, thus adding a facet to the support we provide (financial donations, volunteering programmes and product orders).

Two further examples of integrated partnerships include those with Sarah's Bag and Made 51:

- Sarah's Bag to whom we donated materials, provided visibility through our communication platforms, and placed product orders (their structure does not permit financial donations at this time).
- Made51 with whom we exchanged savoir-faire and made a financial donation to the UNHCR of which they are a part, following the earthquake in Turkey and Syria.

Donations to the Mifuko Trust Wash & Grow! Project

€ 10 000 donated in December 2021 (FY2022)

Aimed at training sanitation ambassadors and building ecological dry toilets to improve health, living conditions and livelihoods (girls and women are particularly vulnerable due to menstrual hygiene, pregnancy and childbirth).

€ 15 000 donated in September 2022 (FY2023)

Helping to improve food security of women's communities, by training them in new farming techniques and agroforestry to support climate change adaptation (women and girls remain the first victims of climate change).

€ 20 000 donated in March 2023 (FY2023)

to the WASH and Grow! II project (2023-2026).

Promoting ecological sanitation to improve hygiene conditions and disease prevention, whilst providing low-cost ecological fertiliser for smallholder farms, thus improving food security. The new project will expand to include regenerative agriculture.



Objective 16

✓ COMPLETED

Pilot Project - Involve our customers and partners in our volunteering programme (France)

In February 2022, two Chloé clients were invited to sit on the jury of the “RVL ton Potentiel” (reveal your potential) programme, one of the key initiatives run by Paris-based non-profit Rêv’Elles.

Rêv’Elles is a non-profit organisation founded in 2013 with a mission to offer girls the confidence, tools, and opportunities they need to overcome their difficulties and reveal their potential.

Rêv’Elles is one of our Women Forward Partners since October 2022. Through the programme, young girls and women from modest backgrounds are offered support to define and achieve their personal and professional goals. The young girls pitch their project to a jury composed of women, who provide them with guidance, advice and feedback followed by a 5 month-long mentorship scheme.

This unique initiative was part of a pilot project to extend our existing Chloé volunteering programme to our customers and partners. Offering stakeholders outside the company the possibility to be involved in supporting our projects and contribute through volunteering, is beneficial in more ways than one: it raises awareness and increases support for the partnership, whilst also fostering meaningful and lasting relationships with our communities at large.





Planet

VISION 2025

Reduce our impact on climate and biodiversity by tackling carbon emissions, water usage, waste, packaging and improving animal welfare, throughout our own operations and our supply chain



Objective 17

✓ COMPLETED

18% reduction of global emissions per product

We have been measuring our carbon footprint* every year since 2019, enabling us to identify the origin of our greenhouse gas (GHG) emissions across our value chain. The better we know the impact we have in terms of CO₂e emissions, the better we can target our actions.

In 2022 as in 2021, over 54% of our emissions were generated by raw materials** and more than 19% by transportation and logistics, both part of scope 3.

Identifying that our materials were a major contributor, led us to initiate a consultation with external experts to help identify lower impact materials and increase their proportion in our collections. Since, we have published a list on our website of what we consider as lower impact materials.

In 2022, we aimed to reduce our CO₂ emissions per product by 18% (targeting a 25% decrease by 2025), an objective which we have over-achieved, reaching 25% per product. This reduction was made possible thanks to lower impacts materials: in 2022, 60% of our Chloé Ready-to-wear products included at least 80% lower impact materials.

Because we reached the 25% reduction objective two years in advance, we decided to increase the target for 2025 to 30%.

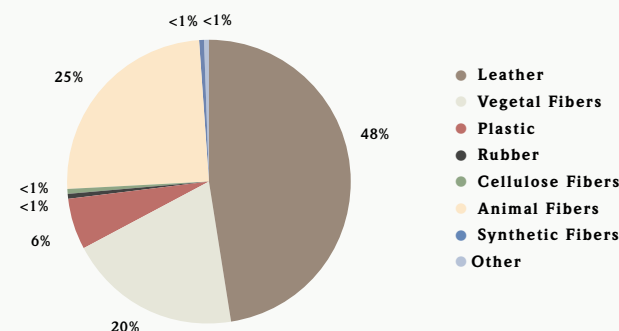
For more details on our measurement and action plan, we invite you to read our Environmental Report, to be published in June 2023.

* A carbon footprint is an evaluation of the quantity of greenhouse gases emitted (expressed in CO₂ equivalent) over the year by a company's activities. The emissions are split into 3 categories, commonly called SCOPES. Scope 1 covers all emissions emitted directly by the company, such as emissions from company-owned cars. Scope 2 covers indirect emissions related to purchased electricity, steam, heating and cooling for own use. Scope 3 involves both upstream activities such as raw materials purchases, product manufacturing, business travel and downstream activities such as warehouses and marketing emissions.

**Raw Materials: the scope considered for raw materials is from harvesting or rearing to the dying mills.

Focus on raw materials impact

CO₂ emissions per material type



Energy Efficiency

In the context of the energy efficiency plan launched by the French government in October 2022, our Headquarters put in place energy saving measures on lighting, heating and digital infrastructures: cutting down on Wi-Fi, reducing our power output with our energy supplier, optimising our building's parameters by for example, setting radiator thermostats between 19 to 21 degrees.

We reduced our energy consumption by 15% in 2022 versus 2019.

Reduction of CO₂e emissions per product

2022 Target	2022 Achieved	2025 objective
-18% CO ₂ e	-25% CO ₂ e	-30% CO ₂ e



Objective 18



45% carbon emissions offset across the supply chain

Reducing our impact rather than offsetting is our main priority and to do so we have committed to:

- Reducing our Scope 1&2 carbon emissions by 25% in absolute terms by 2025 (in line with Paris Agreement trajectory of 1,5c) and by 30% per product on our global emissions versus 2019 (see Objective 17).
- Developing circularity models (see Objective 12) to help our customers reduce their own carbon emissions.

We have successfully offset 45% of our remaining carbon emissions through certified programmes led by Richemont.

New Chloé Carbon Removal Strategy for 2023

We are aware that voluntary carbon compensation programmes have their limits, even if they are necessary for remaining emissions. With this in mind, we have reviewed our climate strategy to contribute to reaching collective and global carbon neutrality. From 2023, the carbon contribution programmes we select will be based on the following principles, six of which are mandatory and two are optional:

- Strongly linked to our value chain (prioritising raw materials with high impact on climate and biodiversity, e.g. leather).
- In close proximity to regions where we are the most active, i.e. where our CO₂e emissions are the greatest (more than 70% in Europe).
- Meets selected certifications (e.g. Label Bas Carbone or Gold standard).
- Constitutes a balanced mix of projects with short, medium and long-term carbon contribution solutions.
- Open to visitation by internal and external stakeholders.
- With administrative costs not exceeding 20%.
- Beneficial to both climate and biodiversity (optional).
- Aligned with our purpose: Women Forward. For a fairer future. (optional)

We will monitor the CO₂e sequestered annually and will prioritise the quality rather than the quantity of carbon capture programmes to which we contribute.

More information will be shared in our Environmental Report published in June 2023.



Fashion Show impact & carbon contribution

We carefully assess the CO₂e emissions of our fashion shows in collaboration with the Fédération de la Haute Couture et de la Mode (FHCM), implementing an impact measurement tool with the support of the professional services network PricewaterhouseCoopers (PwC). We also benefit from the experience of our events partner, Bureau Betak.

We work globally to reduce our emissions through a range of measures:

- Reusing and renting our materials: for our Spring Summer 2023 show, for example, all the seating was rented, the lighting structure was reused by lighting artist for other installations and the flooring was donated for other events. Part of the Autumn Winter 2022 décor – including 700m² of recycled OSB wood panels and part of the seating – was donated to the We Love Green festival in Paris.
- Donating all catering leftovers: we strive to be accurate with our catering needs to avoid waste and all unconsumed food is collected to be donated. In 2022, 125 meals were given to Linkee, a Paris-based NGO that fights against food-waste and distributes leftovers to people in need.
- Balancing out any remaining emissions through various projects: for the Spring Summer 2023 show, we chose to support a reforestation project in France, which is certified “Label Bas Carbone”, that will capture an estimated 153t of CO₂e over 5 years* and protect existing biodiversity. A minimum of six different tree species will be planted.

*final results will be established after verification by an independent auditor and an administrative verification decision



Objective 19

✓ **PARTIALLY
COMPLETED**

15% reduction of packaging weight and logistics waste & 0 PVC and plastic in our consumer packaging

In 2022 we have put in place four main areas of action to reduce our packaging weight:

- **Avoid:** discontinue the production of certain components, for instance shoe box leaflets, starting with Summer 23 collection.
- **Reduce:** the weight and size of our components, for instance the paper weight of our shoe boxes has been reduced by 25% from the Autumn 23 collection and the size of our shoe boxes has been optimised to reduce the need for protective tissue paper.
- **Replace:** substitute existing contents with lower impact packaging for instance, the tissue paper and shopping bags in our EMEA stores are produced respectively from 85% and 100% recycled paper.
- **Rethink:** reconsider and redesign our packaging following eco-design principles in order to continuously improve their weight, function (reusability) and end-of-life (recyclability).

The changes we initiated on packaging throughout 2022 will become apparent and measurable in the course of 2023. Also, we have observed a knock-on effect of substituting plastic packaging with cardboard packaging, which weighs considerably more. These are the reasons why our objective to reduce our packaging weight* and logistics waste by 15% versus 2021 has not been achieved this year.

We have however, achieved the following 2022 objectives:

- 0 single-use plastic packaging distributed to clients in our boutiques. However, we are still working on removing single-use plastic from our e-commerce packaging.
- 0 PVC packaging.

For 2023, we aim to produce all our non-textile packaging from a minimum of 85% recycled materials and all our textile packaging from 50% recycled fibers.

*The scope concerns consumer packaging only (primary packaging e.g. shoe boxes, secondary packaging e.g. shopping bags and tissue paper, as well as e-commerce packaging).

Transportation and Logistics

The transportation of our products (upstream, downstream, and relating to product returns) accounts for 19% of our CO₂e emissions in 2022.

In 2022 we led two priority measures:

- Optimising load rates of containers transporting our products by 15%, reducing empty loads on Leather Goods and Shoe categories. This objective has been achieved.
- Prioritising sea freight for 15% of our carry-over products, as sea transportation emits less CO₂e than air freight transport*. This objective has been exceeded, reaching 32%.

For 2023, new objectives have been set, including the use of road vehicles powered by cleaner fuels and extending sea transportation to 40% of our carry-over products.

*ADEME figures: <https://base-empreinte.ademe.fr/>

“The global packaging project is the opportunity to consume less and better. We are working on reducing packaging and logistics waste at every single link of the Supply Chain to significantly decrease our carbon footprint, starting with lower impact materials selection and eco-design solutions, to relocating our suppliers and reviewing our transportation modes.”

— *Delphine Lafon*,
Packaging Purchasing Manager, Chloé



Objective 20

✓ COMPLETED

Zero raw materials destroyed

ADDITIONAL OBJECTIVE

In 2022, we launched a committee to manage our deadstock materials, composed of collaborators from our Finance, Buying and Sustainability teams. Two key objectives were set for 2022:

1. Reduce our deadstock value* by 28%. This objective was surpassed as we reached 44%.
2. Develop suitable disposal channels for all material types, in line with our commitment to “Zero raw materials destroyed”. This objective was also achieved.

For branded materials (e.g. prints) we partnered with our logistic suppliers, who recycle materials following both open and closed loops:

- 1,5t were ground down and used in other industries, to produce insulation for instance (open-loop recycling).
- 3,3t were shredded and are being used in trials to produce new fabrics (closed-loop recycling).

For non-branded materials we favour:

- Reuse: we have a sample book available for all design teams to promote the reuse of materials. Next year we will implement a tool to measure the number of products manufactured with deadstock.
- Donation: 19 470 linear meters of fabric, 2 246 m² of leather and 907 pieces of trims and accessories have been donated to two schools (Institut Français de la Mode et Lycée Cholet) and to our partners, like Sarah's Bag.
- Resale: A pilot project is underway, allowing us to test selling our materials on professional resale platforms.



Our primary lever for managing our deadstock is to work closely with Operations teams on quantity buying estimation and on production planning in order to reduce leftover materials.

*our Finance Department defines the criteria for deadstock materials based on how long the stock has been dormant and evaluates the value of the stock on a yearly basis.



Objective 21

✓ COMPLETED

Define an animal welfare policy with the support of stakeholders

ADDITIONAL OBJECTIVE

Under Gabriela Hearst's artistic direction, Chloé favours the use of natural materials such as linen, wool, cashmere or leather. Conscious of the impacts animal products have on the environment, on humans and on animal welfare, we believe we must take responsibility for the welfare of the animals on which we depend. It is in this context, that we have defined and structured our animal welfare policy around 4 pillars.

1. **Traceability:** We are improving traceability from farm to finished product, as it is a prerequisite to ascertain and improve animal welfare along the supply chain.
2. **Material selection:**
 - We have identified materials in our supply chain that lack the guarantees we seek on animal welfare. These will be banned from 2023, in addition to bans already in place (see list below).
 - Since 2022, Chloé sources bovine leather only from animals raised in Europe for all leather goods production steps (from birth to processing).
 - We continue to develop the use of recycled animal materials and when sourcing virgin materials, we select those with social and environmental attributes that include traceability and animal welfare standards (see our lower impact materials policy on [chloe.com](https://www.chloe.com)). For instance, by 2025, 100% of the wool used in Chloé collections will be recycled or certified by the Responsible Wool Standard (RWS).
 - We wish to enforce the Five Freedoms (freedom from hunger and thirst; freedom from discomfort; freedom from pain, injury or disease; freedom to express normal behaviour; freedom from fear and distress) throughout our supply chain, in line with the Richemont Code of Conduct signed by all our suppliers.
3. **Innovation:** we are researching innovative materials and textiles that offer alternatives to our traditional leather-based products, e.g. in 2023, we are launching a new shoe reference composed of a plant-based, plastic free and recyclable material and a bag entirely made from textile materials.
4. **Collaboration:** we wish to build a collaborative approach to animal welfare, as we acknowledge our limits to address this topic in a transformative way alone, considering the complexity of supply chains:
 - We look to join initiatives to improve animal welfare, within and outside our sector.
 - We discuss with innovative brands and suppliers, to learn from them and develop materials or products more respectful of animal welfare.
 - We seek the support and guidance of NGOs to develop our knowledge.

“Chloe's willingness to do better for animals is shown through their continuous steps forward to improve their animal protection policies in recent years. Their progress gives us hope and we commend their team for their dedication to sustaining this positive trajectory.”

— *Jessica Medcalf*,
Animal Welfare in Textiles
Program Lead, Four Paws
International

List of materials banned by Chloé

- Fur banned since 2018
- Exotic animal leather and skins banned since 2019

Starting from 2023 we will ban:

- virgin down feather in favour of alternative materials or 100% recycled down
- kangaroo leather, yak and camel hair



Objective 22

✓ COMPLETED

Pilot Project – Launch a biodiversity assessment

2022 marked the launch of our biodiversity footprint measurement initiative, using the Global Biodiversity Score (GBS) assessment tool and Science Based Targets for Nature. This tool enables us to measure and analyse the static and dynamic impacts of our entire value chain (Scope 1, 2 and 3 upstream*) on biodiversity, according to the 5 ecosystem pressures defined by The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES): land-use and sea-use change, direct overexploitation of natural resources, climate change, pollution, spread of invasives species**.

Our results, measured with the help of CDC Biodiversité in MSA.km² (Mean Species Abundance per square kilometre), highlighted that over 95% of our negative impacts were attributable to our Scope 3 upstream. Raw materials, in particular leather and cashmere, contribute not only to climate change but also to land-use change, through livestock feeding and overgrazing.

We have put various targets in place to mitigate our impact, for example producing 90% of lower impact products by 2025, or using 85% recycled materials in our packaging (50% for textile packaging).

Further information is available in our Environmental Report, to be published in June 2023.

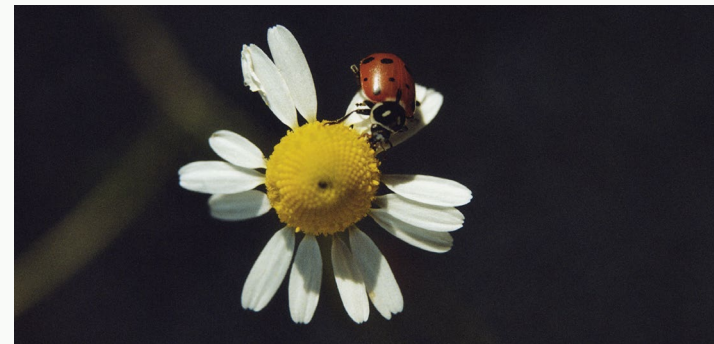
*The impacts are split into 3 categories, commonly called SCOPES, as for a carbon footprint assessment.

Scope 1 covers all direct company impacts.

Scope 2 covers indirect impacts related to energy purchased, for example.

Scope 3 Upstream covers activities such as raw material purchases and product manufacturing.

**Could not be assessed by the tool used at this stage.



	Scope 1	Scope 2	Upstream Scope 3
Terrestrial static	• <1%	• <1%	● >95%
Terrestrial dynamic	• <1%	• <1%	● >95%
Aquatic static	• <1%	• <1%	● >95%

“Chloé demonstrates a strong will to act for biodiversity and looks for measures which benefit both climate change and biodiversity, while delivering high-quality products to consumers. The Global Biodiversity Score-based assessment conducted in 2022 highlighted the importance of engaging suppliers to reduce impacts from raw materials production, in particular for high-impact materials such as leather and cashmere.”

— Joshua Berger,

Head of the Biodiversity Footprint Department, CDC Biodiversité



Conclusion

Objectives 2023

1. Reinforce our purpose-driven organisation transformation: B Corp Task Force & prepare our 2030 strategy in line with our mission-driven company ambition (Société à Mission).
2. Start deploying our new circularity approach (incl. repair & resale options).
3. Transition to a structured reporting approach.



People



Sourcing



Communities



Planet

2023 Objectives	2023 Objectives	2023 Objectives	2023 Objectives
100% of collaborators have access to a Sustainability Training Path, with compulsory trainings for Product Teams on Lower Impact Materials & Circularity	>65% of lower impact materials on average on Chloé Ready-to-wear	4 local Women Forward Partnerships active in France, US, China & Japan	-27% reduction of global emissions per product*, 3 projects of carbon removal offering biodiversity co-benefits
100% publication of gender pay gap in all countries	>20% Fair Trade & Social Sourcing on Chloé Ready-to-wear manufacturing	0,3% of revenue allocated to external initiatives for gender equality in line with our objective of 1% of our revenue by 2025	-21% reduction of water consumption*
16 hours of volunteering time available per collaborator and per year, to reach a total of 2000 hours	100% Digital ID deployed on Ready-to-wear and Shoes	100% Ready-to-wear manufacturing suppliers participating in our SP&L approach, deployment and capacity building action plan	0 virgin synthetic fibers on Ready-to-wear by Winter 24 Collection**
	Additional objective 5% of Ready-to-wear and Leather Goods with raw materials fully traceable from the field		Additional objective 15% reduction of packaging weight (consumer and BtoB), compared to 2021

*Compared to 2019
**Except elastane and sewing thread

Conclusion

2022 marks the second year of our transformation. While we are proud of the progress we have made and the lessons we have learned, we are aware of the many changes that we still need to make for us as a Maison and for our industry as a whole.

We are convinced that this journey requires long-term commitment and vision, but we also believe that we need to set realistic short to medium-term objectives to pave the way. Economically, socially, environmentally, and legally, our ecosystem moves at such a fast pace that setting long-term objectives for 2040 will no doubt require adjustments to remain relevant to the ever-changing landscape. This is why when we launched our transformation strategy, we set objectives for a 2025 horizon. Our objectives were set to drive concrete and immediate action, whilst in tandem, profoundly rethinking the way we operate as a business to ensure long-term change. As 2025 draws closer, we plan to set and publish new reinforced objectives by the end of 2023, updating the materiality assessment we last performed in 2021. This assessment is a key tool in our sustainability journey, enabling us to identify, contextualise and prioritise material ESG topics by engaging with a variety of internal and external stakeholders.

We commit to transparency and accountability towards our partners, clients and society as a whole and will work towards achieving lasting transformation while maintaining measurable objectives and concrete action.

Achieving B Corp certification in 2021 was the first step in our long-term commitment to transforming our business. The launch of our Women Forward Partnerships and the pilot of our Chloé Vertical project in 2022 are two further achievements that demonstrate this commitment. We are also now proud to announce that we have recently become a mission-driven company. Mission-driven companies believe that it is possible to have a positive impact on social or environmental issues while considering all stakeholders and staying committed to product development, profit, social responsibility, and sustainability. This status means that the Maison is not only accountable for achieving financial goals but also for meeting environmental and social targets.

We would like to wholeheartedly thank all our Chloé teams for their tireless dedication and support to drive our vision forward. Change does not happen overnight, but we are truly committed to continuously improving our impact.

Women Forward. For a fairer future.

Chloé