



CAPRI  
HOLDINGS LIMITED

2022 ANNUAL UPDATE

CORPORATE  
SOCIAL  
RESPONSIBILITY

VERSACE

JIMMY CHOO

MICHAEL KORS





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An aerial photograph of the ocean, showing deep turquoise water with white-capped waves. The perspective is from directly above, looking down at the water's surface.

# INTRODUCTION



## A LETTER FROM OUR CHAIRMAN AND CEO

Capri Holdings is a company deep with purpose. Whether it's doing our part to foster a more resilient environment, promote diversity and inclusion or give back to those in need, *Capri Cares* about the planet and its people.

It is that purpose that drives us forward as we pursue our ambitious CSR goals with even more intention. Despite our world changing profoundly over the past two years I am proud of one thing that never wavered – our Capri community's commitment to *care*.

To deliver on the promise of our purpose we are taking a holistic approach to improving the way we work to better the world in which we live. We recently completed our 2022 materiality assessment and have identified the most relevant environmental, social and governance topics to our stakeholders and our company. In the months ahead we will continue to prioritize these material CSR topics to ensure Capri is driving meaningful change in the areas where we can have the greatest positive impact.

The results of this assessment also directly reinforced our net zero climate strategy. Climate change affects us all and our company remains committed to doing our part to create a more resilient planet. I am pleased to share that last month the Science Based Targets initiative approved our Scope 1, 2 and 3 greenhouse gas targets and confirmed that our direct emissions target is aligned with the 1.5°C pathway – the most ambitious level they validate.

Across the globe we also strive to promote an environment of inclusivity and seek to create positive impact in the places where we live and work. Collaboration and community continued to fuel our journey in 2022 to care for those in need, as evidenced by the dedication of our long-standing philanthropic partners the United Nations World Food Programme, God's Love We Deliver, Women for Women International and Delivering Good. The Capri Holdings Foundation for the Advancement of Diversity in Fashion and its partners also took foundational steps toward their goal of promoting equity and driving long-term change in the fashion industry. In that same spirit I am proud of our company's continued philanthropic giving with its \$10 million pledge to the newly established Versace Foundation, in furtherance of the foundation's mission of raising support for the global LGBTQIA+ community.

Capri Holdings has a responsibility and an opportunity to drive positive change for our stakeholders. That responsibility starts with communicating openly about our CSR strategy and progress toward our sustainability ambitions. In the pages that follow you will learn more about the work we are doing to bring our purpose – *Capri Cares* – to life. We are pleased with the progress we have made over the past year and look forward to continuing to share the work we are doing to create a more sustainable and equitable future for all.



**John D. Idol**  
Chairman and Chief Executive Officer

## OUR COMPANY

### *Iconic Brands, Glamorous Style*

CAPRI HOLDINGS is a global fashion luxury group consisting of iconic, founder-led brands Versace, Jimmy Choo and Michael Kors. Our commitment to glamorous style and craftsmanship is at the heart of each of our luxury brands. We have built our reputation on designing exceptional, innovative products that cover the full spectrum of fashion luxury categories. Our strength lies in the unique DNA and heritage of each of our brands, the diversity and passion of our people and our dedication to the clients and communities we serve.



## OUR BRANDS



Versace, recognized as one of the world's leading fashion luxury houses, is synonymous with Italian glamour and style. Founded more than 40 years ago in Milan, Versace is renowned throughout the world for its iconic and timeless heritage, unmistakable design aesthetic and unparalleled craftsmanship.



Jimmy Choo is a leading global luxury house with an empowering sense of glamour and a playfully daring spirit. Since its founding in London in 1996, Jimmy Choo continues to be known for its red-carpet celebrity dressing and exceptional craftsmanship.



Michael Kors is a world-renowned, American fashion luxury lifestyle house. Established in New York City in 1981, Michael Kors is known for its jet-set glamour and is defined by a vision of speed, energy and optimism.

## 2022 YEAR IN REVIEW

**\$10 Million**

Investment in The Versace Foundation supporting the LGBTQIA+ community

**1.5°C-Aligned Target Approved**

By the Science Based Targets initiative

**Great Place To Work®**

U.S. Certified

**38% Reduction**

In our Scope 1 & 2 GHG Emissions from our 2019 baseline\*

**Over 30 Million Meals Donated**

Through Michael Kors Watch Hunger Stop

**62.5% Women  
25% Persons of Color**

On our Board of Directors

**91%**

Leather from tanneries certified to the highest environmental standards

**90/100**

On the Human Rights Campaign Foundation's Corporate Equality Index

**The Fashion Pact CVPPA**

Reaffirmed our commitment to renewables through new initiative

\*We measure and calculate our emissions according to the World Resources Institute Greenhouse Gas Protocol, the industry standard and international tool for carbon accounting. Our GHG emissions data has not be externally assured.



## OUR REPORTING

We are committed to regular public reporting on our environmental, social and corporate governance (ESG) risks and opportunities, and on the progress we are making toward our corporate social responsibility (CSR) goals. Our third CSR annual update report is part of this commitment to transparency. In the pages that follow, we focus on the ESG issues of greatest importance to our business and stakeholders.

This report covers our activities during our Fiscal Year 2022 (March 28, 2021 through April 2, 2022), unless otherwise indicated. This report also covers some of the major CSR-related activities our company has undertaken during the first half of our Fiscal Year 2023 (beginning April 2022).

During our Fiscal Year 2022, we conducted Capri's second annual Task Force on Climate-related Financial Disclosures (TCFD) analysis to enhance our sustainability strategy and programming. TCFD has developed a voluntary, consistent, climate-related financial risk disclosure for use by companies in providing information to investors and other stakeholders. This report is supported by disclosures aligned with TCFD recommendations and with the Sustainability Accounting Standards Board (SASB) framework, available in our report Appendix.

As a signatory to the United Nations Global Compact (UNGC), we are committed to the United Nations Sustainable Development Goals (UN SDGs) and use these goals as a lens for our sustainability initiatives. This report also constitutes our annual Communication on Progress to the UNGC. For more information on how the activities shared in this report align to the UN SDGs and the Ten Principles of the UNGC, see the Appendix to this report.

In addition to our annual CSR reporting, we respond to key industry questionnaires such as the Dow Jones Sustainability Index and the CDP Climate Change, Water and Forest Questionnaires. For the past two years, we have also completed the Sustainable Apparel Coalition's Higg Brand & Retail Module, providing our supply chain partners with a holistic view of our sustainability efforts.



# OUR ESG APPROACH

## IN THIS SECTION

Our Purpose

Our CSR Strategy

Materiality Assessment

Stakeholder Engagement

Power of Partnership





## OUR PURPOSE

### *Capri Cares*

CAPRI HOLDINGS is a company deep with purpose. Whether it's doing our part to foster a more resilient environment, promote diversity and inclusion or give back to those in need, CAPRI CARES about the planet and its people. It is that purpose that drives us forward as an organization and guides our sustainability journey.

Our mission is to inspire confidence and joy in our employees, customers and global community. We empower our luxury brands to focus their energy and resources in ways that make the greatest positive impact on product, people and our planet. We are committed to improving the way we work to better the world in which we live.

## OUR CSR STRATEGY

CSR goes hand-in-hand with our commitment to improving the way we work to better the world in which we all live.

We strive to foster a future where both people and the planet are cared for, and we believe that ethical business practices and giving back are critical to our success.

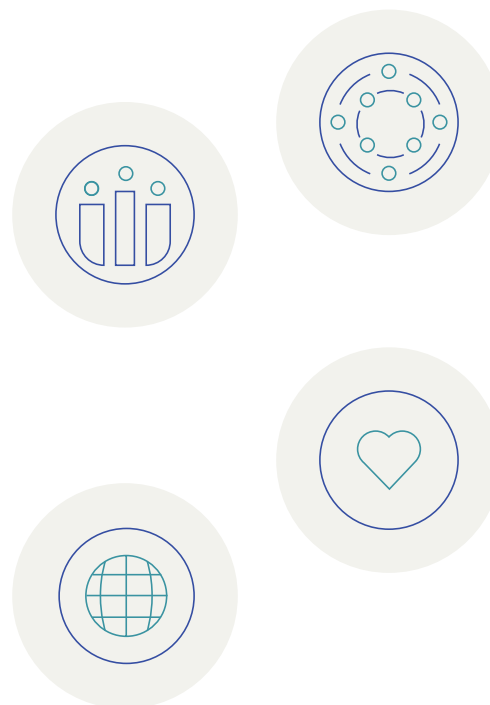
Our CSR strategy focuses on four foundational pillars – Our Governance, Our World, Our Community and Our Philanthropy. We are proud of the steps we are taking to advance our CSR strategy in support of the UN SDGs which represent a global call to action to reduce inequality, make the world a better place for future generations and ensure all people are able to live in peace and prosperity. To learn more about how we are working to support the UN SDGs, see the Appendix to this report.

### Our Governance

We believe responsible business practices start from the top, and we recognize the increasing importance of ESG matters to our business and our stakeholders. Our sustainability governance model ensures our Board of Directors, executive team and brands are aligned on the most important sustainability risks and opportunities for Capri.

### Our World

We know that the success of our company is directly linked to the sustainability of the world around us. Our brands strive to create the highest quality luxury products with longevity and sustainability in mind. Operating responsibly helps us to lower our impact on the planet and to promote industry-wide environmental change.



### Our Community

We believe we have a responsibility to those who work with us. Our company strives to promote inclusive workplaces where all of our employees are empowered and respected. We are committed to creating meaningful opportunities for our diverse Capri community to grow.

### Our Philanthropy

Giving back is embedded in Capri's culture. We remain steadfast in our commitment to support our philanthropic partners and our mission to drive positive change in the communities where we live and work.



## MATERIALITY ASSESSMENT

In 2022, we conducted our latest materiality assessment with the goal of identifying and prioritizing the most relevant ESG topics to our business and our stakeholders. In a rapidly changing world, we strive to address those sustainability issues where we can have the greatest positive impact.

We utilized a third-party consultant to develop a list of relevant ESG topics through a landscape assessment taking into account Capri's strategic priorities with regard to CSR, stakeholder feedback, an analysis of the main sustainability trends affecting our industry and a review of global reporting frameworks. As a result of this process, we identified 20 material ESG topics for our internal and external stakeholders to evaluate through a combination of in-person interviews and online surveys. Respondents were asked to assess the relevance of each ESG topic to our business and to our stakeholders.

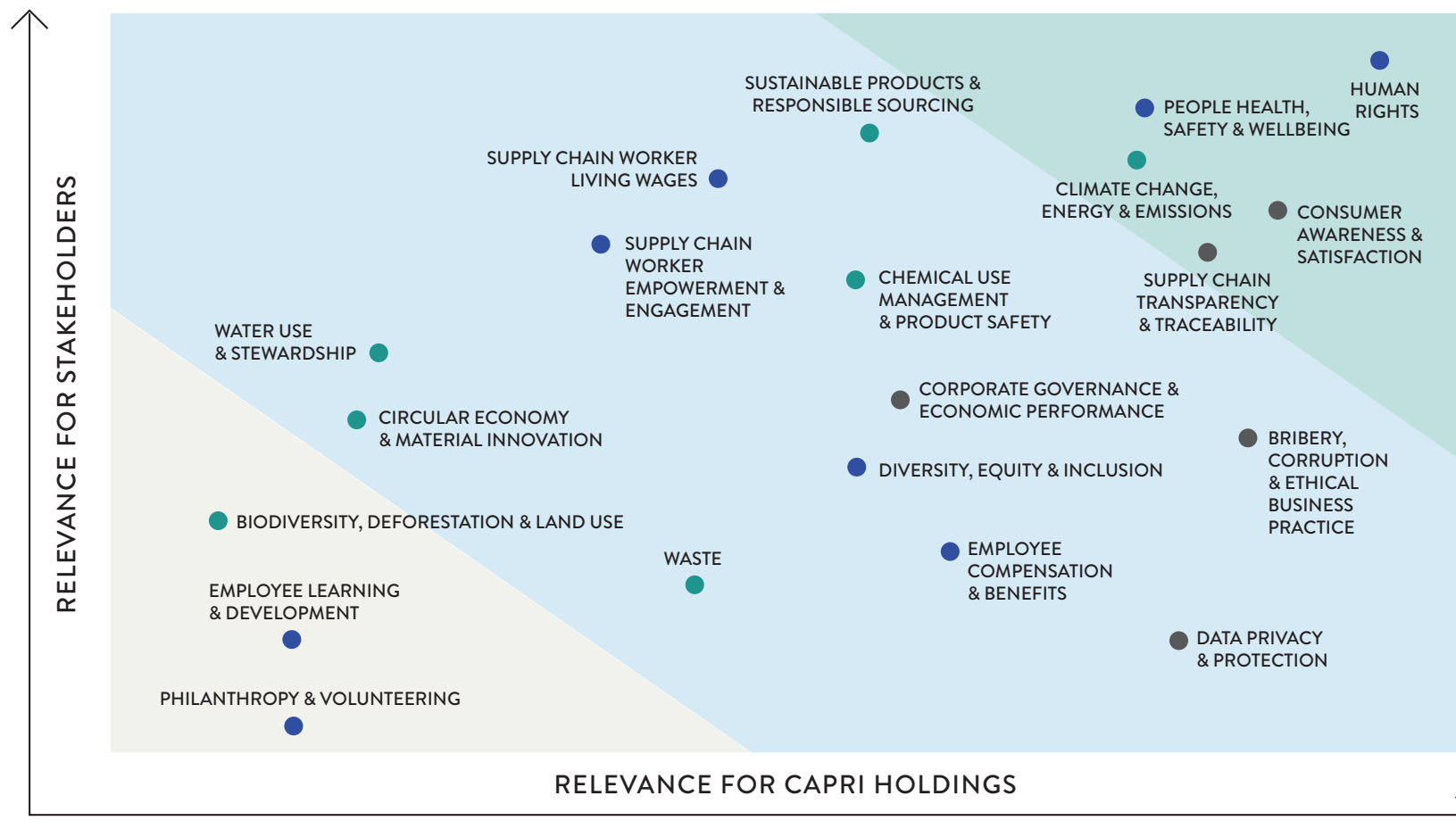
The results of this stakeholder engagement are set out in our 2022 Materiality Assessment Matrix found on the next page. Our assessment has helped to reinforce Capri's CSR strategy and inform our reporting. As a part of our commitment to transparency, the material ESG topics that were evaluated during our 2022 assessment are defined in the Appendix to this report.



## MATERIALITY ASSESSMENT

### 2022 MATERIALITY ASSESSMENT MATRIX

ENVIRONMENTAL SOCIAL GOVERNANCE



## STAKEHOLDER ENGAGEMENT

Continued stakeholder engagement around sustainability is one of the ways we assess the ESG challenges and opportunities facing our business. Regular engagement is critical to ensuring our CSR strategy remains relevant, meaningful and impactful.

### Employees

We connect regularly with our employees on environmental and social sustainability and philanthropy through internal communications, town halls, employee resource groups, engagement surveys and our confidential reporting hotline to promote our inclusive culture and ensure the wellbeing of our teams.

### Supply Chain Partners

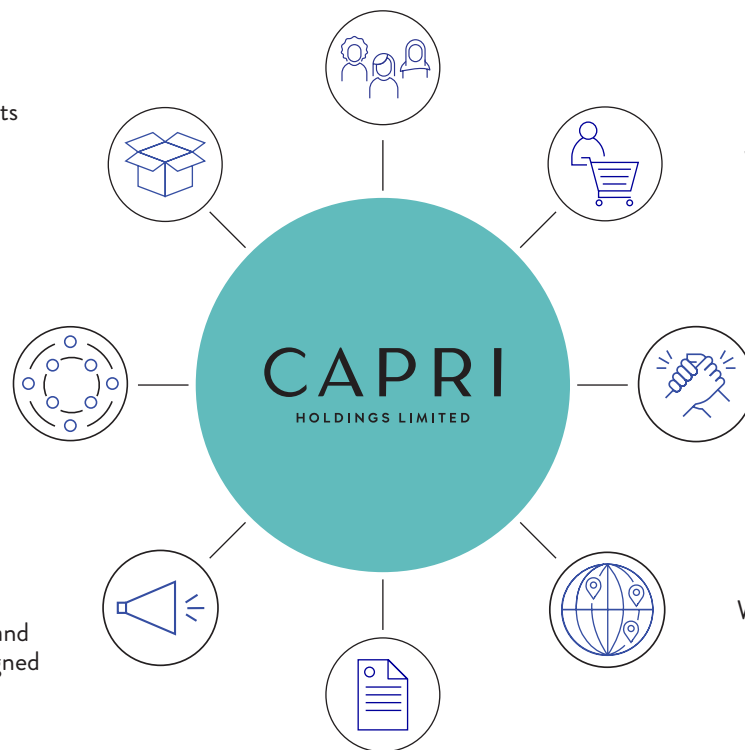
We engage with and assess our suppliers to drive greater transparency and improved social and environmental impacts within our value chain.

### Local Communities & Non-Profits

We support those in need through our corporate giving and brand philanthropic programming, while encouraging our employees to volunteer in the communities where we live and work.

### Investors & Media

We share business and ESG performance updates through our regular financial reporting, press releases, media alerts and annual shareholder meetings, along with CSR reporting aligned with TCFD recommendations and the SASB framework.



### Customers

We continue to share more information on our responsible sourcing practices, the lower-impact materials used to craft our luxury products and our philanthropic work on our websites, in our stores and through our marketing and social media activity.

### Industry Associations & Multi-Stakeholder Initiatives

We harness the power of the collective and share ESG best practices with our peers to advance the sustainability of the luxury, fashion and retail industries.

### NGOs

We collaborate with non-governmental organizations around ESG risks and opportunities relevant to our business.

### Government & Regulators

We work to ensure compliance with applicable local laws and regulations relating to ESG and our business.



## POWER OF PARTNERSHIP

We believe collaboration is critical to creating lasting change. In order to increase our collective impact, we are members of the following ESG-focused organizations and have committed to the following environmental and social sustainability initiatives. We are also proud to support our philanthropic and community partners listed below, who are working to drive a more sustainable and inclusive future for all.

American Apparel & Footwear Association (AAFA)	National Retail Federation (NRF)
Black in Fashion Council	Open To All
BRAG	The Outsider's Perspective
Breast Cancer Research Foundation (BCRF)	Parity.org
Business Ambition for 1.5°C	Pride in Fashion
Business for Social Responsibility (BSR)	RAISEfashion
Camera Nazionale della Moda Italiana (CNMI)	RE100
CDP	Responsible Business Coalition (RBC)
CEO Action for Diversity & Inclusion	SAGE
Corporate Volunteers of New York (CVNY)	Science Based Targets initiative (SBTi)
Council of Fashion Designers for American (CFDA)	Scope
Delivering Good	The Social Justice Center at FIT
Empower@Work	Sustainable Apparel Coalition (SAC)
FABSCRAP	Textile Exchange
Footwear Distributors and Retailers of America (FDRA)	The Trevor Project
The Fashion Pact	UN Global Compact (UNGC)
God's Love We Deliver	UN Women's Empowerment Principles
Harlem's Fashion Row	UN World Food Programme (WFP)
HIVE Diversity	Women for Women International
Leather Working Group (LWG)	ZDHC

Participation/partnership is generally at the Capri Holdings group-level but in certain cases may be conducted individually through Versace, Jimmy Choo and/or Michael Kors.

A photograph of two women smiling and looking at each other in what appears to be a retail or office environment. The image is overlaid with a blue tint. The woman on the left is wearing a light-colored top, and the woman on the right is wearing a dark top. In the background, there are shelves with various items, including what looks like shoes and a vase of flowers.

# OUR GOVERNANCE

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## IN THIS SECTION

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[Our Board of Directors](#)

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[Responsible Governance](#)

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[Risk Management](#)

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[Ethical Business Practices](#)

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[Our Commitment to Human Rights](#)

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[Supply Chain Compliance & Traceability](#)





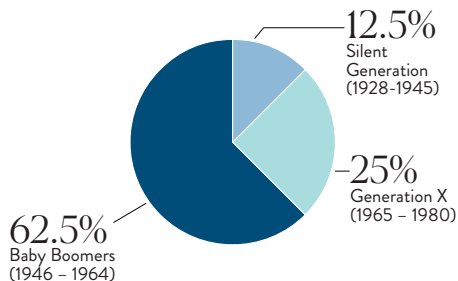
## OUR BOARD OF DIRECTORS

At Capri Holdings, good governance begins with a strong Board of Directors. Our Board plays a fundamental role in overseeing the company's strategy and risk management activities, including those related to ESG.

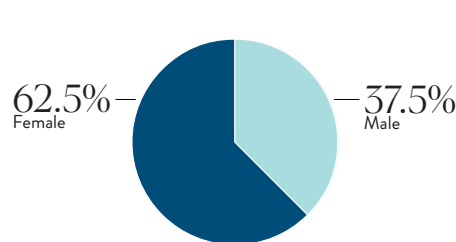
When setting Capri's CSR strategy, we knew it was critical that sustainability be integrated into our business decisions. That's why one of the first steps we took was to delegate oversight of our CSR program to our Board's Governance, Nominating and Corporate Social Responsibility Committee (Governance Committee). On at least an annual basis, our sustainability goals and action plans are presented to the Governance Committee for review and approval, along with CSR progress updates which are presented quarterly. The full Board of Directors regularly receives ESG updates from the Governance Committee and reviews our annual CSR reporting. The Board's Audit Committee also assesses ESG risks as a part of its overall enterprise risk management review, and the Board's Compensation and Talent Committee considers performance against individualized ESG goals in making executive compensation decisions. In addition to the active and independent leadership that the Lead Director brings to our Board, the independent chairs of each of our Board committees provide leadership for matters within their respective areas of responsibility.

We are proud of the diverse backgrounds and experiences that characterize our Board of Directors, including that more than half of our directors are women and one quarter of our directors are persons of color.

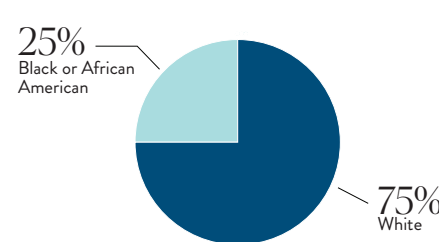
Director Generation



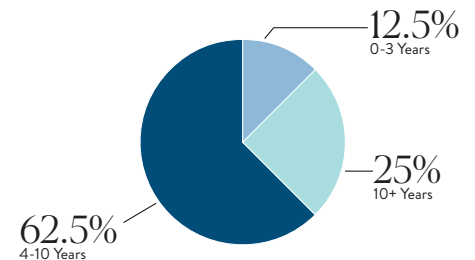
Director Gender



Director Ethnicity



Director Tenure



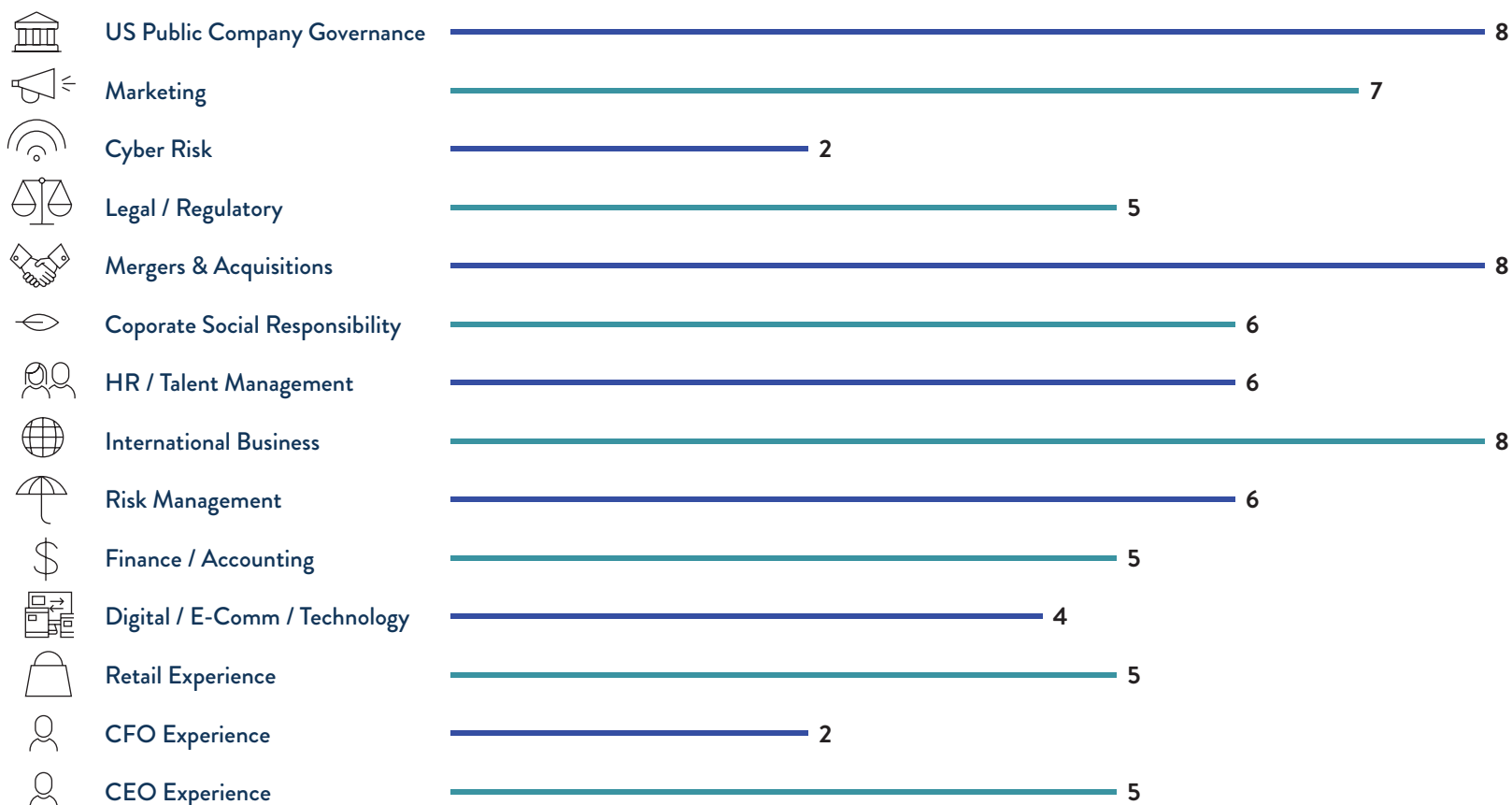


## OUR BOARD OF DIRECTORS

Our Board has eight directors from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity.

We believe that our Board's diverse skills, qualifications and experience are particularly valuable to the effective oversight of our company and the execution of our strategy. The below matrix highlights the depth and breadth of skills on our Board.

### DIRECTOR SKILLS AND EXPERIENCES



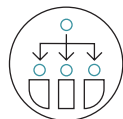
## RESPONSIBLE GOVERNANCE

We believe responsible business practices start from the top. We take seriously our commitment to CSR and embed ESG throughout our company and within our governance practices.

Our sustainability governance model includes a multi-level structure to ensure our Board of Directors, executive management team and business leaders across our brands are aligned on the most important ESG risks and opportunities for Capri.



**Our Governance, Nominating and Corporate Social Responsibility Committee** provides Board-level oversight of our CSR strategy, long-term sustainability goals and reporting.



**Our CSR Executive Committee** is made up of executive-level brand and company leadership, providing direction and support for all pillars and focus areas within our CSR strategy.



**Our Sustainability Steering Committee** includes leaders across key business functions who are responsible for driving progress toward Capri's environmental sustainability goals.



**Our Global CSR Team**, led by Capri's Chief Sustainability Officer, manages the strategy and reporting of our global CSR progress, while closely coordinating with business partners to drive implementation of sustainability initiatives throughout our organization.

Our governance model embeds sustainability throughout our business. Our ability to drive continuous improvement is closely tied to our success at ensuring our employees understand their role as active participants in our ESG journey. Beginning in our Fiscal Year 2023, 10% of our leadership's annual incentive compensation will be tied to individualized ESG goals. We believe this will hold our leaders accountable for reducing the impact our operations have on the environment, as well as to incentivize our management to promote a more diverse and inclusive workforce while continuing to give back to communities and people in need.

## RISK MANAGEMENT

Enterprise risk management (ERM) is an integral part of our business processes. Our ERM process aims to identify, measure, monitor and manage enterprise-wide risks facing Capri, including our top ESG risks.

Management is responsible for understanding and managing the risks that we face in our business, and Capri's Board of Directors is responsible for overseeing management's overall approach to risk management. Our Board of Directors has an active role, as a whole and also at the committee level, in overseeing management of our risks to ensure our risk management policies are consistent with our corporate strategy. The Board regularly reviews Capri's major strategic, operational, financial, legal, regulatory and reputational risks as well as risks relating to cybersecurity and global information systems and those related to ESG matters, along with potential options for mitigating these risks. The Board is informed of these risks through regular reports from our Chief Executive Officer, Chief Financial Officer and Chief Operating Officer, General Counsel and Chief Sustainability Officer, and other key members of senior management as well as from the chairs of each of the Board's committees. Our Board committees also consider and address risks as they perform their respective committee responsibilities. For example, our Governance Committee considers risks related to, amongst other things, ESG trends, issues and concerns including legislative and regulatory developments, that could significantly affect Capri's affairs.

One way that risks are evaluated is through an annual survey of leaders and subject matter experts across our company. Each year, our ERM process is managed by Capri's Risk Management and Internal Audit departments who work together with management to identify and assess the greatest existing and emerging risks that could impact our company's operations or ability to achieve our objectives. We assess business risks on several dimensions and create risk profiles based on likelihood of occurrence and impacts to the business. Enterprise risk profiles and related action plans for the most critical risks identified are reviewed with the Audit Committee. Capri's independent and internal auditors and other relevant third parties also work with senior management (and in connection with their oversight responsibility, the Board of Directors and its committees) to ensure that ERM is incorporated into Capri's business and strategy.

### Climate Risks

Our climate-related targets and commitments are rooted in recognition that climate change inaction poses physical, financial and reputational risks to our business and our industry. Capri does not currently use a climate-related scenario analysis to inform its strategy, however we believe our SBTi-validated targets put us on the right path to aid in the transition to a lower carbon economy and increase our resilience against climate-related risks. We continue to explore the best ways to apply a climate-related scenario analysis to our climate strategy. For the second year, we have included disclosures aligned with TCFD recommendations in the Appendix to our CSR report.



## ETHICAL BUSINESS PRACTICES

We are committed to principles of ethical business practice and recognition of the dignity of others, including responsible labor practices throughout our value chain. We strive to ensure that integrity is woven into every aspect of our business.

Our culture of ethics unites all of our employees and partners through a deep sense of responsibility. This culture is fostered by a range of company policies and practices, with our Codes of Conduct serving as its foundation. The Codes are available in multiple languages and are posted on our internal and external websites, in our own workplaces and in those of our direct supply chain partners.

**Employee Code** – Our Code of Business Conduct and Ethics (Employee Code) applies to all of our employees, officers and directors. In addition to requiring that all persons respect and obey the law, our Employee Code reflects our commitment to a safe, healthy and comfortable work environment in which all individuals are treated with respect and are free from discriminatory practices. We provide all employees with our Employee Code upon hire to guide them in ethical decisions at work. This Code is supported by other global company policies and trainings covering issues including anti-harassment, anti-discrimination and conflicts of interest.

**Supplier Code** – Our Code of Conduct for Business Partners (Supplier Code) applies to all of the company's and its brands' suppliers, including our third-party supply chain partners and product licensees. Our Supplier Code conveys our expectations around wages, benefits and working hours; prison, forced and child labor; freedom of association; and other legal requirements and ethical standards that our business partners must abide by. Our Supplier Code is a critical part of our supply chain compliance program, communicated during supplier onboarding and regularly thereafter, and forming the basis of our third-party audits.

**Anti-Bribery** – Key to our responsible business practices are the steps we take to discourage all forms of corruption, including extortion and bribery, across our value chain. All partners and persons who conduct business on behalf of Capri or its brands, including our employees, or whose conduct will reflect on Capri or any of its brands, must be willing to operate in line with our Anti-Bribery Policy.

**Data Privacy & Cybersecurity** – Capri is a global company built on the trust of our customers, employees and business partners, and one of the primary ways we maintain that trust is by respecting their privacy rights and safeguarding their information. We communicate our brands' data collection, use and processing practices through clear and comprehensive privacy notices, and we continuously assess and evolve our policies and practices in light of the complex regulatory landscape applicable to our business. We empower our data subjects to exercise their privacy rights by contacting us through various channels and we maintain procedures to honor their requests made pursuant to applicable laws. We believe security is at the center of any strong data privacy program and maintaining cyber-readiness and managing cybersecurity risk continue to be areas of critical focus for Capri. We follow widely-accepted security standards to help guide our decisions and minimize risks threatening the protection of personal data, including network and system security tools, third-party assessments, periodic cyber-maturity evaluations, regular training and education programs, and security incident response policies and procedures.

**Ethics Hotline** – We proactively encourage our directors, employees and the workers within our supply chain to always act with integrity and to report any concerns about improper, unethical or unlawful conduct. If employees are uncomfortable bringing a concern to the attention of a supervisor or Capri's Human Resources or Legal departments, they may call our confidential ethics hotline available 24 hours a day on our corporate website. The toll-free hotline is also available to anyone affected by our business, is staffed by independent third-party operators and has translation services available. We are committed to providing safe, confidential and accessible reporting channels, while maintaining a strict anti-retaliation policy for concerns raised in good faith.

**Training** – We conduct training for all employees on our Employee Code and Anti-Bribery Policy upon hire and on a regular cadence thereafter. Additional employee trainings based on location, level and role are required as a part of our ethical business practices program.

## OUR COMMITMENT TO HUMAN RIGHTS

Our global commitment to fundamental human rights is a core component of how we engage our employees and value chain partners. We support human rights as defined by the Universal Declaration of Human Rights, which recognizes that all human beings are born free and equal in dignity and rights.

Human rights were identified as the most relevant ESG topic to Capri Holdings during our 2022 materiality assessment. We are committed to increasing our transparent disclosures around the work Capri is doing to support fundamental human rights. Our holistic approach to human rights begins with our Codes of Conduct and our Human Rights Statement, published on our corporate website. Our Human Rights Statement is informed by internationally accepted labor standards and guidance, including the Universal Declaration of Human Rights (UDHR), the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, the Ten Principles of the UNGC and the United Nations Guiding Principles on Business and Human Rights. We also adhere to local labor laws in each country where we do business and to the ILO Core Labor Standards including the rights to freedom of association and participation in collective bargaining.

Throughout our Fiscal Year 2022 we continued to work diligently to demonstrate our company's commitment to human rights through various CSR initiatives, including by enhancing our supply chain compliance due diligence program, and by advancing racial and social equity in the fashion industry through The Capri Holdings Foundation for the Advancement of Diversity in Fashion. Our corporate diversity and inclusion programming is founded on our respect for the inherent dignity of all people and motivated by our goal of enabling all employees to thrive by valuing their unique experiences and perspectives.

### How We Uphold Our Commitment To Human Rights Throughout Our Value Chain



## SUPPLY CHAIN COMPLIANCE & TRACEABILITY

We know that traceability is a critical first step toward environmental and social responsibility. Our company is committed to driving transparency, compliance with our high standards and responsible sourcing practices throughout our value chain.

Managing our supply chain to ensure that our suppliers recognize the dignity of workers, operate safely and deliver high-quality luxury products is essential to our success. We expect our supply chain partners to conduct their operations in line with the requirements of our supply chain compliance program and to ensure compliance by their own suppliers and subcontractors. All new suppliers must meet our program standards including certification of their compliance with our Supplier Code.

During Fiscal Year 2022, we engaged independent third-party auditors to conduct announced and unannounced audits and site inspections focused on working hours; wages and compensation; child, forced and prison labor; disciplinary practices; discrimination; health and safety; and worker welfare. In addition to our own audit program, we continued to leverage Sustainable Apparel Coalition (SAC) tools, including the SAC's Facility Social Labor Module. We also recognize the industry-wide need to streamline the monitoring process and have encouraged our supply chain partners to participate in Better Work, adopting these assessments to complement our own audits this year. For more information on the audits we conducted and accepted during Fiscal Year 2022, please see the Appendix to this report.

Our goal is to only work with factories that are honest, transparent and committed to making continuous improvements. We strive to swiftly address instances of non-compliance by working closely with our suppliers and third-party audit partners to pursue time-bound corrective actions. We support remediation where possible, but we reserve the right to terminate our relationship with partners who do not address compliance issues or who are found to have committed zero tolerance violations. We have recently enhanced our supply chain compliance program to further support our factory partners and to better align with prevailing industry standards. These enhancements include holistic supplier assessment screens incorporating more evolved environmental and social criteria; new supplier risk rating profiles; and increased acceptance of independent, third-party social assessments to complement our own due diligence audits and to reduce audit fatigue for our suppliers.



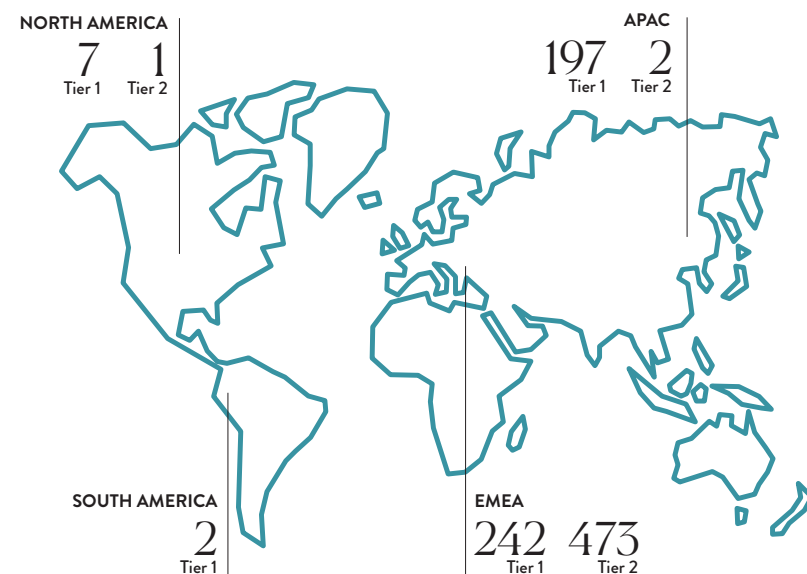
## SUPPLY CHAIN COMPLIANCE & TRACEABILITY

Having reliable data on each step of our products' life cycles gives us the ability to identify the greatest ESG risks and opportunities in our supply chain.

Factory supply chains are notoriously long and complex – yet we remain committed to driving greater transparency and accountability across our supplier base. We maintained full visibility into our finished goods suppliers (Tier 1 suppliers) this year. In 2020, we committed to achieving 95% traceability of fabric, trim and hardware suppliers and processing units (Tier 2 suppliers) by 2025, and of raw material suppliers (Tier 3 suppliers) by 2030. Over the past fiscal year, we continued to leverage our supply chain compliance program to learn from our direct suppliers where they are sourcing the materials and components used in our products. The locations of the suppliers we directly sourced from are shown on this page.

We also began to invest in resources and technology to enable us to dig deep – starting within our leather supply chain. During the first quarter of our Fiscal Year 2022, we completed an RFP for supply chain transparency and mapping software, an essential first step toward achieving our traceability goals. We are excited to have selected a partner whose software will help us gain visibility into our brands' multi-tier, complex supply chains with the aim of ultimately identifying and mitigating sustainability risks, including those related to labor and human rights, deforestation and biodiversity. Traceability will also help us to address increasing regulatory requirements and investor and consumer expectations around transparency, and identify positive impact opportunities within our value chain. Following the conclusion of the RFP, we engaged with our brands' production and sourcing teams to map the first level of our leather supply chain, ultimately selecting 42 strategic tannery partners to pilot the launch of our new traceability

Direct Suppliers During FY 22 By Region



platform. The aim of this pilot is to identify and map our leather hide supplies back to the farm level. Additional goals of our leather pilot include confirming and monitoring hide countries of origin, piloting risk levels and scoring for raw material supply chains, and determining ongoing requirements for material purchases and supplier onboarding.





# OUR WORLD

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## IN THIS SECTION

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[Acting on Climate Change](#)

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[Responsible Sourcing](#)

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[Our Circular Journey](#)

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[Water Use & Chemical Management](#)

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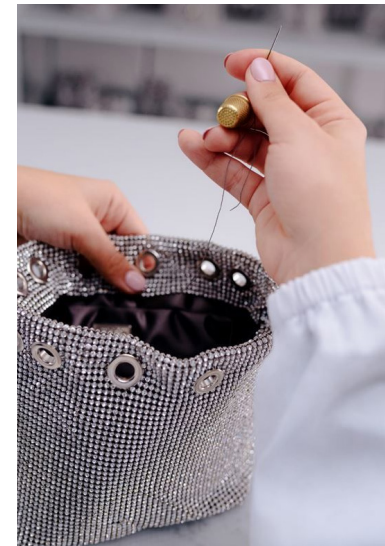
## ACTING ON CLIMATE CHANGE

### *Our Climate Strategy*

Climate change affects us all and we are committed to doing our part to foster a more resilient planet. To combat the impacts of climate change, mitigate climate-related risks and operate our business more sustainably, we are focused on reducing our greenhouse gas (GHG) emissions and increasing our investment in renewable energy.

Over the past three years, we have continued to ensure that our climate-related targets and strategy remain ambitious. In 2022, we set science-based targets (SBTs) to reduce our GHG emissions, including within our value chain – where over 98% of our emissions are generated. Last month, the Science Based Targets initiative (SBTi) confirmed our Scope 1 and 2 target (50% absolute reduction of Scope 1 and 2 emissions by 2030) is aligned with the 1.5°C pathway and our Scope 3 target (50% absolute reduction of GHG emissions associated with Purchased Goods & Services by 2030) exceeds the minimum ambition for the 2°C pathway\* – and is therefore considered ambitious. Meeting these targets will require changes in our own operations and in those of our supply chain partners. We know there is hard work ahead, but we're up for the task.

Versace LEED Certified Milan Headquarters



\*Under the Absolute Contraction Approach in the target year of 2030.

## ACTING ON CLIMATE CHANGE

### *Our Climate Strategy*

Learn more about our climate journey to date and our forward-looking strategy below.

<b>2019</b> Scope 1, 2 & 3 Baseline Set Covering Fiscal Year 2019	<b>December 2020</b> Committed To Setting Science-Based Emissions Reduction Targets (SBTs) with the Science Based Targets initiative (SBTi)	<b>2022</b> SBTs Covering Scope 1, 2 & 3 Approved by SBTi	<b>2030</b> Target: Reach Scope 1, 2 & 3 SBTs
<b>April 2020</b> Announced our First Climate-Related Goals in Capri's 2020 CSR Report	<b>2021</b> Joined the Business Ambition For 1.5°C Initiative	<b>2025</b> Target: Reach Renewable Energy Goal	<b>2050</b> Target: Pathway to Net Zero

On Earth Day 2020, we set our first climate-related goal to achieve carbon neutrality across our direct operations by 2025. We simultaneously set a goal to use 100% renewable energy in our direct operations by 2025. Later that year, we officially committed to set emissions reduction targets with SBTi, achieving our goal of doing so by 2021. Coinciding with the release of our 2021 CSR report, we joined the SBTi Business Ambition for 1.5°C initiative, publicly pledging to align our emissions reduction targets with the most ambitious aim of the Paris Climate Agreement and to set a long-term target to reach net zero\* by 2050.

**Today, we have shifted our emissions reduction targets from those set in 2020 to our even more ambitious science-based targets, which include both our own operations and our value chain.**

\*Our long-term target for net zero is under development and we aim to validate it in 2024 in line with our commitment to the Business Ambition for 1.5°C.

## ACTING ON CLIMATE CHANGE

### *Journey To Net Zero*

We recognize that achieving and sustaining net zero emissions will require us to adopt low- and zero-carbon practices throughout our own operations and within our value chain. Our teams have already begun to implement our new carbon trajectory framework to guide our efforts to reduce our footprint. We anticipate our reduction strategy evolving throughout our journey, but our commitment to a net zero future will remain steady as our brands and business grow.

We expect to reduce our GHG emissions and meet our Scope 1 and 2 SBT by powering our sites with renewables wherever possible, while continuing to use energy more efficiently. We intend to utilize on-site solar power generation, renewable energy credits (RECs) and virtual power purchase agreements (VPPAs) to reduce our company's direct emissions. We will also continue to implement energy efficiency initiatives across our directly operated facilities, prioritizing high-impact regions and locations to meet our goal. For example, we will begin to retrofit our existing Michael Kors North American retail fleet, the largest within our global footprint, with energy-efficient lighting in 2023. Our Sustainable Stores Committee remains focused on finding additional ways to reduce our energy consumption, sharing best practices between our brands and committing to a set of efficiency standards for all new and renovated sites across our group.

We know that it is not enough to reduce our footprint in our direct operations. Approximately 98% of Capri's GHG emissions are indirect emissions within our value chain. To meet our ambitious Scope 3 reduction target, we have developed a strategy that rests on the principle of partnership – because we know that the only way we can reduce our value chain footprint is by working closely with our suppliers on programs to enhance their own energy efficiency and climate-related strategies. We are committed to providing emissions reduction education and resources to our key supply chain partners and have already invited over 40 factories to participate in a pilot program being led by Jimmy Choo and Versace to help our suppliers set and achieve their own SBTs. We remain focused on reducing emissions from key raw materials used in our brands' products, as described in greater detail in the Responsible Sourcing section of this report. Our teams are also exploring ways to reduce our dependency on new materials through recycling and resale initiatives, thereby driving down the GHG emissions associated with new resource generation. From the farms where our raw materials are sourced, to the trucks delivering our products to customers' homes – and every step in between – we are focused on finding ways to reduce our Scope 3 GHG emissions.

Collaboration will be critical to addressing the decarbonization challenges our industry is facing. As an original signatory to The Fashion Pact, we are committed to stopping global warming through the power of the collective. We will continue to explore industry opportunities to support renewable energy projects within the fashion supply chain and to accelerate the adoption of lower-carbon materials.



## ACTING ON CLIMATE CHANGE

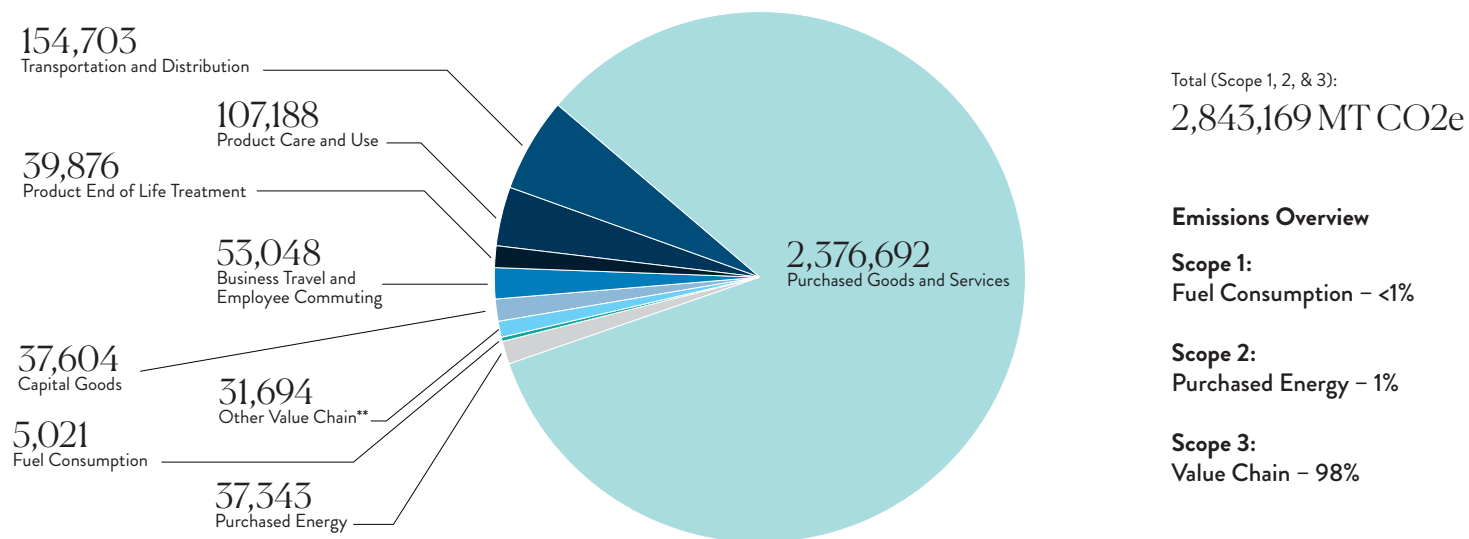
### *Our Fiscal Year 2019 Baseline*

We have a responsibility to address climate change by aligning our company's goals and strategies with the best available science. At the foundation of our climate strategy are goals that align with the Paris Agreement's ambition of limiting global temperature rise to less than 1.5°C.

We calculated our emissions baseline choosing Fiscal Year 2019 as a representative year unaffected by COVID-19 for our total Scope 1, 2 and 3 GHG emissions footprint. We utilized outside consulting partners to support us in calculating our emissions, including, for the first time, our Scope 3 GHG emissions. An outside consultant also helped us to set our SBTs, develop our 2030 roadmap and secure approval of our emissions reduction targets from SBTi.



#### FY 19 Total GHG Footprint\*



\*We measure and calculate our emissions according to the World Resources Institute Greenhouse Gas Protocol, the industry standard and international tool for carbon accounting. Our GHG emissions data has not been externally assured. Percentages may not add up to 100 due to rounding. Emissions associated with a manufacturing facility acquired by Capri after FY 2019 are considered Scope 1 and 2 emissions (and not Scope 3 emissions) for purposes of SBTi-validated targets and associated baseline.

\*\*Other Value Chain includes upstream energy production, franchises and operational waste generation.

## ACTING ON CLIMATE CHANGE

### *Our Fiscal Year 2022 Emissions*

We have been actively monitoring our global, group-wide Scope 1 and 2 GHG emissions since our Fiscal Year 2019. Over the past year, we have achieved a 38% reduction in our direct emissions from our 2019 baseline.

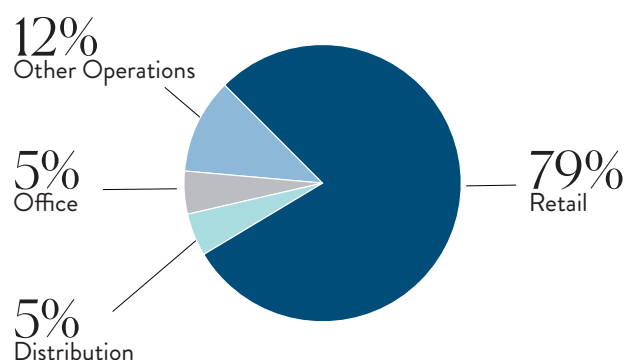
This reduction in emissions was in large part driven by an increase in our renewable energy investments, including through the purchase of RECs to cover our entire North American footprint. We also reduced our footprint by implementing energy efficiency protocols for newly constructed and renovated retail stores across our group. We make regular improvements to our carbon footprint methodology consistent with carbon accounting best practices, including updates to our underlying emissions factors. This year, we also decreased our reliance on data estimates and sampling through the assistance of our outside consultancy partner, which drove additional changes in our Fiscal Year 2022 footprint.

# 38% Reduction

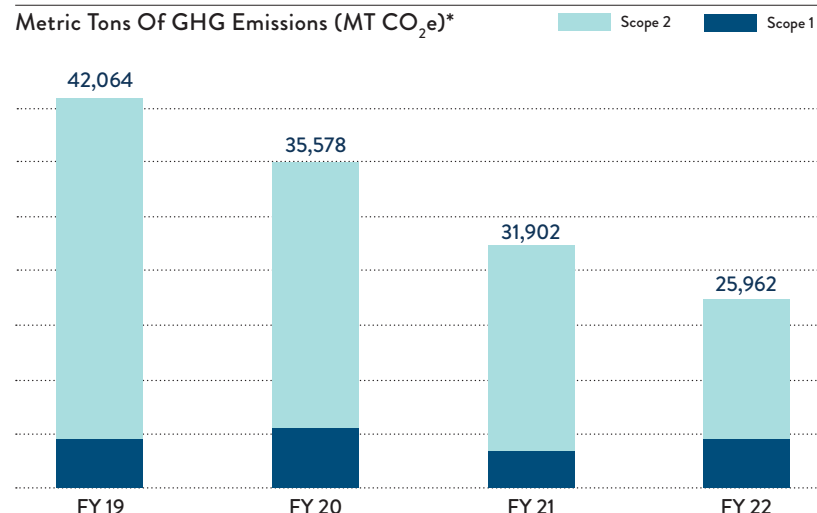
In our Scope 1 & 2 GHG Emissions from our 2019 baseline\*

#### FY 22 Total\*\* Scope 1 & 2 GHG Emissions\*

Market-based calculation in line with the Greenhouse Gas Protocol



#### Metric Tons Of GHG Emissions (MT CO<sub>2</sub>e)\*



\*Reflects change in calculation methodology from location-based calculation to market-based calculation. We measure and calculate our emissions according to the World Resources Institute Greenhouse Gas Protocol, the industry standard and international tool for carbon accounting. Our GHG emissions data has not be externally assured.

\*\*Percentages may not add up to 100 due to rounding.

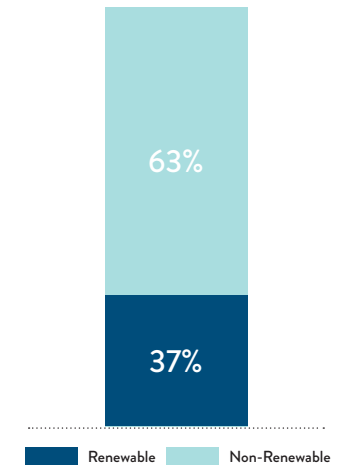
## ACTING ON CLIMATE CHANGE

### *Focus on Renewables*

In 2020, we set a target of achieving 100% renewable energy in our direct operations by 2025, and in 2021 we joined RE100, reaffirming our clean energy commitment. Over the past year we continued to prioritize renewables by actively pursuing short- and long-term renewable energy investments, beginning in North America where our GHG emissions footprint is the greatest. 37% of our electricity use in Fiscal Year 2022 was powered by renewable sources, including both on-site solar generation at our distribution center located in Venlo, the Netherlands and the purchase of RECs to cover our entire North American footprint.

To drive progress toward our new science-based emissions reduction targets, we plan to increase our renewable energy portfolio across the globe. We have recently concluded the RFP process for a VPPA in North America and expect to enter into our first long-term renewable investment in 2023. This month, The Fashion Pact announced the launch of a collective VPPA (CVPPA) aimed at accelerating renewable energy adoption by investing in new clean energy infrastructure. Capri is proud to be one of twelve companies uniting in their commitment to procuring renewable energy as a part of this initiative. By harnessing the power of the collective, this project seeks to add over 100,000 MWh per year of renewable electricity generation to the European grid. Outside of long-term renewable investments, we intend to directly power our sites with renewable energy where available and to source RECs and equivalent certificates for any remaining renewable electricity needs.

FY 22 Electricity Use



## The Fashion Pact CVPPA

Reaffirmed our commitment to renewables through new initiative



Capri's Venlo distribution center generated 7,854 MWh of renewable energy in Fiscal Year 2022

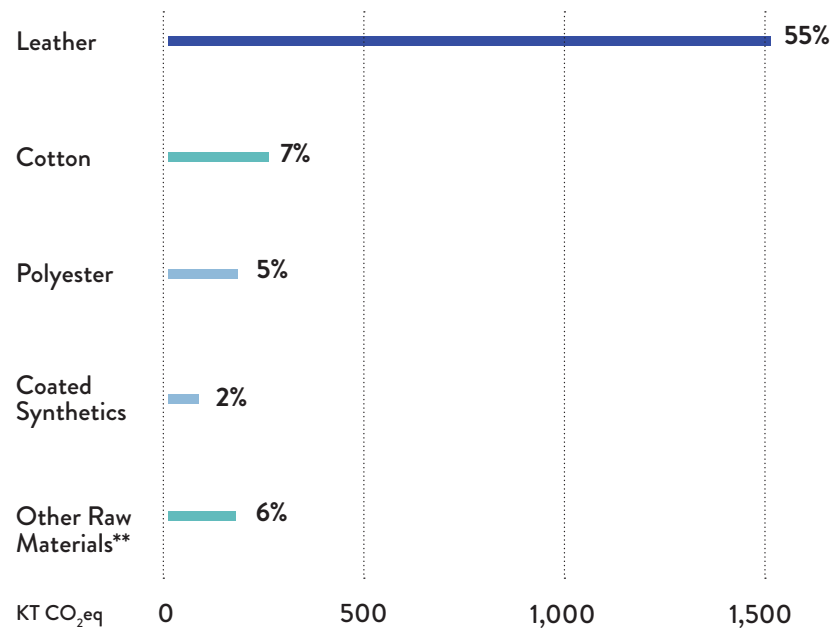
## RESPONSIBLE SOURCING

### Better Leather

In 2022, we conducted a materiality assessment specifically focused on the raw materials used in our brands' products – considering each material's impact on our business (such as our volume of use, spend and quality) and each material's impact on sustainability considerations (including human rights, climate change and biodiversity). Based on the results of the materiality assessment, our cross-functional committee prioritized materials of focus for our group and associated targets and action plans to guide our internal decision making. In prioritizing our responsible initiatives, and as supported by the results of our most recent assessment, we remain focused on leather – a key material used in our two largest product categories, accessories and footwear. The results of our Scope 3 GHG emissions baseline reaffirmed this focus. As shown here, leather accounted for more than half of our group's total GHG emissions in Fiscal Year 2019 (our Scope 3 baseline year).

#### FY 19 Total GHG Emissions

Emissions derived from raw material extraction and processing into final garment\*



\*Percentages reflect percent of overall FY 2019 emissions. Only emissions associated with raw materials are illustrated here. Remainder of FY 2019 footprint is associated with Scope 1 emissions (fuel consumption); Scope 2 emissions (electricity consumption); and other Scope 3 emissions (including logistics, product care and product end of life).

\*\*Other Raw Materials include Viscose/Rayon/Modal, Silk, Nylon, Cashmere, Wool, Spandex, Linen, Acrylic, Acetate and Polypropylene.

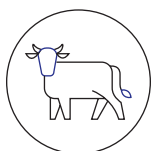




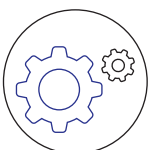
## RESPONSIBLE SOURCING

### *Better Leather*

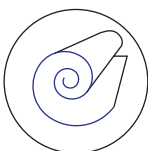
Over the past year, a cross-functional committee with representation from all of our brands developed a comprehensive strategy to ensure that our company goes further, faster in lowering the impact of our leather. When developing our strategy, we considered all stages of the raw material's lifecycle, while taking a holistic approach to determining what **Better Leather** means to us.



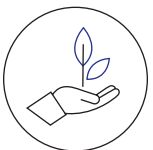
We are pursuing **Better Farming** by focusing on leather in our traceability pilot, which kicked off in 2022. Our goal is to map this key raw material from farm to finished leather. We also continue to explore regenerative leather and related opportunities that address leather's farm-level impacts.



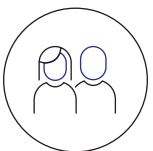
We made significant progress toward supporting **Better Processing** in 2022, by sourcing most of our Fiscal Year 2022 hides from Leather Working Group Gold- and Silver-certified tanneries as discussed on page 38 of this report. We also developed our net zero climate strategy in 2022 and know that in order to meet our Scope 3 SBT we need to partner with suppliers to help them set and achieve their own science-based emissions reduction goals. We are committed to working with our key tanneries to lower their GHG footprints, in turn lowering the carbon footprint of our leather during its processing stage.



Our brands design and develop luxury products taking into account the principles of excellence and longevity. We believe **Better Materials** not only ensure the highest level of craftsmanship, but also have a lower impact on the planet. We will continue to explore recycled leather and innovative alternatives to conventional leather that do not compromise on quality.



We believe a number of our environmental goals further our commitment to **Better Biodiversity**. We plan to set science-based goals aimed at preserving biodiversity, including within the leather supply chain, as further detailed on page 41 of this report.



We believe we have an opportunity to support **Better Livelihoods** in the leather industry. We are committed to scaling impact through investments that directly support farmers addressing the core social and environmental challenges within their supply chains. To learn more on our investments in the leather supply chain during Fiscal Year 2022, see page 38 of this report.

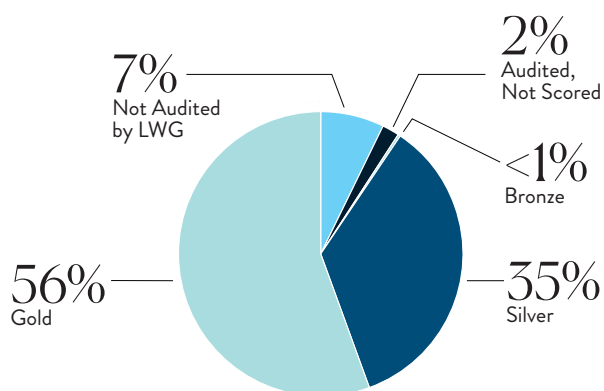
## RESPONSIBLE SOURCING

### *Better Leather*

This year, we continued to promote responsible tannery practices through the power of the collective, by actively participating in the Leather Working Group (LWG) and by prioritizing sourcing from tanneries meeting the highest standards of environmental performance. LWG is a multi-stakeholder initiative working to develop and maintain a consistent protocol to assess the environmental compliance and performance capabilities of leather manufacturers, with a focus on their water usage, waste and chemical management, energy consumption, air and noise emissions, and raw material traceability. In Fiscal Year 2022, 91% of the leather we purchased came from these best-in-class suppliers. We are proud to have made significant progress toward our goal of sourcing 95% of our leather from LWG Gold- or Silver-certified tanneries, or from tanneries achieving comparable certification, by 2025.

We know that the impact of the leather supply chain extends beyond the tanning process. As we work to map our own leather supply chain, we want to do our part to start moving the leather industry forward around farm-level risks. This year, we participated in the Leather Impact Accelerator (LIA), a set of tools that help address the core challenges around leather production. LIA establishes minimum social, environmental and animal welfare requirements in the leather supply chain, incentivizes farmers and leather producers to meet them, gives brands a way to reward those that do, and encourages transparency along the way. In 2022, we invested in Impact Incentives to financially support LIA approved cattle farms verified as Deforestation/Conversion-Free. To learn more about how we are addressing the deforestation risks within our supply chain, see page 40 of this report.

**LWG Certified Tanneries**  
FY 22 Leather (by volume shipped)\*



\*Percentages may not add up to 100 due to rounding.

## RESPONSIBLE SOURCING

### *Lower-Impact Materials*

Versace, Jimmy Choo and Michael Kors design and develop luxury products taking into account the principles of quality and longevity, while seeking to offer more products that incorporate lower-impact materials and processing methods. Our brands approach responsible sourcing in a holistic way – by considering the entire lifecycle of raw materials and striving to source those that have lower carbon footprints, use less water, create less waste and support our efforts to protect biodiversity.

We recognize the importance of making thoughtful sourcing decisions, and by leveraging resources like the SAC's Higg Product Tools our design and sourcing teams are better equipped to understand the impact of proposed styles before production begins. In 2022, we complemented the roll-out of these Higg resources by issuing Capri's first group-wide responsible sourcing guidelines, a tool for all of our brands to use when engaging with suppliers around lower-impact materials and processing methods. This resource contains our company's general sourcing expectations, preferred material sourcing guidelines including lower-impact alternatives for our brands to consider, and lower-impact processing guidelines to prompt conversations with suppliers around more sustainable finishing and processing options.

**We know there is more work to be done, but we are proud of the steps our brands are taking to reduce the impact of their products and to increase transparency around their sourcing.**

In 2022, Michael Kors launched its KORS LOVES messaging, helping e-commerce customers to shop with more insight into the raw materials that go into the brand's products. All products that feature the KORS LOVES badge are either crafted from at least 50% environmentally preferred materials, such as recycled fibers and organic fabrics, or are made with leather from certified tanneries meeting the highest standards of environmental performance.

Jimmy Choo recently released its sustainability manifesto, *Project Optimism*, sharing more information around the brand's commitment to increase its use of responsibly sourced materials. Its new "Eco-feature" badge highlights products on its e-commerce sites that are crafted from at least 50% certified lower-impact leathers and textiles, such as recycled or re-used leather that would have otherwise gone to waste.

Versace is leveraging a new "Eco-conscious" badge to help e-commerce customers find information about products crafted from lower-impact fibers, such as organic cotton and recycled synthetic materials.



JIMMY CHOO



ECO-FEATURE  
PRODUCTS

ECO-CONSCIOUS



## RESPONSIBLE SOURCING

### *Biodiversity & Deforestation*

Protecting the climate and preserving biodiversity are strongly linked. We seek to reduce our company's impact on natural resources, paying particular attention to avoid the deforestation and forest degradation risks associated with leather and packaging supply chains.

As part of our commitment, we are focused on the commodities we use that we know pose the highest risk to biodiversity and deforestation – paper and leather. We continue to increase our procurement of recycled paper and paper certified from sustainably managed forests, as discussed on page 42 of this report. We are also engaging with our leather suppliers as part of our better leather strategy to avoid sourcing hides from countries with a high risk of deforestation. We support the work of industry groups including LWG, LIA and the Responsible Luxury Initiative (ReLI) to develop more robust verification schemes to ensure leather is deforestation- and conversion-free.

We believe our supply chain traceability work will enable us to further identify and measure the impacts to biodiversity across our value chain. As discussed on page 27 of this report, we are piloting our new traceability platform with 42 key tannery partners to better understand the impact of the leather we are sourcing. The leather supply chain is complex, and risks of deforestation remain due to land conversion for grazing and soy-based animal feed. We collect declarations on the country of origin of our hides and based on this information we believe we have a low risk for land conversion due to grazing within our own leather supply chain.

We are also working to further explore the impact of soy-based animal feeds while investing in efforts to prevent deforestation in the greater leather industry. Versace recently partnered with ReLI and Trase, a supply chain transparency initiative led by the Stockholm Environment Institute and Global Canopy, on a leather-linked soy deforestation case study. This study looked at the risks posed by soy-based cattle feed within the European leather supply chain. We look forward to the results of this study and further collaborating with our industry to address the risks of deforestation. We also invested in Impact Incentives to financially support cattle farms verified as Deforestation/Conversion-Free this year, as discussed on page 38 of this report.

As we continue to map our raw material supply chains beyond leather, we will be able to better understand the impact of other key materials on biodiversity and ensure our responsible sourcing strategies address any risks.





## RESPONSIBLE SOURCING

### *Biodiversity & Deforestation*

Land-use change and deforestation pose great risks to our climate. Minimizing Capri's impact on natural resources not only helps to protect vital ecosystems but also supports our company's fight against climate change.

We believe the work Capri is doing today will provide a strong foundation for a biodiversity strategy that aligns with the Avoid, Reduce, Restore & Regenerate and Transform (AR<sup>3</sup>T) framework created by the Science Based Targets Network (SBTN), a collaboration aiming to set the standard for ambitious measurable corporate action on nature, which includes, and builds upon, climate action. As a member of The Fashion Pact, we support the SBTN's goal of driving action on the fundamentally connected issues of climate change and loss of nature by expanding the scope of SBTs. We plan to set new science-based goals aimed at protecting biodiversity in line with SBTN's existing and forthcoming guidance around setting these corporate targets.

At the same time, we will continue to explore investments in initiatives aimed at conserving, restoring, regenerating and supporting biodiversity, such as regenerative agricultural practices, reforestation initiatives and forest conservation projects. We are committed to protecting land in ways that both benefit the local communities in our supply chain and reduce our GHG emissions.

We know collaboration is critical and we are working alongside other signatories of The Fashion Pact to support the development of resources that will drive collective action toward zero deforestation\* and sustainable forest management by 2025.



#### DESSERTO®

In 2021, we made an investment in Adriano Di Marti, the company behind Desserto® – an advanced, cactus-based fabric that does not compromise on sustainability or longevity. The nopal cactus used in Desserto® is native to the region in which it is grown, avoiding negative impacts to local biodiversity. Desserto® does not use irrigation, herbicides or pesticides in its growing process, and takes advantage of natural drying and dyes to craft its products. This year, Desserto® earned the U.S. Department of Agriculture (USDA) Certified Biobased Product label and was awarded the USDA BioPreferred® Program Champion badge for its long-term commitment to using renewable materials, reducing reliance on petroleum, supporting the bioeconomy and bettering the planet. We know that operating as a sustainable company today means creating resilience for tomorrow, and we are excited to do our part to make alternative, low-impact materials that protect biodiversity and revert land use change, like Desserto®, a reality for the fashion and luxury industries.

\*Aligned to the Accountability Framework's definitions of high conservation value (HCV) and high carbon stock (HCS) forests and natural ecosystems with a cut-off date of December 31, 2019.

## RESPONSIBLE SOURCING

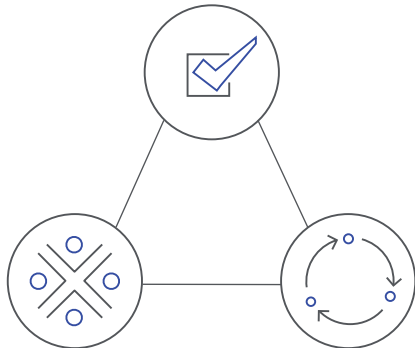
### Lower-Impact Packaging

We know how important sustainable packaging is to our customers and the planet, and we are proud of the progress we are making to source lower-impact packaging materials.

#### Our Efforts Are Guided By Three Principles

##### RECYCLED

We are increasing the amount of recycled material used in all of our packaging



##### REDUCE

Wherever possible, we are reducing the amount of packaging we use, without compromising quality

##### RECYCLABLE

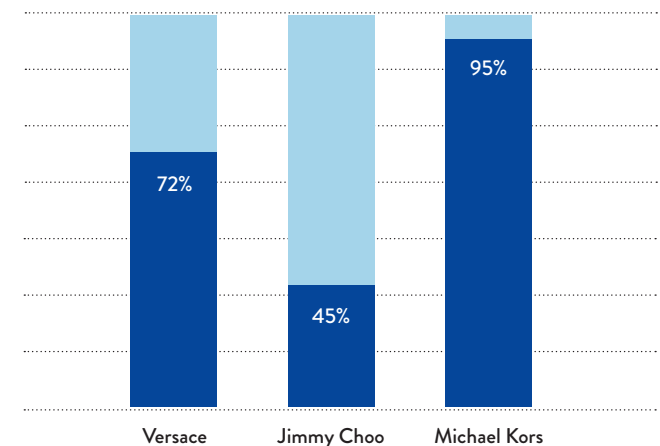
We strive for packaging that is widely recyclable across the globe



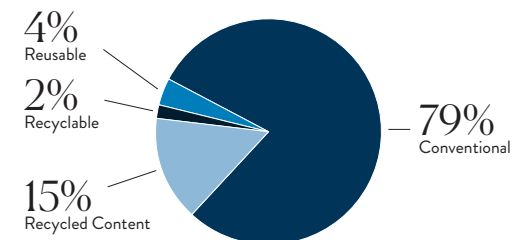
In 2020, we committed to sourcing 100% recyclable or sustainably sourced POS packaging by 2025. We consider POS packaging to be sustainably sourced if it consists of recycled content or is certified through the Forest Stewardship Council (FSC). FSC certification ensures that products come from responsibly managed forests that provide environmental, social and economic benefits. We are well on our way to meeting our POS packaging goal, as our Fiscal Year 2022 results (by weight) illustrate.

After eliminating plastic where feasible, only 9% of our POS and on-product packaging (by weight) was made from plastic during Fiscal Year 2022. The composition of our remaining plastic packaging shipped during the fiscal year is highlighted in the pie chart on this page. Looking ahead, we will continue to investigate ways to remove plastic packaging where feasible, in addition to exploring alternative, non-plastic packaging materials as new-innovative solutions are introduced to the market. For example, Jimmy Choo will be eliminating all polybags used around its footwear, replacing them with tissue paper beginning in 2023. The brand will also replace other on-product plastic packaging with lower-impact alternatives, such as bamboo sheets and biodegradable shoe sticks. Where we cannot eliminate plastic packaging, we will ensure the plastic we do source is recyclable, compostable, recycled or reusable by 2025.

#### Recyclable & Sustainably Sourced POS Packaging FY 22 Progress (by brand & weight)



#### POS & On-Product Plastic Packaging Shipped during FY 22 (by weight)



## OUR CIRCULAR JOURNEY

### *Circular Design*

Our work on circularity begins with circular design. Versace, Jimmy Choo and Michael Kors products are designed with high-quality, exceptional materials, including recycled and upcycled textiles.

We are committed to providing our design and production teams with the tools they need to positively impact the longevity, reuse and recyclability of our products. We continue to embrace circularity in our raw material sourcing decisions and strive to include recycled textiles in our products. Our design and production teams are also focused on exploring certified fibers sourced from regenerative agriculture, along with ways to ensure our products are ready for recycling or reuse at end of life. We are committed to rolling out circular design and materials trainings to the Versace, Jimmy Choo and Michael Kors design and production teams in 2023.

This year, Versace launched *Versace Upcycle*, a new circular collection for eco-conscious kids. The limited capsule, which includes footwear and accessories, was made from recycled materials and upcycled production materials saved from going to waste. These principles also extended to the capsule's innovative packaging, with collection styles delivered in reusable dust bags made from recycled materials.

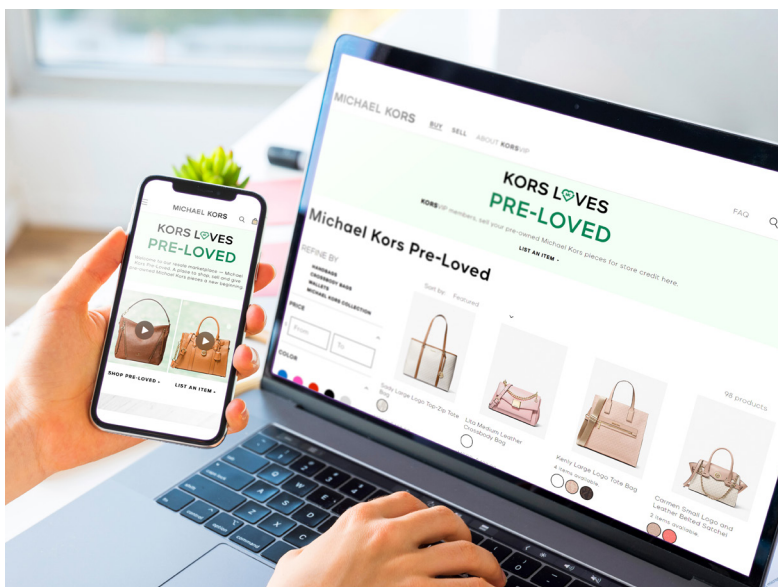


## OUR CIRCULAR JOURNEY

### *Repair & Recommerce*

We craft our luxury products out of high-quality materials and thorough attention to detail. We also offer repair services, care products and resale opportunities to keep our luxury products looking glamorous and loved.

Versace, Jimmy Choo and Michael Kors products are crafted with the utmost care and are designed to last. We are committed to extending the life of our products by providing our customers with ways to maintain, repair and recirculate their products, including by offering warranties and protectant solutions for certain goods. Jimmy Choo's extensive Product Care Guide and bespoke repair service is one example of our brands' dedication to quality and the circular economy.



We also believe that circular business models create new value for our customers. In 2022, Michael Kors expanded its services that extend the life of its products by giving customers an exclusive opportunity to buy and sell pre-loved Michael Kors handbags and accessories through its online marketplace in the U.S. The Michael Kors Pre-Loved resale marketplace gives new meaning to timeless luxury and is a place where customers can give their pre-owned Michael Kors pieces a new beginning. In honor of National Consignment Day this year, Jimmy Choo also embraced circular customer experiences, partnering with luxury resale marketplace TheRealReal to offer its U.S. clients an opportunity to give their Jimmy Choo products a second life.



## OUR CIRCULAR JOURNEY

### *Waste Reduction*

As part of our circularity efforts, we strive to achieve a 25% reduction in our direct operation waste by 2025.

We are committed to reducing packaging and product waste throughout our organization.

We recognize a portion of our operational waste comes from packaging, and we are focused on reducing, eliminating and recycling that packaging waste. By improving the design and recyclability of our packaging we are reducing our environmental footprint and contributing to a circular economy. Our brands are taking a holistic approach to improving the circularity of their packaging – innovating packaging design, using more recycled materials and making it easier to recycle after use. During Fiscal Year 2022, we increased the amount of recyclable packaging we sourced across our group and continued to explore ways to right-size and re-use our packaging. For more on our responsible packaging efforts and focus on eliminating plastic, see page 42 of this report.

An important part of Capri's circular strategy is to educate our employees and customers on ways they can help us achieve our goals by maximizing recycling. We developed new Sustainable Store Operations guidelines in 2022, addressing, amongst other topics, the proper disposal and reuse of the packaging received at our stores. We prioritized the roll-out of these guidelines within our largest retail fleet, Michael Kors North America, and plan to introduce similar guidelines tailored to our other brands and regions over the next year. We also know the successful shift to a circular economy depends on active customer participation in recycling. As we continue to improve the recyclability of our packaging, we plan to enhance our on-packaging labeling to give customers the information and encouragement they need to join us in reducing our waste footprint.

We are also focused on managing our fabric, textile and product waste more sustainably, in line with principles of responsible inventory management. In Fiscal Year 2022, Michael Kors launched a new, comprehensive take-back program in Europe to responsibly manage the brand's stock of inventory not suitable for sale, such as used employee uniforms, damaged returns and in-store samples with wear and tear. The brand worked with a group of specialized partners, including those with expertise in footwear downcycling and textile management, to develop a process for giving these goods a second life through deconstruction, reuse of component parts, recycling and donation. Our company also continued to reduce our fabric and inventory waste through sample sales; by diverting excess materials through partners like FABSCRAP, that find charitable organizations to breathe new life into them; and through donations of unsold merchandise to benefit those in need. To learn more about our 2022 philanthropic work, see pages 60-67 of this report.



Venlo distribution center recycling program

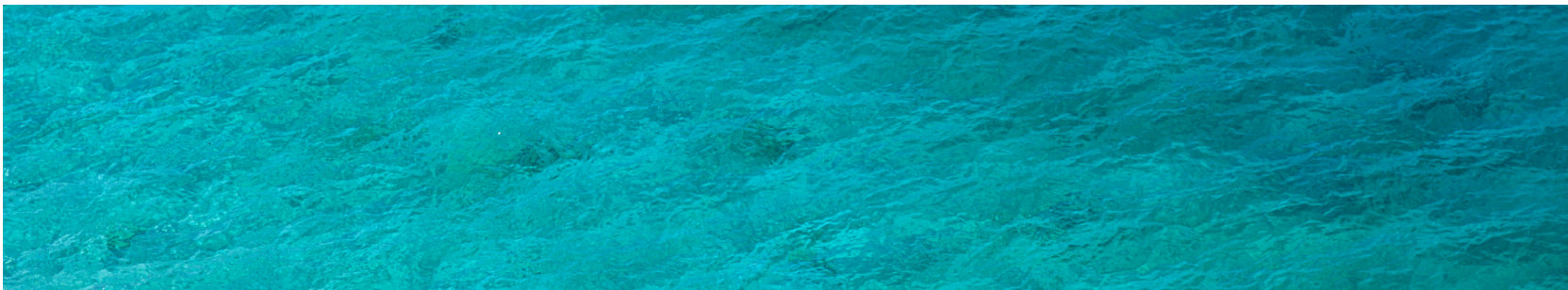
## WATER USE & CHEMICAL MANAGEMENT

We use water at every stage in our supply chain and we are committed to ensuring it remains free from hazardous chemicals and available to water-stressed sourcing communities.

Throughout our value chain, we strive to use natural resources, including water, in a sustainable way. We work strategically to use water more efficiently in our products through thoughtful raw material and production decisions. By leveraging the resources of multi-stakeholder initiatives like SAC and LWG, we seek to reduce the water footprint associated with our brands' products.

We acknowledge that our agricultural supply chain, including leather production and tanning, has one of the most significant impacts to water use and quality within our business. In Fiscal Year 2022, 91% of the leather sourced by our brands was from tanneries achieving Gold- or Silver-certification from LWG, following environmental performance audits that take into account proper water stewardship, amongst other factors. In addition to understanding tanneries' water use, we are able to learn more about our suppliers' water consumption by encouraging completion of SAC's Higg Facility Environmental Module (FEM) – a tool that we continued to leverage in 2022 to receive environmental performance data from supply chain partners. This year, we received Higg FEM assessments from 53 of our Tier 1 suppliers, representing over 66% of our Fiscal Year 2022 production spend. These reporting facilities scored above the industry averages on the Higg FEM water and wastewater modules. Looking ahead, we are focused on promoting Higg FEM completion by suppliers beyond Tier 1, where we believe our supply chain's impacts on water are greatest.

We continue to map our value chain further upstream to better understand the impact of our products on the natural environment, including on water. As we drive progress toward our traceability goals, we will be able to connect our manufacturing footprint, and in particular the footprint of our key wet-processing facilities, against water basin risk assessments such as the World Resources Institute's Aqueduct Water Risk Atlas. This type of mapping exercise will help us prioritize our areas of focus around responsible water use. We will also continue to improve upon the ways we measure water inventory throughout our supply chain to hold us accountable to our goal of achieving a 10% reduction in key suppliers' aggregate water use by 2025.



## WATER USE & CHEMICAL MANAGEMENT

We take our commitment to protect the safety of supply chain workers, customers and local manufacturing communities seriously. Our goal is to eliminate hazardous chemicals from our supply chain by 2025.

All Versace, Jimmy Choo and Michael Kors products must be manufactured in compliance with applicable laws and regulations, including those related to health and safety, in addition to meeting our group's high ethical standards. Capri's Supplier Code requires compliance with all relevant environmental legal requirements, including those related to wastewater discharge. As part of our supply chain compliance program, we engage independent third-party auditors to ensure our suppliers comply with environmental regulations and the other requirements of our Supplier Code. To learn more on our approach to supply chain compliance, see pages 24-27 of this report.

Additionally, our chemical management program includes comprehensive Product Restricted Substances Lists (PRSLs) and associated testing criteria, in line with or more restrictive than legal requirements for all regions of sale, including but not limited to the European Union's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and the State of California's Proposition 65. Certain of our brands are also members of the Camera Nazionale della Moda Italiana (CNMI) association and actively contribute to the development of their Italian-based chemical standards. We take a risk-based testing approach to verify that the raw materials used in our brands' finished products, and the finished products themselves, comply with our program requirements, using independent third-party labs that are accredited and certified for testing. We evaluate our testing approach annually (or more frequently as needed) to ensure its requirements and protocols appropriately mitigate the risk of non-compliance.

We also recognize the importance of safely managing and handling chemicals during the production process and believe implementing a consistent set of tools to support best practices will help advance the industry as a whole. In 2023, we will complete our roll-out of Zero Discharge of Hazardous Chemicals (ZDHC) tools to key suppliers, including its Manufacturing Restricted Substances List (MRSL) and Wastewater Guidelines. We believe these resources will enable our company to take a comprehensive approach to chemical management – addressing input management, process management and output management. As LWG has made chemical management a mandatory section across all audits with targets aligned to both ZDHC and AFIRM Group chemical management objectives, LWG-certified leather suppliers are incentivized to comply with the ZDHC MRSL and AFIRM RSL to achieve and maintain their rating. Outside of our participation in LWG, we learn about our suppliers' chemical management practices through Higg FEM assessments as discussed on page 46.

### A HOLISTIC APPROACH TO CHEMICAL MANAGEMENT



**Input Management:** Selecting better chemical inputs and starting materials to reduce chemical use and discharge



**Process Management:** Adhering to chemical management best practices during production to reduce safety and environmental risks



**Output Management:** Addressing chemicals present in production outputs, including finished products and wastewater





# OUR COMMUNITY

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## IN THIS SECTION

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Diversity & Inclusion

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Employee Engagement, Growth & Wellbeing

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Supply Chain Empowerment







## DIVERSITY & INCLUSION

### *Our Commitment To D&I*

Diversity and inclusion are key values of our company and critical to our success. We know that if we want to see change in our industry, we need to be the change in our industry.

We promote an inclusive environment where employees and customers of diverse backgrounds are respected, valued and celebrated. These are not just words to us. They are beliefs and standards we hold ourselves to every day. In 2022, we continued to take action to drive positive change within our own walls and beyond.



The Human Rights Campaign Foundation's Corporate Equality Index is an annual benchmarking survey and report on corporate policies and practices related to LGBTQIA+ workplace equality. **Capri proudly participated in the 2021 index and received 90 points out of 100 in recognition of the corporate policies and practices that we have implemented.** We welcome the index feedback as an opportunity to further strengthen our policies and practices in support of a better future for our LGBTQIA+ employees and their families and will continue to submit to this benchmarking tool on an annual basis.



## DIVERSITY & INCLUSION

### *Capri Culture*

Our commitment to diversity extends beyond representation. We are building an inclusive space where all employees have the opportunity to realize their full potential and excel, while contributing to our success in a meaningful way.

We are purposeful in embedding inclusion in every aspect of our workplace and are dedicated to making space for all employees to share, listen and learn. Some of the steps we have taken in 2022 to foster a deep sense of belonging for our teams include:

- Introducing global D&I listening sessions to amplify diverse voices and further encourage a culture of healthy conversation and a sense of belonging for all members of our teams.
- Launching additional employee resource groups (ERGs) and new chapters across the globe to further our work in driving awareness of identity and intersectionality within Capri, including Pride@Capri which now has a presence in North America, EMEA and APAC, and BOLD@Capri: Black Organizers, Leaders and Doers, which launched in North America on National Employee Resource Group Day 2022.
- Issuing regular D&I newsletters to provide our teams with education around Capri's D&I strategy and programming.
- Publishing monthly communications across all regions to share and celebrate more than 100 global holidays and events.
- Hosting keynote speakers to engage with us on key topics within the D&I space as a part of our Connect At Capri program, with significant diverse leaders including Nicola Adams, the first woman and first openly LGBTQIA+ person to win an Olympic boxing gold medal, in honor of Black History Month in the U.K., and Sinéad Burke, a disabled educator, advocate and author championing accessibility, equity and social justice, in honor of National Disability Employment Awareness Month.

Our mission is to help every one of our employees progress from awareness to allyship while driving positive change throughout our company. To learn more about our D&I training program and other growth opportunities for our teams, see page 57 of this report.



## DIVERSITY & INCLUSION

### *Capri Talent*

Differences in ideas and experiences allow our company to thrive. We are attracting, advancing and advocating for a workforce that reflects the diversity of the world around us.

Our employees are the heart and soul of all we do, and the way we hire, develop and advance our employees is critical to our journey toward diversity, equity and inclusion. We are committed to recruiting, developing and retaining passionate, skilled and diverse talent to move our company forward.

In 2022, we continued to be intentional in cultivating a culture of inclusion with a focus on employee retention and development by launching a new mentorship program. Our program is designed to connect employees with senior leaders to create continuous learning opportunities for mentors and mentees. Our goal is to encourage access, belonging and allyship through this program, and we specifically strive for those participating to achieve a deeper understanding of their colleagues' experience with diversity and inclusion.

We see diversifying and supporting the potential of our global workforce as a critical part of our talent strategy. This year, we rolled out an updated Interview Toolkit for hiring managers, emphasizing structured interviewing to mitigate the impact of unconscious bias in the hiring process. Our recruiters also educate all hiring managers on the importance of culture add as opposed to culture fit, which can facilitate bias. To learn more about the D&I-focused training we offer, see page 57 of this report.

We believe supporting early talent, including students, is one of the keys to increasing representation in our workforce and the greater fashion industry. This year, we continued to partner with several trusted organizations working to drive diversity, including BRAG and HIVE Diversity, to extend offers to a diverse pool of interns for our North America summer 2022 internship program, with more than half of our summer intern class identifying with non-white ethnicities. We have also recently formed a new partnership with RAISEfashion, a non-profit whose mission is to advance the equity of BIPOC talent and foster a more inclusive industry.

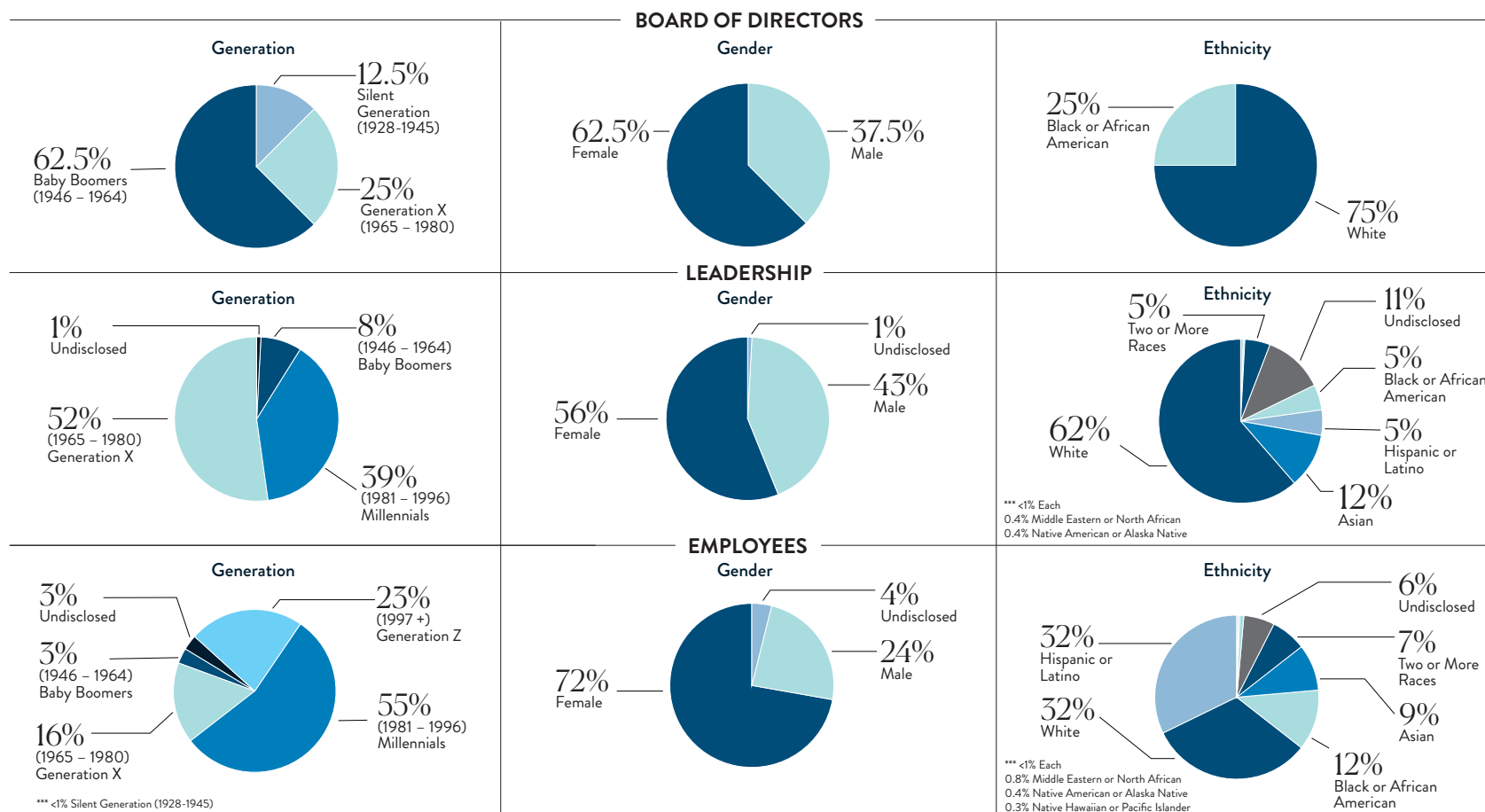


## DIVERSITY & INCLUSION

### Capri Talent

With strong commitments around diversity, it is important to hold ourselves accountable. For the third consecutive year, we are publicly sharing our global workforce demographic data.

On this page, we offer a transparent look at where we are now, where we have made progress and, most importantly, where we need to improve. We recognize that we have more work to do, and we will continue to work toward our objective of driving diversity at all levels within Capri.



This page reflects voluntarily self-disclosed data from active full-time and part-time employees globally. Board of Director data is as of December 15, 2022; all other data is as of April 2, 2022. Leadership data is defined as director- and district manager-level and above. Ethnicity data reflects U.S. employees only. Capri does not require employees to disclose their gender identity or ethnicity. Leadership and Employees data may be rounded to the nearest whole number and may not equal 100%.

## DIVERSITY & INCLUSION

### *Capri Community*

Through diversity and inclusion comes understanding and strength. Our responsibility to promote equality is not just to those who work with us, but to our industry, the customers we serve and the communities around us.

Capri's D&I strategy does not only center on driving representation and belonging within our own company – it is also about the long-term systemic and social changes that we work toward advancing every day. We have committed to an annual donation dedicated to the advancement of racial equity in our communities. This year, in honor of Juneteenth, we donated to The Legal Defense Fund (LDF), America's premier legal organization fighting for racial justice.

Our established partnerships and participation with organizations focused on racial and social equity initiatives help us to deliver on our commitment to the greater Capri community. We have also made public commitments through several coalitions to further drive long-standing change throughout our own business and industry and beyond.

- We advanced our longstanding commitment to women's rights and human rights by endorsing the **UN Women's Empowerment Principles**.
- We also became a member of **The Business Coalition for the Equality Act**, a group of leading U.S. employers that support federal legislation to provide the same basic protections to LGBTQIA+ people as are provided to other protected groups under federal law.
- We proudly served as an **Open To All** corporate sponsor this year as well as a 2022 Open To All Annual Convening Sponsor. We support the organization's **Open To All Mitigate Racial Bias in Retail Charter** and are committed to work toward reducing racial bias in retail and improving the shopping experience for all.
- We have taken the **ParityPLEDGE®**, a public commitment by **Parity.Org**, a leading impact organization focused on increasing representation of women and people of color in leadership. In doing so, we pledge to interview qualified women and persons of color for open leadership positions within our organization. Our company also publicly supports Parity.org's Gender Parity in Fashion whitepaper.

Our company and its brands have also entered into partnerships with and committed to a wide array of organizations and pledges in furtherance of driving equality, including the **CEO Action for Diversity & Inclusion™**, **Black in Fashion Council**, **Cristo Rey**, **Pride in Fashion**, **Scope**, **The Outsiders Perspective** and **Harlem's Fashion Row**. Jimmy Choo also worked with Harlem's Fashion Row – a New York-based agency that provides opportunities for emerging Black and Latinx creatives – as a part of its newly-released Jimmy Choo x Timberland collaboration, a celebration of New York's pioneering creative community.

## VENDOR DIVERSITY

We are committed to supporting vendor diversity to build stronger and more equitable communities. In 2022, we invested in a software platform that allows us to track and monitor our spend with historically underrepresented or underserved business partners. We are assessing these baseline results and looking forward we seek to increase our engagement with qualified diverse vendors of all sizes.



## DIVERSITY & INCLUSION



Capri believes in the power of an inclusive fashion industry. Our \$20 million pledge to The Capri Holdings Foundation for the Advancement of Diversity in Fashion enables us to expand our efforts to advance equality and promote long-term change in the fashion industry.

The foundation's mission is to support diversity, inclusion and equity throughout the fashion industry, by working collaboratively with educational institutions to create meaningful opportunities in fashion for historically underrepresented communities. Through the development of on-campus recruitment, mentorship and scholarship programs, the foundation looks to position the next generation of talent and prepare students for successful careers in our industry.

In Fiscal Year 2022, the foundation announced an expansive new scholarship program in partnership with the Fashion Institute of Technology (FIT), Howard University, Pensole Lewis College of Business and Design and Central Saint Martins – University of the Arts London. Over the next three years, the foundation will fund scholarships at these institutions for nearly 100 students from historically underrepresented communities, including the BIPOC (Black, Indigenous and People of Color) community, who are pursuing degrees in fashion and merchandising. We are deeply committed to helping students of all backgrounds have greater educational opportunities and real-world experiences. This scholarship program is not just designed to ease students' financial pressures but is part of a larger effort to help remove systemic roadblocks and increase opportunities for racially and ethnically diverse students within the fashion industry.

The Capri Holdings Foundation for the Advancement of Diversity in Fashion is also proud to be a founding member of the Social Justice Center at FIT (the Center), a first-of-its kind initiative established to increase opportunity and accelerate social equity within the creative industries for the BIPOC community. With our pledge of \$1 million to the Center, we are supporting its mission of nurturing a racially and ethnically diverse talent pipeline, from the middle-school classroom to the executive level. The Center is also focused on breaking down systemic barriers and ensuring BIPOC professionals achieve their full potential.

## EMPLOYEE ENGAGEMENT, GROWTH & WELLBEING

### *Employee Experience*

We are focused on every facet of the Capri employee experience to support a culture of inclusion, growth-oriented opportunity and meaningful connection. We are only as strong as our people and our employees' engagement is key to our success.

At Capri, we believe that employees are our most important asset. Enhancing our employee experience has always been an integral part of our strategy and checking in with one another is a key part of our employee engagement program. We believe two-way communication, feedback and continuous improvement drive progress within our group and our brands. In 2022, we expanded our employee listening approach and surveyed all global employees to better understand our company's strengths and opportunities, and to ensure that the Capri employee experience is both highly engaging and inclusive.

We are proud to have been certified in the U.S. as a Great Place to Work® in 2022 – an accolade that we believe is a testament to our culture of empowerment, inclusion and growth. Michael Kors was also recently certified as a Great Place to Work® in the U.K. Great Place to Work® recognition is based entirely on what employees report about their workplace experience, recognized worldwide by employees and employers alike as the global benchmark for identifying and recognizing outstanding employee experience.



## EMPLOYEE ENGAGEMENT, GROWTH & WELLBEING

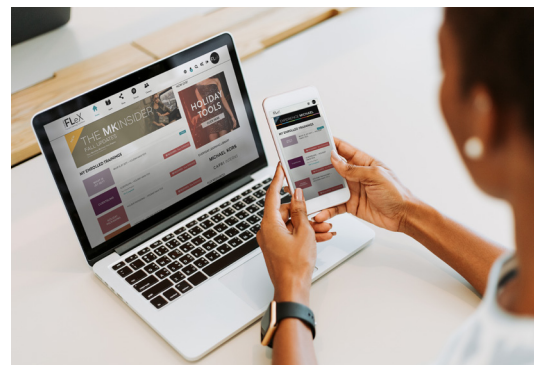
### *Learning & Development*

We honor our employees through our dedication to development and believe that enabling opportunity means ensuring our teams have the skills they need to build fulfilling careers with us. We promote employee performance with personalized development plans and by providing individual feedback at regular intervals throughout the year.

In 2022, we continued to refresh our learning and development programming by offering targeted skill-building for employees at all stages of their careers. At the start of this year, we launched our first learning management system, Capri FLEX, piloting the new e-learning offerings with our Michael Kors North America retail teams. Our roll-out of Capri FLEX and its workplace skills, product knowledge and leadership development courses to our other brands and regions will continue throughout Fiscal Year 2023. In addition, we continue to offer over 17,500 quality training and development touchpoints to employees throughout our global organization, including programs around promoting respect in the workplace, global cybersecurity practices and supply chain transparency, as discussed on page 24 of this report. We also deployed a new leadership development program focused on building and understanding emotional intelligence in our leaders.

We are committed to raising cultural competence and increasing inclusive behaviors through education and experiential learning. We have a three-part, mandatory D&I training curriculum that all employees across our global group must complete upon hire, covering Diversity and Inclusion in the Workplace; Unconscious Bias; and Microaggressions. Looking ahead, we will launch a training program on gender identity, pronouns and intersectionality, along with courses for our retail teams around effectively reducing racial bias in the retail environment and improving the shopping experience for all. We also integrate D&I into our leadership development programming, requiring all employees at the director-level and above to attend inclusion workshops as well as a reinforcement series focused on empathy.

In addition to our D&I training offerings, we are focused on educating and engaging our internal teams around environmental sustainability. For example, Jimmy Choo launched a cross-functional Responsible Retailing training roadshow this year, with the aim of driving engagement of its teams with its social impact pillars and sustainability initiatives. In 2023, we will continue to provide the tools our employees need to champion sustainability in their workplaces, homes and communities, covering a range of topics and offering practical steps toward taking better care of the planet.





## EMPLOYEE ENGAGEMENT, GROWTH & WELLBEING

### *Health & Safety*

Employee health and safety has always been our top priority. As the COVID-19 pandemic continued throughout Fiscal Year 2022, we maintained many of the changes we had made to our workspaces to carry on operating while keeping our teams safe. We continue to prioritize the wellbeing of our employees by offering benefits to address their physical and mental wellbeing.

We maintain comprehensive benefits and compensation packages to attract, retain and recognize our employees. Our commitment to our teams goes beyond wage and health coverage, and we offer a full suite of innovative benefits that are relevant to the diverse needs of our global Capri community. Over the past two years we have significantly expanded our *Thrive* global wellness program, designed to inspire employees to improve their physical, emotional, financial and social wellness. Resources offered as a part of *Thrive* focus on sleep improvement, stress and anxiety relief, online therapy, back and joint pain, meditation and mindfulness, healthy lifestyle programming, and fertility, pregnancy and parenting.

Just as we uphold the highest standards when it comes to our luxury products, we know we must do the same to keep our teams safe. Throughout 2022, we continued to assess evolving health and safety guidance and tailored our practices and protocols for different workplaces, from our distribution centers to our retail stores. We also delivered on our purpose by providing a range of resources and benefits to our employees throughout the pandemic. From remote and flexible workplace arrangements to grocery deliveries during lock-down and expanded mental health benefits, we continued to take swift action to care for our Capri community. Together we have learned to become more agile and creative in our ways of working and we will continue to provide the support our teams need to do their jobs safely.





## SUPPLY CHAIN EMPOWERMENT

Our community extends beyond our direct employees, and our CSR program drives us toward greater engagement with our suppliers. Our goal is to establish and implement supply chain empowerment programs for key supply chain partners in line with the UN Framework for Corporate Action on Workplace Women's Health and Empowerment by 2025.

We are pleased to share that we recently joined Empower@Work, a platform that serves to catalyze collective action at scale for the benefit of women workers and gender equality in global supply chains. Empower@Work is an exciting new coalition of four leading organizations that deliver women's empowerment and gender equality programs – CARE International, International Labour Organization's (ILO) Better Work, BSR's HERproject, and the GAP Inc. P.A.C.E. program. By joining forces under a new platform, Empower@Work seeks to achieve scaled impact through partnership and focus, with the vision that women working in global supply chains experience greater dignity, equality, choice of opportunities and fulfillment of their rights. We look forward to driving increased gender equity throughout our supply chain utilizing their harmonized approach.

As a member of Empower@Work, beginning in 2023, we are committed to implementing workplace trainings at strategic partner facilities and leveraging the organization's industry-wide and data-driven solutions to positively impact a greater number of women workers within our value chain.





# OUR PHILANTHROPY

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## IN THIS SECTION

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Michael Kors & The Fight Against Hunger

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The Jimmy Choo Foundation

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The Versace Foundation

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Community Outreach & Support





## MICHAEL KORS & THE FIGHT AGAINST HUNGER

Michael Kors launched its *Watch Hunger Stop* global philanthropic campaign against hunger in partnership with the UN World Food Programme in 2013. The World Food Programme is the leading humanitarian organization saving and changing lives by delivering food assistance in emergencies and working with communities to improve nutrition and build resilience. This past October, in honor of World Food Day, the brand once again offered for sale special-edition products to benefit the organization's work and spread the message that *Food is Love*. The 2022 *Watch Hunger Stop* campaign enlisted the support of a collective of global influencers to share that message even wider, encouraging people around the world to get involved by shopping for good and donating directly to the World Food Programme. *Watch Hunger Stop* reached an incredible new milestone in 2022 – donating over 30 million meals to date for children in hunger-stricken areas around the world through the World Food Programme's school meals program.

Michael Kors has long believed that the effort to end world hunger starts at home, and in 2022 it continued to support New Yorkers in need through its work with long-time philanthropic partner God's Love We Deliver. God's Love is a New York City-based nonprofit that has been cooking and home-delivering medically tailored meals to people with severe and chronic illness since 1985. God's Love We Deliver is headquartered in a building named in honor of brand founder Michael Kors, and this past July we were thrilled to bring our teams back to volunteer with the organization in-person during "Michael Kors Month." The brand also recently hosted the 16th annual Golden Heart Awards to benefit God's Love We Deliver, taking place in a hybrid format with both an in-person gala as well as a virtual program for supporters tuning in from home.



Over 30  
Million  
Meals  
Donated  
Through Michael Kors  
Watch Hunger Stop





# THE JIMMY CHOO FOUNDATION

The Jimmy Choo Foundation was established in 2011 with the mission of empowering women and improving their quality of life through education and enterprise. As women have always been at the core of the Jimmy Choo brand, our teams feel passionately about creating a world where women can develop the confidence and optimism to dream and achieve. Through an ongoing partnership with Women for Women International that continued during Fiscal Year 2022, the Jimmy Choo Foundation has empowered women around the world through access to life-changing education.

In Fiscal Year 2022, The Jimmy Choo Foundation proudly sponsored 51 women, or ‘sisters,’ through Women for Women International’s Stronger Women, Stronger Nations Program, including women affected by war and conflict in Iraq, Rwanda and the Democratic Republic of Congo. Over the course of twelve months, the sisters were provided resources to learn about health, human rights, business skills and support networks. Additionally, Jimmy Choo supported Women For Women International with donations stemming from multiple brand initiatives throughout the year, including a fantasy shoe sketch competition and capsule collection, an NFT auction, donations to a virtual car boot sale, sponsorship of the #SheInspiresMe Lunch and staff sample sales.

The Jimmy Choo Foundation, and the brand’s teams that supported its work with Women for Women International this year, are immensely proud to be part of an initiative that believes and invests in the power and potential of women to transform their lives on their own terms.



Photo Credit: Monilekan



Photo Credit: Serrah Galos



# VERSACE

## FOUNDATION

A longtime ally of the LGBTQIA+ community, Versace has always been inspired by those who champion creativity, love and self-expression. This past Pride month, our company was proud to launch The Versace Foundation with a \$10 million pledge to further the Foundation's mission of fostering, promoting and supporting programs, projects and activities designed to generate awareness of and support for the LGBTQIA+ community. The Versace Foundation will engage with philanthropic organizations and community groups to support the preservation of LGBTQIA+ history and culture, as well as to promote the advancement of equality, wellness and safety.

We all have a right to be accepted, to be loved and to be our most authentic selves. We look forward to sharing more information on The Versace Foundation's pursuit of LGBTQIA+ inclusion and equity through partnerships and initiatives that demonstrate our allyship to the global LGBTQIA+ community.

*"I'm proud that Versace has always been known for its inclusivity. I am excited for the support and assistance The Versace Foundation will bring to the LGBTQIA+ community."*

**Donatella Versace**  
Chief Creative Officer, Versace

## COMMUNITY OUTREACH & SUPPORT

In addition to the work we are doing to drive diversity, inclusion and equity within our own organization, we are proud of the aid given by Versace, Jimmy Choo and Michael Kors to philanthropic organizations accelerating awareness and support for the LGBTQIA+ community.

Cher and Donatella Versace united for Pride Month 2022 as **CHERSACE**, creating a limited capsule collection of styles to benefit Gender Spectrum, a charity working to create gender sensitive and inclusive environments for all children and teens.

To celebrate Pride 2022, Jimmy Choo teamed up with Vogue and LGBTQI+ collective Sink The Pink to create a special video exploring the transformative power of personal style and chosen family. An emphasis on glamour, self-expression and inclusivity is something Sink The Pink and Jimmy Choo share, which is underscored by the brand's ongoing partnership with The Trevor Project – the world's largest suicide prevention and crisis intervention organization for LGBTQ+ youth.

Since 2019, Michael Kors has launched annual Pride collections with dedicated campaigns and donations to charity. 100% of the profits of the brand's 2022 Pride capsule collection benefitted OutRight Action International, an organization with a permanent presence at the United Nations Headquarters in New York and whose work to improve the lives of LGBTQIA+ people is done at the local, regional and international levels. Chief Creative Officer Michael Kors, together with his husband Lance Le Pere and through the Kors Le Pere Foundation, are also founding supporters of the Stonewall National Monument Visitor Center, expected to become the first LGBTQ+ visitor center in the U.S. National Parks System. The Center will be opened by Pride Live, a social advocacy and community engagement organization for the LGBTQ+ community, and will serve to celebrate and advance the legacy of the Stonewall uprising that gave way to what we know as Pride today.





## COMMUNITY OUTREACH & SUPPORT

Giving back is embedded in our company's culture, and we are committed to creating lasting change in the places where we live and work. In 2022, we continued to use our resources, time and reach to promote our purpose and be a force for good in the world.

Our employees and retail stores play a meaningful role in advancing our purpose, *Capri Cares*. Because we believe our impact is most meaningful when our efforts begin with our local teams, who know their communities best, we provide opportunities for employees to support social and environmental issues that are meaningful to them, including through events to raise awareness and money, opportunities to volunteer and more. To facilitate our culture of caring, all U.S. employees across our group received one paid day off in 2022 to volunteer in support of causes they care about and in ways that work best for them. This is a benefit that we wholeheartedly believe in, and we plan to extend paid volunteer time off to our global Capri community in the future. Our retail stores also host donation events, where a portion of sales are donated to organizations working on behalf of causes important to their local community, such as healthcare research and education. We are proud of our employees' and customers' continued dedication to supporting those in need in their local communities.



### VOLUNTEER SPOTLIGHT:

Over 250 Versace employees recently came together to participate in volunteer clean-ups of public parks to improve the environment and engage with their local communities in the brand's home cities, Milan and Novara. The project took place in partnership with Legambiente volontariato aziendale, Italy's leading non-profit environmental association who supported Versace employees in removing over 150 kg of waste from the parks.

## COMMUNITY OUTREACH & SUPPORT

Our corporate giving efforts increase during times of disaster, when our company donates directly to organizations working on the ground to support affected communities.

In early 2022, our company made an emergency donation in support of those displaced and suffering due to the war in Ukraine, benefitting the United Nations World Food Programme. Our aid contributed to the World Food Programme's emergency operation within and outside of Ukraine to provide food assistance for affected citizens. We then deepened our commitment by donating over €1 million in essential clothing to aid those displaced by the ongoing war. To execute this initiative, we utilized collection points created by Venlo Helps Ukraine, an initiative local to our European distribution center created to organize the collection of clothing, medical goods, non-perishable food and other essential items for distribution within Poland and the Ukraine border. Our company made an additional donation to the UN Crisis Relief Fund to further support the Ukrainian people.

In 2022, we continued our support to Delivering Good, a non-profit organization benefitting individuals impacted by poverty and disasters through the organization's network of more than 700 community partners across the United States, by donating new and sample merchandise throughout the year. We also recently formed a partnership with Soles4Souls, an Alabama-based nonprofit whose mission is to collect and distribute shoes to people in need around the world. Through these partnerships, we are able to reduce our own operational waste footprint while finding new homes for our products and supporting those in need.

### DONATION SPOTLIGHT:

Continuing its ongoing corporate partnership with the Breast Cancer Research Foundation, Jimmy Choo has harnessed the joy of fashion to power life-saving medical advancements. A portion of proceeds from the brand's 2022 North American limited-edition capsule collection will be donated to the Breast Cancer Research Foundation in honor of breast cancer awareness.



### DONATION SPOTLIGHT:

In celebration of Earth Day 2022 and in honor of our 15,000 global employees, Capri Holdings partnered with One Tree Planted to plant 15,000 trees around the world. One Tree Planted is a nonprofit organization whose vision is to restore forests, create habitat for biodiversity and make social impact around the world.





# APPENDIX

## IN THIS SECTION

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## DISCLOSURES

### Materiality

We commit to conducting regular materiality assessments to ensure that we are focusing on the ESG topics of greatest importance to our stakeholders. We carried out our most recent group-wide materiality assessment in 2022, as discussed on pages 14-15 of this report. The list of material ESG topics that were evaluated as a part of this assessment are defined in our Material Topics disclosure available here (incorporated herein and considered a part of our 2022 CSR report).

For the purposes of clarity, the identification of material issues and focus areas that guide our CSR strategy should not be construed as a characterization regarding the materiality or financial impact of such issues or related information to investors in Capri Holdings Limited. We are not using the terms “material,” “materiality” or similar as they have been defined or construed in accordance with the securities laws or any other laws of the U.S. or any other jurisdiction, or as these terms are used in the context of financial statements and financial reporting, and nothing in this report should be construed to indicate otherwise.

### Reporting Frameworks

This annual update is supported by our 2022 disclosures (each incorporated herein and considered a part of our 2022 CSR report).

**United Nations Sustainable Development Goals (UN SDGs)** – The UN SDGs were adopted in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. We share how our CSR strategy supports the SDGs here.

**United Nations Global Compact (UNGC) Ten Principles** – The UNGC is a call to companies to align their strategies and operations with ten universal principles related to human rights, labor, the environment and anti-corruption. To learn how our 2022 progress aligns with the Ten Principles of the UNGC, click here.

**Sustainability Accounting Standards Board (SASB)** – The Sustainability Accounting Standards Board (SASB) Standards are now a part of the IFRS Foundation’s International Sustainability Standards Board (ISSB), a non-profit created to serve the public interest by developing globally accepted financial reporting standards that meet investors’ and other capital market participants’ needs for reliable, transparent and comparable information to make economic decisions. Our 2022 SASB index, available here, references the Standard for the Apparel, Accessories & Footwear industry as defined by SASB’s Sustainable Industry Classification System (SICS).

**Task Force On Climate-related Financial Disclosures (TCFD)** – The Financial Stability Board created TCFD to improve and increase reporting of climate-related financial information. In 2022, we conducted a TCFD analysis to enhance our sustainability strategy and programming. Our 2022 disclosures aligned with TCFD recommendations are available here.

## DISCLOSURES

### Our Data

The boundaries of this report vary from section to section and are a function of the accessibility of relevant data. This report and the data contained herein cover Capri Holdings Limited as a whole, however, certain information may be brand, division or region specific and will be designated as such. Where possible, we define the scope of any quantitative values as well as the associated time period that the data represents. The information contained in this report is subject to the precision of our data collection and analysis methods. Figures and percentages shown in this report may include rounding. While we consider information from external resources and consultants to be reliable, we do not assume responsibility for its accuracy. Additionally, all numbers referenced are subject to the quality and comprehensiveness of the reporting received by the company from internal and external sources and are therefore approximate and/or estimated values. This report is not externally assured. Throughout this report, references to “Capri Holdings,” “Capri,” “ourselves,” “we,” “our,” “us,” “the company,” and “the Company” refer to Capri Holdings Limited and its consolidated subsidiaries, unless the context indicates otherwise. We utilize a 52- to 53-week fiscal year. All references to Fiscal Year 2019 (FY 19) represent the fiscal year ended March 30, 2019; references to Fiscal Year 2020 (FY 20) represent the fiscal year ended March 28, 2020; references to Fiscal Year 2021 (FY 21) represent the fiscal year ended March 27, 2021; references to Fiscal Year 2022 (FY 22) represent the fiscal year ended April 2, 2022; and references to Fiscal Year 2023 (FY 23) represent the fiscal year ending April 1, 2023.

### Forward-Looking Statements

This 2022 CSR annual update report and the other disclosures included or incorporated herein contain forward-looking statements. You should not place undue reliance on such statements because they are subject to numerous uncertainties and factors relating to the Company’s operations and business environment, all of which are difficult to predict and many of which are beyond the Company’s control. Forward-looking statements include information concerning the Company’s goals, future plans and strategies, including with respect to CSR goals, initiatives and ambitions as well as the Company’s possible or assumed future results, including descriptions of its CSR strategy. These statements often include words such as “may,” “will,” “should,” “believe,” “expect,” “seek,” “anticipate,” “intend,” “plan,” “estimate” or similar expressions. The forward-looking statements contained in this 2022 CSR annual update report and the other disclosures included or incorporated herein are based on assumptions that the Company has made in light of management’s experience in the industry as well as its perceptions of historical trends, current conditions, expected future developments and other factors that it believes are appropriate under the circumstances. You should understand that these statements are not guarantees of performance or results. They involve known and unknown risks, uncertainties and assumptions. Although the Company believes that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect the Company’s actual results and could cause actual results to differ materially from those in these forward-looking statements. These factors are more fully discussed in the “Risk Factors” section and elsewhere in the Company’s Annual Report on Form 10-K for the fiscal year ended April 2, 2022 (File No. 001-35368), filed on June 1, 2022 with the SEC. The Company disclaims any obligation to update or revise any forward-looking or other statements contained herein other than in accordance with legal and regulatory obligations. The Company’s Fiscal 2022 Annual Report on Form 10-K and other filings by the Company with the SEC are not incorporated herein by reference and should not be considered a part of this 2022 CSR annual update report.




### Learn More About Capri CSR

Additional CSR resources, policies, public statements and past reporting can be found within the Governance, Responsibility and Financial hubs on our corporate website. Questions, comments or feedback regarding this report or Capri’s CSR strategy should be directed to [CSR@capriholdings.com](mailto:CSR@capriholdings.com).



## GOALS SCORECARD

In our 2020 CSR report, we set clear, measurable goals across our group to ensure that we go further, faster in lowering our impacts while driving positive change for the planet and its people. Holding ourselves accountable to these commitments is a critical part of our CSR strategy. We are pleased to share this Goals Scorecard as a complement to our 2022 CSR annual update report – a reminder of our key sustainability goals, our plans for getting there and our progress to date.

Goal	Our Plans & 2022 Progress
 <b>95% traceability of fabric, trim and hardware suppliers and processing units by 2025, and of raw material suppliers by 2030</b>	<p>During Fiscal Year 2022, we continued to leverage our supply chain compliance program to learn from our direct suppliers where they are sourcing the materials and components used in our products. We also began to invest in resources and technology to enable us to dig deep, starting within our leather supply chain. We selected 42 strategic tannery partners to pilot the launch of our new traceability platform and map their supply chains. The results of our leather traceability pilot will inform our strategy for mapping other key raw material supply chains. <b>To learn more on our approach to supply chain traceability, please see page 27 of the report.</b></p>
 <b>100% carbon neutral across our direct operations by 2025</b>	<p>We have shifted our emissions reduction targets from those set in 2020 to our even more ambitious science-based targets (SBTs), which include greenhouse gas (GHG) emissions reduction goals for both our own operations and our value chain. Our new SBTs, approved in November 2022 by the Science Based Targets initiative (SBTi), are reflected here:</p> <ul style="list-style-type: none"> <li>- 50% absolute reduction of Scope 1 and 2 GHG emissions by 2030</li> <li>- 50% absolute reduction of Scope 3 GHG emissions from Purchased Goods &amp; Services by 2030</li> </ul> <p>In Fiscal Year 2022, we achieved a 38% reduction in our Scope 1 and 2 emissions from our Fiscal Year 2019 baseline.* We also calculated our Scope 3 baseline in 2022, selecting 2019 as a representative fiscal year unaffected by COVID-19. Moving forward, we will continue to calculate our Scope 3 footprint and transparently disclose the progress we make toward our near-term Scope 3 SBT. <b>To learn more on the evolution of our climate strategy, please see pages 30-35 of the report.</b></p> <p><small>*We measure and calculate our emissions according to the World Resources Institute Greenhouse Gas Protocol, the industry standard and international tool for carbon accounting. Our GHG emissions data has not been externally assured.</small></p>
 <b>100% renewable energy in our direct operations by 2025</b>	<p>During Fiscal Year 2022, we continued to prioritize clean energy by pursuing short- and long-term renewable investments, beginning in North America where our GHG footprint is greatest. 37% of our group-wide electricity use in Fiscal Year 2022 was powered by renewable sources, including on-site solar generation and the purchase of renewable energy credits (RECs) to cover our entire North American footprint. We also recently concluded the RFP process for a virtual power purchase agreement (VPPA) in North America and expect to increase our renewable energy portfolio by signing our first VPPA in 2023. Capri is one of twelve companies uniting in their commitment to procure renewable energy in the European Union through The Fashion Pact's newly announced collective VPPA (CVPPA). <b>To learn more on renewable energy use, please see page 35 of the report.</b></p>

	<b>Commit to set GHG emissions reduction targets across our operations and supply chain (Scope 1, 2 and 3) with SBTi by 2021</b>	We officially committed to setting emissions reduction targets with SBTi in December 2020. Last month, SBTi confirmed our Scope 1 and 2 target is aligned with the 1.5°C pathway and our Scope 3 target exceeds the minimum ambition for the 2°C pathway and is therefore considered ambitious. <b>To learn more on our journey to net zero, please see pages 30-35 of the report.</b>
	<b>95% leather from LWG Gold- or Silver-certified tanneries or tanneries with comparable certification by 2025</b>	We are working to promote responsible tannery practices through the power of the collective by actively participating in the Leather Working Group (LWG). We also continued to prioritize sourcing from tanneries that meet the highest standards of environmental performance this year. 91% of the leather that our brands sourced during Fiscal Year 2022 came from LWG Gold- or Silver-certified tanneries. <b>To learn more on our better leather strategy, please see pages 37-38 of the report.</b>
	<b>100% recyclable or sustainably sourced point-of-sale (POS) packaging by 2025</b>	We consider POS packaging to be sustainably sourced if it consists of recycled content or is certified through the Forest Stewardship Council (FSC). We are well on our way to meeting our POS packaging goal, with 72% of the Versace packaging, 45% of the Jimmy Choo packaging and 95% of the Michael Kors packaging sourced during Fiscal Year 2022 (by weight) being recyclable or sustainably sourced. <b>To learn more on our approach to lower-impact packaging, see page 42 of the report.</b>
	<b>100% recyclable, compostable, recycled or reusable plastic in our packaging by 2025</b>	While our ultimate goal is to avoid plastic packaging altogether, we recognize it is not possible to meet all of our industry's packaging needs today with existing, non-plastic packaging options. After eliminating plastic from our brands' packaging where feasible, only 9% of our POS and on-product packaging (by weight) was made from plastic during Fiscal Year 2022. Of our remaining plastic packaging shipped during the fiscal year, 79% was conventional, 15% was recycled, 4% was reusable and 2% was recyclable. <b>To learn more about our plastic packaging commitments, see page 42 of the report.</b>
	<b>25% reduction in our direct operation waste by 2025</b>	We are doing our part to reduce our waste by addressing the impact of our packaging and inventory. During Fiscal Year 2022, we increased the amount of recyclable packaging we sourced across our group and continued to explore ways to right-size and re-use our packaging. Another important part of our waste reduction and circular strategy is to educate our employees and customers on ways they can help us achieve our goals by maximizing recycling. As we continue to improve the recyclability of our packaging, we plan to enhance our on-packaging labeling and give further guidance to our teams to facilitate recycling. We also continued to manage our inventory waste more sustainably through recycling and deconstruction programs, by diverting fabric and textile waste, and by donating unsold inventory to those in need. <b>To learn more on our approach to waste reduction, see page 45 of the report.</b>
	<b>10% reduction in key suppliers' aggregate water use by 2025</b>	Throughout our value chain, we strive to use natural resources, including water, in a sustainable way. By leveraging the tools and resources of multi-stakeholder initiatives like the Sustainable Apparel Coalition (SAC) and LWG, we seek to reduce the water footprint associated with our brands' products. As we drive progress toward our traceability goals, we will be able to connect our manufacturing footprint against water inventory and water basin risk assessments which will help us prioritize our areas of focus as we work to achieve our water reduction goal. <b>To learn more on our approach to responsible water use, see page 46 of the report.</b>
	<b>Zero hazardous chemicals across our supply chain by 2025</b>	In 2023, we will complete our roll-out of Zero Discharge of Hazardous Chemicals (ZDHC) tools to key suppliers, including its Manufacturing Restricted Substances List (MRSL) and Wastewater Guidelines. We believe these resources will enable our company to take a comprehensive approach to chemical management – addressing input management, process management and output management – and serve as a complement to our Product Restricted Substances Lists (PRSLs) and associated testing criteria. <b>To learn more on our approach to chemical management, see page 47 of the report.</b>
	<b>Implement supply chain empowerment programs by 2025</b>	We recently joined Empower@Work (E@W), a platform that serves to catalyze collective action at scale for the benefit of women workers and gender equality in global supply chains. As a member of Empower@Work, beginning in 2023, we are committed to implementing workplace trainings at strategic partner facilities to positively impact a greater number of women workers within our value chain. <b>To learn more about our work with E@W, see page 59 of the report.</b>

## MATERIAL TOPICS

In 2022, we conducted a materiality assessment to identify and assess the ESG topics that are most relevant to our business and our stakeholders. As a part of our commitment to transparency, the list of material ESG topics that were evaluated as a part of this assessment are defined below.

### ENVIRONMENT

#### Biodiversity, Deforestation And Land Use

Understanding and reducing our impact on biodiversity and ecosystems due to deforestation or other land use change that can impact endangered and threatened species or their habitats.

#### Chemical Use Management And Product Safety

Eliminating the use of hazardous substances throughout our supply chain and promoting practices aimed at minimizing the impact of water discharges and ensuring worker and consumer health and safety.

#### Circular Economy And Material Innovation

Embracing disruptive and innovative solutions for durability, reuse, repair, resale and upcycling of product and materials, and integrating circular by design principles across our brands.

#### Climate Change, Energy And Emissions

Managing and reducing greenhouse gas (GHG) emissions across our entire value chain, including within our own operations and emissions occurring upstream and downstream, in line with prevailing climate science. Investing in renewable energy and energy efficiency initiatives.

#### Sustainable Product And Responsible Sourcing

Promoting the procurement of lower-impact raw materials and processing methods, holistically considering impacts on climate change, biodiversity and more. Investing in more sustainable materials, processes and programs, such as regenerative agriculture and plastic packaging alternatives. Offering high-quality products designed with durability in mind.

#### Waste

Measuring and managing waste generated throughout our operations and supply chain with the aim of reducing waste and increasing the volume destined for recycling.

#### Water Use And Stewardship

Evaluating water intensity and water stress areas within our supply chain and investing in efforts to manage water-related risks, such as pollution, and opportunities within our own operations and within sourcing communities.

### SOCIAL

#### Diversity, Equity And Inclusion

Championing inclusive and equal opportunities within our workplace and the greater fashion industry that reflect and embrace our diverse workforce and the communities we serve and ensure that our employees can realize their full potential and excel. Transparently disclosing workforce demographic data while increasing representation at all levels of our organization.

#### Employee Compensation And Benefits

Ensuring fair and equitable treatment of all employees in terms of financial and non-financial benefits and facilitating access to innovative ways of working.



## MATERIAL TOPICS

### Employee Learning And Development

Providing training and leadership development opportunities throughout all levels of our organization and at all stages of employees' careers.

### Human Rights

Ensuring respect for fundamental human rights throughout our organization and value chain, and in particular the rights of supply chain workers, by incorporating expectations that go above legal requirements into our practices, policies and procedures. Regularly conducting human rights reviews and impact assessments and recognizing and remediating incidents of non-compliance with our standards.

### People Health, Safety And Wellbeing

Guaranteeing a safe and healthy workplace by minimizing accidents and occupational diseases through training, prevention and protection activities. Promoting the physical, emotional, financial and social wellness of employees and workers throughout our supply chain. Ensuring that none of our operations or suppliers are at significant risk for incidents of forced, compulsory or child labor.

### Philanthropy And Volunteering

Serving local communities and supporting philanthropic causes in the communities where we live and work.

### Supply Chain Worker Empowerment And Engagement

Positively impacting livelihoods in the communities where we source by engaging with suppliers in a meaningful way to advance equality and empower workers, particularly women, in our value chain.

### Supply Chain Worker Living Wages

Advancing competitive salaries that ensure all supply chain workers across different social groups and roles are paid a living wage.

## GOVERNANCE

### Bribery, Corruption And Ethical Business Practice

Discouraging all forms of corruption throughout our operations and value chain. Ensuring compliance with our related policies and procedures, including our anti-bribery policy.

### Consumer Awareness And Satisfaction

Meeting customers' needs and expectations, promoting and selling products with a fair representation of their characteristics and impacts, and avoiding misleading information and claims.

### Corporate Governance And Economic Performance

Ensuring appropriate governance structure that provides for oversight and accountability of ESG goal-setting and initiatives, risks and opportunities, and public reporting processes by the Board of Directors. Maintaining transparent corporate governance aimed at representing the interests of internal and external stakeholders. Responsibly managing the resources of our organization, and proactively addressing physical and financial risks and opportunities to our business, including those related to climate change and regulatory requirements.

### Data Privacy And Protection















Protecting customer and employee data and privacy, and using data responsibly.

### Supply Chain Transparency And Traceability

Investing in technologies and resources to increase supply chain transparency in an effort to mitigate risks, create positive impacts and drive brand value.

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Capri's CSR strategy is intentionally aligned with the United Nations Sustainable Development Goals (UN SDGs) to ensure we are continuing to support efforts to scale global solutions that drive a more sustainable and equitable future for all. The SDGs are an important influence on our company's ESG ambitions and targets, and we look to the SDGs as we refine and execute on our sustainability initiatives. The table below sets out the UN SDGs that we have prioritized, along with Capri's CSR focus areas that support each goal.

UN SDG	Capri Area Of Focus	UN SDG	Capri Area Of Focus
 <b>2</b> ZERO HUNGER	Community Outreach & Support Michael Kors & The Fight Against Hunger	 <b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE	Responsible Sourcing Our Circular Journey Supply Chain Empowerment
 <b>3</b> GOOD HEALTH AND WELL-BEING	Employee Engagement, Growth & Wellbeing Michael Kors & The Fight Against Hunger Our Commitment to Human Rights Supply Chain Compliance & Traceability Supply Chain Empowerment	 <b>10</b> REDUCED INEQUALITIES	Diversity & Inclusion Employee Engagement, Growth & Wellbeing Supply Chain Empowerment The Jimmy Choo Foundation The Versace Foundation
 <b>4</b> QUALITY EDUCATION	Diversity & Inclusion Employee Engagement, Growth & Wellbeing Ethical Business Practices Supply Chain Empowerment	 <b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION	Our Circular Journey Responsible Sourcing Supply Chain Compliance & Traceability Water Use & Chemical Management
 <b>5</b> GENDER EQUALITY	Diversity & Inclusion Our Commitment to Human Rights Supply Chain Empowerment The Jimmy Choo Foundation The Versace Foundation	 <b>13</b> CLIMATE ACTION	Acting on Climate Change Responsible Sourcing Our Circular Journey
 <b>6</b> CLEAN WATER AND SANITATION	Responsible Sourcing Water Use & Chemical Management	 <b>15</b> LIFE ON LAND	Responsible Sourcing
 <b>7</b> AFFORDABLE AND CLEAN ENERGY	Acting on Climate Change	 <b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS	Ethical Business Practices Power of Partnership Risk Management
 <b>8</b> DECENT WORK AND ECONOMIC GROWTH	Diversity & Inclusion Our Commitment to Human Rights Supply Chain Empowerment The Jimmy Choo Foundation	 <b>17</b> PARTNERSHIPS FOR THE GOALS	Power of Partnership

## UNITED NATIONS GLOBAL COMPACT PRINCIPLES

The Ten Principles of the United Nations Global Compact (UNGC) are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and the Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption. By incorporating the Ten Principles into our strategies, policies and procedures, we aim to uphold our responsibilities to Our Governance, Our World, Our Community and Our Philanthropy.

Topic	Principles	Where to Find Capri's Aligned Action in 2022 CSR Report
Human Rights	<p>Principle 1: Business should support and respect the protection of internationally proclaimed human rights; and</p> <p>Principle 2: Make sure they are not complicit in human rights abuses.</p>	<p>Our Governance (p. 18-27)</p> <p>Our Community (p. 48-59)</p> <p>Our Philanthropy (p. 60-67)</p>
Labor	<p>Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Principle 4: the elimination of all forms of forced and compulsory labor;</p> <p>Principle 5: the effective abolition of child labor; and</p> <p>Principle 6: the elimination of discrimination in respect of employment and occupation.</p>	<p>Our Governance (p. 18-27)</p> <p>Our Community (p. 48-59)</p> <p>Our Philanthropy (p. 60-67)</p>
Environment	<p>Principle 7: Businesses should support a precautionary approach to environmental challenges;</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Our World (p. 28-47)</p>
Anti-Corruption	<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>Our Governance (p. 18-27)</p>



## SUSTAINABILITY ACCOUNTING STANDARDS BOARD

The Sustainability Accounting Standards Board (SASB) Standards are now a part of the IFRS Foundation's International Sustainability Standards Board (ISSB), a non-profit created to serve the public interest by developing globally accepted financial reporting standards that meet investors' and other capital market participants' needs for reliable, transparent and comparable information to make economic decisions. For the third consecutive year, we are reporting in line with SASB's Standard for the Apparel, Accessories & Footwear industry as defined by SASB's Sustainable Industry Classification System (SICS).

Topic	Accounting Metric & Code	Capri 2022 Response
<b>Management of Chemicals in Products</b>	Discussion of processes to maintain compliance with restricted substances regulations  <b>CG-AA-250a.1</b>	<p>Our chemical management program includes comprehensive Product Restricted Substances Lists (PRSLs) and associated testing criteria, in line with or more restrictive than legal requirements for all regions of sale, including but not limited to the European Union's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and the State of California's Proposition 65.</p> <p>We take a risk-based testing approach to verify that raw materials used in our brands' finished products, and the finished products themselves, comply with our program requirements, using independent third-party labs that are accredited and certified for testing. We evaluate our risk-based testing approach annually (or more frequently as needed) to ensure testing requirements and protocols appropriately mitigate the risk of non-compliance, taking into account the nature of our raw materials and products.</p>
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products  <b>CG-AA-250a.2</b>	<p>We believe implementing a consistent set of tools to support best practices around chemical management will help advance the industry as a whole. In 2020, we committed to eliminating hazardous chemicals from our supply chain by 2025. In 2023, we will complete our roll-out of Zero Discharge of Hazardous Chemicals (ZDHC) tools, including its Manufacturing Restricted Substances List (MRSL) and Wastewater Guidelines, to key suppliers. In addition to our membership in the ZDHC program, certain of our brands are active members in the Camera Nazionale della Moda Italian (CNMI) association and actively contribute to the development of their Italian-based chemical standards.</p> <p>We communicate our expectations around chemical management, including our PRSLs and the ZDHC MRSL, in our supply chain compliance handbook issued during new supplier onboarding and annually thereafter. As we continue to roll out our chemical management expectations, we are utilizing industry platforms to gain visibility into our suppliers' performance and encourage their continuous improvement in the areas of chemical safety and management.</p> <p>We have prioritized engagement around chemical management performance with the leather tanneries in our supply chain, given the importance of this key material to our brands and the water- and chemical-intensive nature typical of the tanning process. We continue to promote LWG certification with our tanneries, sourcing over 91% of our leather volume in our Fiscal Year 2022 from LWG Gold- and Silver-certified tanneries. LWG assesses the environmental performance and compliance of leather manufacturers with a focus on proper water and chemical stewardship, amongst other factors. Going beyond our tanneries, in 2022 we rolled out the Sustainable Apparel Coalition's (SAC) Higg Facilities Module (FEM) to key Tier 1 suppliers within our supply chain that represented over 66% of our fiscal year production spend. Through FEM responses we are able to understand suppliers' chemical management performance at the facility level. In the coming years, we will expand our promotion of the FEM across our supplier base as part of our efforts to increase visibility of our supply chain's environmental and chemical management performance data. <b>To learn more on our approach to chemical management, see page 47 of the report.</b></p>

## SUSTAINABILITY ACCOUNTING STANDARDS BOARD

<b>Environmental Impacts in the Supply Chain</b>	<p>Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreements</p> <p><b>CG-AA-430a.1</b></p>	<p>We expect our supply chain partners to conduct their operations in line with our supply chain compliance program, which addresses both environmental and social sustainability issues. Amongst other things, our program is designed to ensure that our direct suppliers meet all applicable legal requirements with respect to the environment and the safety of workers. The quantity and quality of any wastewater from our direct suppliers must comply with relevant wastewater permits and local requirements, and we require our direct suppliers to ensure compliance by their own suppliers and subcontractors. Our suppliers are expected to promptly develop and implement plans and programs to correct any non-compliance practices, including those related to the environment. <b>To learn more on our approach to supply chain compliance, see pages 26-27 of the report.</b></p> <p>We encourage continuous improvement and alignment to industry best practices around chemical management, including through the use of ZDHC's Wastewater Testing Guidelines. By leveraging the SAC's Higg FEM, LWG certifications, and the ZDHC Gateway platform, we have gained visibility into our key suppliers' wastewater management performance during 2022.</p> <p>We have prioritized engagement around chemical and wastewater management performance with the leather tanneries in our supply chain, given the importance of this key material to our brands and the water- and chemical-intensive nature of the typical tanning process. As discussed above, we continue to promote LWG certification with our tanneries.</p> <p>During our Fiscal Year 2022, we received Higg FEM assessments from 53 of our Tier 1 suppliers, representing over 66% of our fiscal year production spend. These reporting facilities scored above the industry averages on the Higg FEM water and wastewater modules. In the coming years, we will expand this effort to increase visibility of our supply chain environmental and chemical management performance data across our supply chain. <b>To learn more on our approach to responsible water use and chemical management, see pages 46-47 of the report.</b></p>
	<p>Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment</p> <p><b>CG-AA-430a.2</b></p>	<p>Since joining the SAC in 2019, we continue to prioritize the roll-out of the organization's tools and resources to key supply chain partners, including the Higg FEM. This year we gained visibility into the environmental performance of 53 Tier 1 suppliers through Higg FEM, representing 66% of our fiscal year production spend. In addition, we have received completed Higg FEM assessments from 23 key Tier 2 suppliers not already participating in LWG or other equivalent environmental assessments through which we were previously able to learn of their environmental impacts.</p>

## SUSTAINABILITY ACCOUNTING STANDARDS BOARD

<p><b>Labor Conditions in the Supply Chain</b></p>	<p>Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor</p> <p><b>CG-AA-430b.1</b></p>	<p>We expect all of our supply chain partners to conduct their operations in line with all relevant laws and regulations and with the requirements of our supply chain compliance program, which includes compliance with our Code of Conduct for Business Partners (Supplier Code). We believe the standards required by our program address the most salient social risks in our supply chain, and we reinforce these standards through our risk assessment and audit protocols. All direct suppliers are subject to assessments and audits and are responsible for ensuring their own suppliers and subcontractors abide with requirements of our Supplier Code. <b>To learn more on how we uphold our commitment to human rights throughout our value chain, please see page 25 of the report and our Human Rights Statement, published on our corporate website.</b></p> <p>During our Fiscal Year 2022, we conducted audits at 74 of our Tier 1 suppliers and at 66 of our Tier 2 suppliers through independent, third-party auditors. The Tier 1 suppliers subject to these audits represent approximately 60% of our total fiscal year production spend with Tier 1 suppliers. In addition to our own audit program, we continued to leverage SAC tools including SAC's FSLM. We accepted FSLM responses from 40 direct suppliers during 2022, with 35% of those FSLM responses being verified. We also recognize the industry-wide need to streamline the monitoring process and have encouraged our supply chain partners to participate in Better Work, adopting these assessments in lieu of our own audits from 30 direct suppliers during Fiscal Year 2022. <b>To learn more on our approach to supply chain compliance, see pages 26-27 of the report.</b></p>
	<p>Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits</p> <p><b>CG-AA-430b.2</b></p>	<p>We require all direct suppliers to have a collaborative approach to supply chain compliance and be committed to resolving instances of non-compliance with the requirements of our supply chain compliance program. Our goal is to only work with suppliers that are honest, transparent and committed to making continuous improvements. We aim to swiftly address instances of non-compliance by working closely with our suppliers and third-party audit partners to pursue time-bound corrective actions. We support remediation where possible, but we reserve the right to terminate our relationship with partners who do not address compliance issues or who are found to have committed zero tolerance violations.</p> <p>The most common issues identified during our Fiscal Year 2022 audits and assessments fell within the following categories of non-compliance: health and safety, wages and benefits, and working hours. Over 70% of the corrective action plans issued in connection with our 2022 audits have been completed in full as of the date of this report. <b>To learn more on our approach to supply chain compliance, see pages 26-27 of the report.</b></p>
	<p>Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain</p> <p><b>CG-AA-430b.3</b></p>	<p>Labor: Forced labor Freedom of association Wages and working hours</p> <p>Environmental, health and safety: Emergency preparedness Air Emissions Wastewater Chemical management</p>



## SUSTAINABILITY ACCOUNTING STANDARDS BOARD

<b>Raw Materials Sourcing</b>	<p>Description of environmental and social risks associated with sourcing priority raw materials</p> <p><b>CG-AA-440a.1</b></p>	<p>Having reliable data on each step of our products' life cycles gives us the ability to identify the greatest risks in our supply chain. We have set a goal to achieve 95% traceability of our fabric, trim and hardware suppliers and processing units by 2025, and of our raw material suppliers by 2030. In 2022 we kicked-off our traceability pilot with one of the most important raw materials to our company – leather. The results of our pilot will inform our roll-out strategy for mapping the supply chains of other raw materials that we source and will aid us in further identifying and addressing the environmental and social risks and opportunities in these supply chains. <b>To learn more on our approach to supply chain mapping, including our leather traceability pilot, see pages 26-27 of the report.</b></p> <p>We know that most of our climate impact lies within our Scope 3 supply chain emissions, and in particular within the sourcing and production of the raw materials used in our products. Following the calculation of our Scope 3 GHG emissions baseline, we learned that the raw material that has the greatest impact on our carbon footprint is leather, followed by other key raw materials for our brands including cotton, polyester and coated synthetic materials. In addition to leather's climate-related impacts, we believe the greatest risks posed by this priority raw material include: the social and labor conditions during production; chemical management and wastewater impacts during the tanning process; and deforestation. <b>To learn more on our approach to using lower-impact materials, including our better leather strategy, see pages 36-42 of the report.</b></p>
	<p>Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard</p> <p><b>CG-AA-440a.2</b></p>	<p>In prioritizing our responsible sourcing initiatives, we are focused on leather – a key material used in our two largest product categories, accessories and footwear. We are committed to sourcing at least 95% of the leather used in our brands' products from LWG Gold- or Silver-certified tanneries, or from tanneries achieving comparable certification, by 2025. During Fiscal Year 2022, 91% of the leather that we sourced came from LWG Gold- and Silver-certified tanneries (up from 85% in Fiscal Year 2021). <b>To learn more on our approach to sourcing better leather, see pages 36-38 of the report.</b></p> <p>Outside of leather, our brands use a number of natural and synthetic materials to craft their luxury products. We believe sustainability starts with design, and we seek to offer more products that incorporate lower-impact materials and processing methods. We require relevant third-party certifications for all lower-impact materials that we source, which may include Global Organic Textile Standard, Organic Content Standard, Global Recycled Standard and Recycled Content Standard certifications and those from the Forest Stewardship Council. <b>To learn more on our approach to using lower-impact materials, see page 39 of the report.</b></p>
<b>Activity Metric</b>	<p>Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1</p> <p><b>CG-AA-000.A</b></p>	<p>Fashion supply chains are notoriously long and complex. Yet we remain committed to driving greater transparency and accountability across our supplier base. Our goal is to achieve 95% traceability of our entire value chain – fabric, trim and hardware suppliers and processing units (Tier 2 suppliers) by 2025, and raw material suppliers (Tier 3 suppliers) by 2030.</p> <p>During our Fiscal Year 2022, we maintained 100% traceability of our 445 active Tier 1 facilities. Beyond Tier 1, we have identified 663 suppliers from which we directly purchased raw materials, trims and other components during our last fiscal year.</p> <p>We have prioritized the mapping of our leather supply chain – a key material used in our two largest product categories, accessories and footwear. Although we do not directly source from all of the tanneries that supply leather to our brands, we have identified 118 active tanneries during 2022, with 42 of these tanneries considered strategic suppliers for Capri. We kicked-off a traceability pilot with these 42 key tannery partners to map their supply chains. The results of our traceability pilot will inform our strategy for mapping other key raw material supply chains. <b>To learn more on our approach to supply chain traceability, including our leather pilot, see pages 26-27 of the report.</b></p>

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Capri recognizes that aligning with industry frameworks and recommendations is key to addressing the evolving global impacts of climate change on our world. In line with the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD), we disclose climate-related data through our annual response to CDP's Climate Change questionnaire.

We invite you to review the below TCFD disclosures mapped to our 2022 CSR report and 2022 CDP Climate Change submission.

TOPIC	TCFD DISCLOSURE	CAPRI REPORTING
Governance	Describe the board's oversight of climate-related risks and opportunities.	Report pages 22-23 CDP Climate Change C1.1, C1.1a, C1.1b
	Describe management's role in assessing and managing climate-related risks and opportunities.	Report page 23 CDP Climate Change C1.2, C1.2a, C2.2
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-term.	Report pages 14-15, 23 CDP Climate Change C2.2a, C2.3a, C2.4a
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	Report pages 14-15, 23 CDP Climate Change C3.3, C3.4
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	CDP Climate Change C3.1, C3.2, C3.3, C3.4
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	Report page 23 CDP Climate Change C2.2
	Describe the organization's processes for managing climate-related risks.	Report pages 22-23 CDP Climate Change C2.2
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	Report pages 22-23 CDP Climate Change C1.1b, C2.2
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Report pages 30-35 CDP Climate Change C2.1, C2.2
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Report pages 33-34 CDP Climate Change C6
	Disclose the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Report pages 30-35, 72-73 CDP Climate Change C4

# CAPRI

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