

Chloé

SUSTAINABILITY STRATEGY
GUIDELINES FOR SOURCING
2024 – VERSION 4



INTRODUCTION

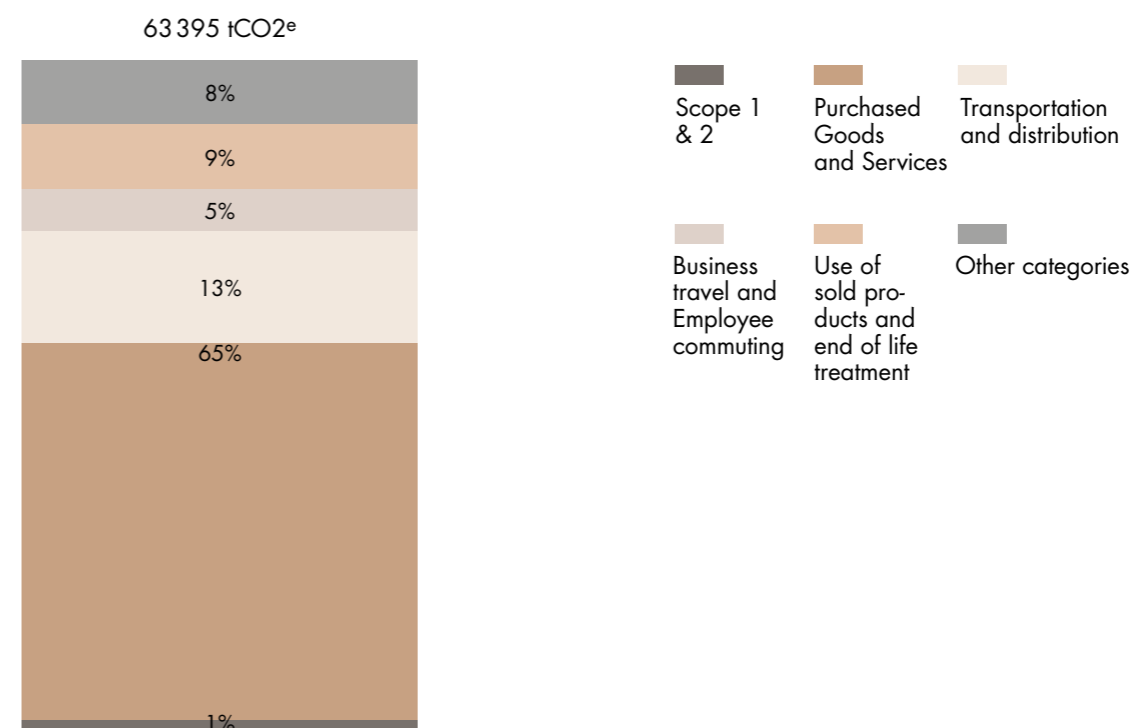
Sourcing is central to reach our Maison main goal: creating beautiful, desirable and lasting products with a lower environmental impact. For example, based on our 2023 global carbon footprint, 35% of our impact comes from the raw materials (as part of our “Purchased Goods and Services” category). This why the raw materials we source and how we source them is one of our top priorities.

This has prompted us to work with external experts to develop these internal guidelines for Responsible Sourcing, followed by all Chloé Maison departments.

In our guidelines, we emphasize the importance of sustainable practices across our supply chain, with a series of rules and policies for the sourcing of raw materials, manufacturing processes and packaging.

In line with our commitment to promote responsible sourcing, our guidelines are updated and published every year, available for download on Chloé.com.

2023 GLOBAL CARBON EMISSIONS (in tCO2e)



AT CHLOÉ, RESPONSIBLE SOURCING ISN'T JUST A CHOICE; IT'S A COMMITMENT TO INTEGRITY, SUSTAINABILITY AND ETHICAL STEWARDSHIP, ESSENTIAL FOR UPHOLDING OUR MISSION. SHARING THESE GUIDELINES PUBLICLY REFLECTS OUR DEDICATION TO SCALING UP TRANSPARENCY AND RESPONSIBLE SUPPLY CHAINS.

Christophe Bocquet, Responsible Sourcing Director

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RAW MATERIALS



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MAIN RAW MATERIALS

VEGETAL FIBERS	ANIMAL FIBERS	LEATHERS	SYNTHETIC FIBERS	MAN-MADE FIBERS	METAL
COTTON, LINEN, HEMP	SILK, WOOL, CASHMERE	BOVINE, GOAT, SHEEP, SHEARLING	POLYESTER, ELASTANE, POLYAMIDE	VISCOSE	METALLIC HARDWARE

LOWER IMPACT MATERIALS

AS 35% OF OUR CARBON FOOTPRINT COMES FROM THE RAW MATERIALS, WE HAVE BEEN FOCUSING ON INCREASING THE SHARE IN OUR COLLECTIONS OF WHAT WE CALL LOWER IMPACT MATERIALS.

DESCRIPTION

Compared with their conventional equivalent, *lower impact* materials take into account—based on facts, science based assessments—carbon emissions, water footprint, biodiversity loss, and where applicable improvement of animal welfare. For instance, we consider that organic cotton or recycled silk are *lower impact* materials because they result in reduced impacts on the environment.

RULES TO DEFINE LOWER IMPACT MATERIAL

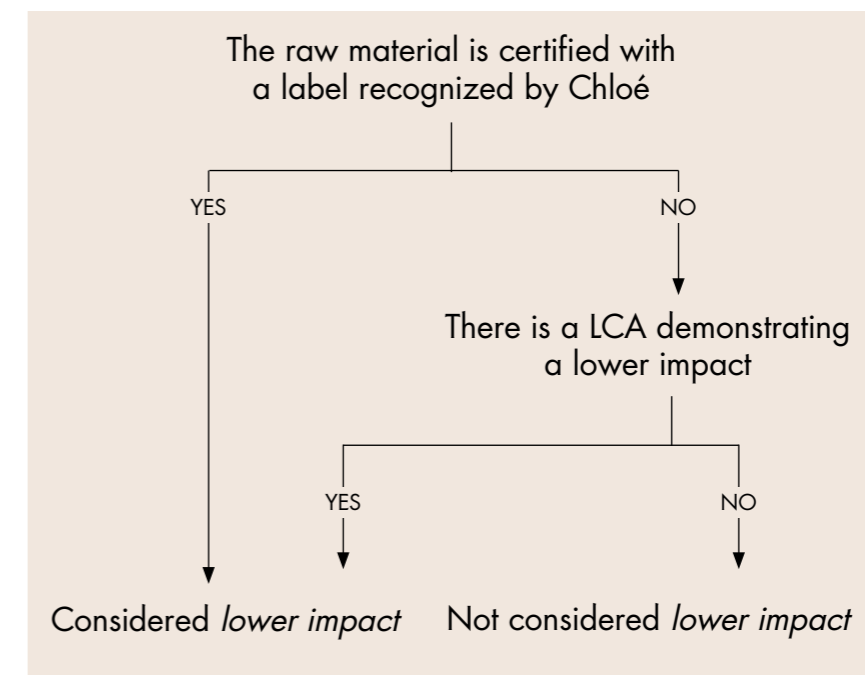
We consider a raw material as *lower impact* if:

- It is certified with a standard recognized by Chloé (full list p.6).
- And/or there is a Life Cycle Assessment (LCA) available, demonstrating a significantly lower environmental impact compared with the conventional material. The LCA is recognized as the most robust methodology in terms of environmental impact assessment, and we collaborated with external experts to carry out LCA for raw materials (more details p.19).

Notes :

- We consider Chloé's leftover material as lower impact, including base fabric for potential future embellishment (e.g. embroidery or printing). Leftovers are materials that are to be reused or repurposed.

- Rules for lower impact materials also apply for threads & trims.



MAIN STANDARDS WE RECOGNIZE

THE BELOW TABLE LISTS INDUSTRY SUPPLY CHAIN CERTIFICATIONS, STANDARDS OR BRANDS THAT ARE RECOGNIZED BY CHLOÉ. THESE STANDARDS MUST COVER CLIMATE CHANGE MITIGATION, PROTECTION OF BIODIVERSITY, ANIMAL WELFARE, WATER FOOTPRINT AND SOCIAL IMPACT. THIS LIST IS NON-EXHAUSTIVE AND WILL BE REGULARLY UPDATED.



Global Organic Textile Standard (GOTS) is the leading textile processing standard for organic fibers. The aim of this standard is to define worldwide, recognized requirements that ensure organic status of textiles.



The Responsible Wool Standard (RWS) addresses the welfare of sheep and the land they graze on, ensuring that wool comes from farms that have a progressive approach to managing their land, practice holistic respect for animal welfare of the sheep and respect the Five Freedoms of animal welfare.



The Organic Content Standard 100 (OCS100) is an international, voluntary standard that sets requirements for third-party certification of certified organic input and chain of custody. The goal of the OCS is to increase organic agriculture production.



ZQ is a merino wool certification, setting high standards for fiber quality, animal welfare as well as environment and social responsibility.



Global Recycled Standard (GRS) is an international, full product standard that verifies the recycled content of products and responsible social, environmental and chemical practices in their production. The goal of the certification is to increase the use of recycled materials in products.



The Responsible Down Standard (RDS) recognize the humane treatment of ducks and geese used for collecting down insulation, prohibiting practices such as live-plucking, moult- harvesting and force-feeding. RDS ensures complete traceability across the supply chain and recognize the Five Freedoms approach.



Recycled Claim Standard 100 (RCS100) is used to certify any product containing 95-100% recycled content, without certifying the raw material. It is a voluntary, third party certification, does not address social or environmental issues and simply ensures transparency from the recycling stage the final selling of the product.



The Leather Working Group (LWG) is an organization whose members are stakeholders, right from tanneries to retailers, in the leather supply chain. The LWG has audit protocols to certify the environmental compliance of its leather manufacturing members. Chloé recognize the bronze, silver or gold medals.



Cradle-to-Cradle is a private certification, assessing the safety, circularity and responsibility of materials and products across five categories of sustainability performance: material health, product circularity, clear air & climate protection, water & soil stewardship and social fairness.

CHLOÉ LIST OF LOWER IMPACT RAW MATERIALS

	Main raw materials	Lower impact materials	Justifications of <i>Lower impact</i>
Vegetal fibers	Cotton	Recycled cotton	Certified (GRS, RCS100) & LCA
		Organic cotton	Certified (GOTS, OCS100) & LCA
	Linen	Recycled linen	Certified (GRS, RCS100)
		European linen	LCA
		Organic linen	Certified (GOTS, OCS100)
	Hemp	Recycled hemp	Certified (GRS, RCS100)
Organic hemp		Certified (GOTS, OCS100)	
Marmara™ hemp		LCA available	
Animal fibers	Cashmere	Recycled cashmere	Certified (GRS, RCS100)
		Re.Verso™	LCA available
	Silk	Recycled silk	Certified (GRS, RCS100)
		Organic silk	Certified (GOTS, OCS100) + LCA
	Wool	Recycled wool	Certified (GRS, RCS100)
		Organic wool	Certified (GOTS, OCS100)
		Certified wool	Certified (RWS, ZQ regenerative wool)
		Manteco wool	LCA
	Down	Recycled down	Certified (GRS, RCS100)
Certified down		Certified (RDS)	
Leather/others	Leather	From certified tannery	Certified LWG (Bronze, Silver, Gold) + LCA
	Others	Plant-based, plastic free and recyclable from Mirum	LCA
Synthetic fibers	Elastane	Recycled elastane	Certified (GRS, RCS100)
		Creora® regen spandex	LCA
	Polyester	Recycled polyester	Certified (GRS, RCS100) + LCA
		Q-NOVA® Biobased certified polyester	LCA
	Polyamide	Recycled polyamide	Certified (GRS, RCS100) + LCA
EVO® Biobased certified polyamide		LCA	
Man-made fibers (see policy page 8)	Man-made fibers (viscose)	Recycled viscose, Naia Renew (Eastman)/Refibra (Lenzing)/Circulose (Renewcell)	Certified (GRS, RCS100) + LCA
		Others: Birla Cellulose/Ecovero viscose (Lenzing), Naia (Eastman), Sodra Oncemore/Lyocell /Tencel	LCA

OTHER RULES FOR RAW MATERIALS

ANIMAL FIBERS

The animal fibers we source must meet with Chloé's animal welfare approach ([page 11](#)). We have banned the following materials and farming practices which do not meet with it:

- Fur & angora (rabbit), camel hair
- Yak wool
- Virgin down feathers
- Live plucking and force feeding

LEATHERS

- Since 2022, bovine leather is mainly sourced from animals that have been born, raised and slaughtered in Europe.

- The leathers we source are by-products of the meat and dairy industry.

- The leathers we source must meet with the Chloé's animal welfare approach ([page 11](#)). We have banned the leathers which do not meet with it:

- Pork leather
- Kangaroo Leather
- Leather from endangered species or protected by CITES against over-exploitation through international trade ([full list here](#)).

ARTIFICIAL FIBERS

- Viscose is a man made cellulosic fiber coming from a natural raw material: wood pulp.

- To avoid deforestation, the conventional viscose we source must come from sustainably managed forests: either FSC certified or produced by suppliers with at least 28 at the Hot Button Score from Canopy.

- We prefer the sourcing of lower impact viscose, which means either using recycled materials or produced with a lower impact manufacturing process, reducing the consumption of water and chemicals ([full list p.7](#)).

SYNTHETIC FIBERS

- We have banned the use of PVC because of lack of industrial solution to recycle it.

METALLIC PIECES

- We recommend the galvanic process option for its lower impact in term of energy consumption, water usage and chemical usage.

- We prefer recycled metallic materials, for instance recycled zamack or tin.

- For any questions regarding gold and silver traceability, we always refer to the Responsible Jewellery Council.

OTHER BEST PRACTICES

- We take into account raw materials' end of life in order to avoid microplastic pollution for instance. This is why we encourage the use of natural materials rather than synthetic ones in our collections in order to gradually eliminate synthetic fibers.

LOWER IMPACT PRODUCTS

CHLOÉ HAS COMMITTED TO REACH MORE THAN 90% *LOWER IMPACT* PRODUCTS BY 2025. FOR A PRODUCT TO BE CONSIDERED AS *LOWER IMPACT*, IT MUST FOLLOW SPECIFIC RULES DEPENDING ON ITS CATEGORY.

RULES TO QUALIFY PRODUCT AS LOWER IMPACT

READY-TO-WEAR & LEATHER GOODS



A Ready-to-wear or Leather good product is considered *lower impact* if its main material (above 80% of the product weight) is *lower impact*.

Note: 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*.

SHOES



Shoes are composed of two parts:

A = upper/lining

B = sole

Both parts can be considered *lower impact*.

We consider the shoes as *lower impact* if 50% of its total weight (A+B) is composed of *lower impact* material(s).

<i>lower impact</i> products in the assortment in 2023		
Ready-to-wear	LG	Shoes
66%	90%	93%

FULLY TRACEABLE MATERIALS & PRODUCTS

CHLOÉ HAS COMMITTED TO REACH MORE THAN 15% *FULLY TRACEABLE* PRODUCTS BY 2025. FOR A PRODUCT TO BE CONSIDERED AS FULLY TRACEABLE, IT MUST FOLLOW SPECIFIC RULES DEPENDING ON ITS CATEGORY.

FULLY TRACEABLE RAW MATERIAL

A *fully traceable* raw material has a full known supply chain which is auditable, verifiable and constant during the production of an article. For each step of the supply chain, we require the names, addresses and precise regions (province, county, country) of the suppliers involved, including those of subcontractors.

Notes:

- For fabrics or leathers, we do not require the farmers' name but only the number of farms and farmers involved. However, individual farmers may be contacted for environmental projects such as Life Cycle Assessments or regenerative agriculture studies.

- A raw material cannot be qualified as *fully traceable* if there is a trader or intermediary involved. For instance, for leather, we require a direct business transaction between the slaughterhouse and the tannery.

- For blended fabrics, all raw materials must qualify as fully traceable for the fabric to be *fully traceable*.

FULLY TRACEABLE PRODUCT

A Ready-to-wear or Leather Goods product is considered *fully traceable* if its main material is *fully traceable*.

Note: All Required information and documentation are saved under transactional form: purchase orders, delivery bills, blockchain certificates... We can also request Transaction Certificates which may be saved in our product data base.

Fully traceable products in the assortment in 2023	
Ready-to-wear	LG
7%	11%

CHLOÉ'S ANIMAL WELFARE APPROACH

AS WE CARE FOR FOR THE WELFARE OF THE ANIMALS ON WHICH WE DEPEND, WE HAVE STRUCTURED OUR APPROACH ON ANIMAL WELFARE AROUND 3 PILLARS.

1 RESPONSIBLE SOURCING

- Improve traceability to ensure our sourcing policies are respected, to identify levers of improvement and to build relationships within our supply chain.
- Develop the use of recycled animal-based materials and when sourcing virgin materials, select those with social and environmental attributes that include traceability and animal welfare standards when available.
- Follow the Five Freedoms (freedom from hunger and thirst; freedom from discomfort; freedom from pain, injury or disease; freedom to express normal behavior; freedom from fear and distress) throughout our supply chain, in line with the Richemont code of conduct signed by all our suppliers.

2 INNOVATION

- Research innovative materials and textiles that offer alternatives to our traditional leather-based products.
- Working with external expert to certify Chloé product free of animal bases components (ex. Woody Nylon certified vegan)

3 COLLABORATION

- 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.
- Join initiatives to improve animal welfare, within and outside our sector.
- Discuss with innovative brands and suppliers, to learn from them, and develop materials or products more respectful of animal welfare
- Seek the support and guidance of NGOs to develop our knowledge.

Banned materials and farming practices which do not meet with our animal welfare approach (more details [page 8](#)):

- Fur & angora (rabbit), camel hair
- Yak wool
- Virgin down feathers
- Live plucking and force feeding
- Pork leather
- kangaroo leather
- leather from endangered species or protected by CITES
- bovine leather sourced from animals that have been born, raised and slaughtered outside of Europe.

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MANUFACTURING



PREREQUISITE GUIDELINES FOR SUPPLY CHAIN PARTNERS

WE BELIEVE THAT A PARTNERSHIP-BASED APPROACH IS THE KEY TO ACHIEVE AMBITIOUS CHANGES THAT WILL CONTRIBUTE TO LOWERING FASHION INDUSTRY IMPACTS. WHICH IS WHY WE PUBLISHED A NON-EXHAUSTIVE LIST OF OUR GUIDELINES MADE FOR OUR SUPPLIERS REGARDING SUSTAINABILITY, AVAILABLE ON CHLOE.COM.

REQUESTED COMMITMENTS

We demand our suppliers to sign and complete the below documents

1. Richemont Code of Conduct is signed (available at this [link](#) in English, and other languages)
2. SCCC (Supplier Chemical Compliance Commitment) to be signed once
3. PRSL (Product Restricted Substances List) has been reviewed and signed (needs to be reviewed every year) (available at this [link](#))
4. IRF (Information Request Form) – Facility profile

Note: Our commitment to traceability implies that suppliers are also required to comply with these documents.

SOCIAL AUDITS POLICY

Prior to any business relationship, Chloé starts an evaluation based on audits done for other clients (as long as they comply with Ethical Trade Initiative guidelines), on-site visits or other documents.

Following that, Chloé can conduct at any time its own social audit using SMETA specifications, with the support of SGS, ELEVATE or Bureau Veritas. These audits are financed by Chloé SAS, and will happen regularly based on suppliers' social audit results. In some cases, follow up audits and action plans will be needed between 3 to 6 months after the initial audits.

Additionally, Chloé strongly recommends all its suppliers to join the Sedex platform.

SOCIAL SOURCING FRAMEWORK

CHLOÉ HAS COMMITTED TO REACH MORE THAN 30% PRODUCTS MADE WITH SOCIAL IMPACT REQUIREMENTS IN THE READY-TO-WEAR ASSORTMENT BY 2025.

At Chloé, we consider that products that have been produced by socially responsible manufacturers, support economic inclusion and reduce social inequalities. To identify such manufacturers, Chloé recognizes a certification, built a Social Sourcing framework and work with social entities:

1 Manufacturer certified as World Fair Trade Organization (WFTO) guaranteed member:

The WFTO is a global membership organization of social enterprises fully practicing Fair Trade. Its Guarantee System is the only international verification model focused on social enterprises that put the interests of workers, farmers and artisans first. Social enterprises reinvest a significant part of their profits in their social mission. We have been working with the WFTO since 2020.

2 Manufacturer following our Chloé Social sourcing framework

This contract qualifies the responsible business relationships Chloé has with some of its suppliers. Eligibility is based on a SMETA audit, the achievement of an S P&L assessment (Methodology Note & User Guide here) and the Living Wage evaluation by Fair Wage Network. Also, seven additional addendums gives rights and duties to Chloé and its supplier in order to encourage and support impactful projects (environmental and social).

3 Social entities:

Social entities designate a set of organizations which can be companies, cooperatives, mutual societies, association or foundations which place people at the centre of their activity and whose social impact is a prerogative in their missions. They can reinvest part of their profit for the benefit of social projects but can also be non-profit organizations and their governance must be democratic and participatory. We follow an integration process to qualify an organization as "Social Entity".

RULE

FOR A PRODUCT TO BE
CONSIDERED AS PART OF
OUR SOCIAL SOURCING, IT MUST
HAVE BEEN PRODUCED EITHER
BY A WFTO GUARANTEED
MEMBER, A SOCIAL ENTITY
OR A COMPANY COMPLYING
WITH OUR SOCIAL SOURCING
FRAMEWORK.

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PACKAGING



PACKAGING REQUIREMENTS

CHLOÉ HAS COMMITTED TO REDUCE BY 30% ITS BtoC PACKAGING AND LOGISTIC WEIGHT BY 2025 (COMPARED TO 2021), AS WE ACHIEVED THE TARGET TWO YEARS AHEAD OF SCHEDULE.

DEFINITION OF PACKAGING

Packaging refers to materials used all along the product life cycle for packing and tagging. There are three types of packaging: primary, secondary and tertiary. They each have two uses: Business to Business (BtoB) and Business to Customer (BtoC).

- **BtoB:** packaging used from our manufacturers to warehouses and stores. It includes cardboard, transport boxes, polybags, hangers, protective items and logistic packaging.
- **BtoC:** packaging used for our customers. It includes primary packaging such as shoes boxes and dust bags, and secondary packaging such as shopping bags, gift boxes or silk paper.

To reduce our packaging and logistic weight, Chloé follows the 7 Rs of sustainability framework applied to Packaging principles (Rethink, Refuse, Reduce, Repurpose, Reuse, Recycle, Rot).*

		OUR MAIN OBJECTIVES BY 2025, VS 2021
RETHINK	Rethink whether there is more a sustainable packaging option.	100% of our packaging integrate recycled content (a minima 50% for textile and 85% for other materials)
REFUSE	Refuse by discontinuing the production of or by using certain components.	- Not using virgin plastic and PVC Packaging. - Avoiding colored paper packaging, trims such as magnet, limiting inks and prefer water-based inks.
REDUCE	Where you cannot avoid, reduce.	Reducing by 30% BtoC packaging and logistic waste, versus 2021.
REPURPOSE	Repurpose is about transforming materials into something useful or lower impactful.	Complying with certifications required: FSC Mix, FSC 100%, GRS, GOTS, OCS100.
REUSE	The longer a product is used, the less of an environmental impact it has.	Launching a pilot scheme for the collection and reuse of one of our BtoB packaging products.
RECYCLE	Material recycling that keeps materials at their highest value.	- Ensuring logistic packaging are sorted and recycled in our warehouses and Boutiques - Preferring mono material solutions and avoiding mixing paper with other materials.
ROT	Composting is the last solution when no better solution exists, such as for polybag.	Sourcing plastic with bio-based content and with required certifications.

* Source: [The 7 Rs sustainable packaging framework: Systematic review of sustainable packaging solutions in the apparel and footwear industry–ScienceDirect](#)

MAIN PACKAGING USED

TO ILLUSTRATE OUR PACKAGING COMMITMENTS, THERE ARE SOME KEY EXAMPLES BELOW OF MAIN PACKAGING USED AT CHLOÉ MAISON, WITH THEIR USAGE AND PREFERRED RAW MATERIALS. THIS LIST IS NON-EXHAUSTIVE AND EXCLUDED TERTIARY PACKAGING.

MAIN PACKAGING	USAGE	RAW MATERIALS RECOMMENDED
Hangers (BtoB)	Transportation	Recycled paper
Polybags (BtoB)	Protection	Recycled paper or biobased content plastic
Dustbags, garments bags, pouches, enveloppe (BtoC)	Protection	Recycled coton
Shoes box, Fashion Accessories box (BtoC)	Protection	Recycled cardboard
Shoppings bags, tissue paper (BtoC)	Protection and transportation	Recycled Paper

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APPENDIXES



APPENDIX 1

LIFE CYCLE ASSESSMENTS

THE BELOW TABLE LISTS THE RAW MATERIALS CONSIDERED BY CHLOÉ AS *LOWER IMPACT* BECAUSE OF AN LCA DEMONSTRATING A POSSIBLE AND/OR SIGNIFICANT LOWER ENVIRONMENTAL IMPACT. THIS LIST WAS ESTABLISHED BASED ON CHLOÉ EXPERTISE AND THE COLLABORATION WITH EXTERNAL EXPERTS SUCH AS QUANTIS AND EVEA CONSEIL.

	Materials considered Lower Impact	Types of LCA*	Notes of LCA results	Date	Source
Natural vegetal fibers	Organic cotton	Full LCA, ISO compliant	Lower impact material for most of the environmental indicators except for water use.	2019	Here
	Recycled cotton	Full LCA	Recycled cotton is lower impact if a mechanical recycling process is used.	2016	Here
	European linen	Internal data from WALDB			
	French linen (from Vertical project)	Full LCA, ISO compliant	LCA conducted by Chloé for the Vertical project.	2022	
	Marmara hemp	Screening LCA	Only results of the LCA are available.		
Natural animal fibers	Organic silk (from Vertical project)	Full LCA, ISO compliant	LCA conducted by Chloé for the Vertical project.	2022	
	Wool (from Vertical project)	Full LCA, ISO compliant	LCA conducted by Chloé for the Vertical project	2022	
	Recycled wool	Full LCA, ISO compliant		2022	Here
	Recycled wool (Manteco M Wool)	Full LCA, ISO compliant		2022	Here
Leather	LWG certified leather	Full LCA, ISO compliant	LCA conducted by Richemont.	2023	
	French calf (from Vertical project)	Full LCA, ISO compliant	LCA conducted by Chloé for the Vertical project.	2022	
Other materials	Plant-based material Mirum	Full LCA	Non-public LCA conducted by Richemont.	2021	
Artificial fibers	Viscose made from recycled pulp originating from clothing inputs	Full LCA, ISO compliant		2017	Here
Synthetic fibers	Recycled polyester	Internal data from WALDB			
	Biobased certified polyester	Screening LCA	May be lower impact, depending on the feedstock choice and agricultural practices.		Here

* Types of LCA:
 - Full LCA, ISO compliant: LCA conducted and reviewed by an external third-party to meet with ISO 14040 standard.
 - Full LCA: provides a general good understanding of the environmental impacts of a product but there is no external critical review.

- Internal data from WALDB: the —World Apparel and Footwear Life Cycle Assessment Database founded by Quantis delivers robust data for environmental impact assessment.
 - Screening LCA: a quick assessment of the environmental impacts. Considered as lower impact by Chloé, taking into consideration a level of uncertainty because data are neither public nor verified by an external reviewer.

APPENDIX 2 UPDATE RECORD

DOCUMENT NAME	VERSION	PUBLICATION	ADDITIONAL CONTENT
Attributes for lower impact materials	1	March 2021	<ul style="list-style-type: none"> - Lower impact attributes and rules for raw materials and products - List of lower impact raw materials - List of recognized certifications
Attributes for lower impact materials	2	May 2022	<ul style="list-style-type: none"> - Extended rules for lower impact materials - Extended assessment of recognized certifications - Section for Life Cycle Assessments on raw materials
Sustainability Strategy – Guidelines for Sourcing	3	April 2023	<ul style="list-style-type: none"> - Dedicated sections for lower impact materials and products - Rules for fully traceable and vertical products - Section for fair trade & social impact framework - Section for animal welfare policy - Section for packaging requirements - Minor updates of content and graphic standards
Sustainability Strategy – Guidelines for Sourcing	4	June 2024	<ul style="list-style-type: none"> - Section Raw materials with updated content and new rules for lower impact viscose - Section Social Sourcing renamed “manufacturing” and updated with new framework and added page for supply chain guidelines - Page “animal welfare policy” moved into section Raw materials - Section Packaging updated with “7’Rs of packaging pathway” and new page for main packaging used - Additional LCA listed in appendixes - Minor updates of content and graphic standards

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