

# 2022 GUCCI EQUILIBRIUM IMPACT REPORT

Powered by collaboration and innovation, our third annual 2022 Gucci Equilibrium Impact Report is a testament to our conviction to generate positive change for People and our Planet. Together, we're building on our legacy as an innovative, progressive, influential and modern luxury House, ever-evolving to meet our sustainability ambitions designed for the future. Available to read in full on [Equilibrium.Gucci.com](https://Equilibrium.Gucci.com), key highlights in 2022 include:

## PEOPLE HIGHLIGHTS

### OUR CULTURE

#### Corporate volunteering:

empowering our people to create positive impacts in their local communities, more than 2,000 employees participated in the Gucci Changemakers Volunteering Program in 2022, totalling over 7,000 hours volunteered in support of over 100 NGOs in over 55 cities around the world.

**Creating lasting impact:** in 2022, through Gucci Changemakers North America, our social impact initiative enhanced inclusion and diversity within the fashion industry and supported local communities across North America. We awarded \$600,000 USD to 12 Impact Fund recipients and provided \$280,000 USD in scholarship grants to support diverse students, furthering our commitment to foster educational opportunities. Since launching in 2019, we have invested \$4.7 million USD in community funding and scholarship programs.

**Gender equality:** in 2022, through Gucci CHIME, we continued our commitment to promote gender equality by providing support to 17 NGOs in 20 countries benefitting 3,297 women and girls. Since its inception in 2013, the initiative has been a powerful force in convening, uniting, and amplifying voices advocating for gender equality worldwide, positively impacting 635,000 women and girls reaching 3 million families and communities.

### EMPOWERING DIVERSITY, INCLUSION AND EQUITY

**Female leadership:** in 2022, we continued to promote diverse talent and leadership, with 57% female members in management roles and 63.1% female employees overall.

**Gender pay gap:** in 2021, we carried out a global pay gap analysis and adopted a dedicated Gender Balance Report in Italy to identify any disparities in salaries and determine areas for further analysis and corrective measures. In 2022, we continued this important work globally and, in 2023, the company became the first major Italian luxury group to receive certification for gender parity in Italy, as outlined in the National Recovery and Resilience Plan (NRRP).

**Accessibility:** in 2022, as the first and only luxury brand, Gucci was named one of the 2022 Best Places to Work For Disability Inclusion by the Disability Equality Index in recognition of our dedication to fostering enhanced opportunities for individuals with disabilities within our workplace.

### PRESERVING CRAFT AND SUPPORTING SUPPLIERS FOR TOMORROW

#### Leather Goods and Footwear:

in 2022, 1093 employees trained at ArtLab and Factories Academy. Within the Gucci École de l'Amour innovative programme, we also provided technical training to 55 people through the Factory School and, simultaneously, our Craftsmanship School imparted craft skills to 22 high school graduates and unemployed youths aged 18 to 26 in the futuristic Gucci ArtLab Firenze.

**Ready-to-wear:** in 2022, in collaboration with Istituto Secoli, we facilitated the establishment of a new course on Fashion Prototyping aimed at nurturing the know-how that underpins Italy's rich creative heritage, while investing in training young talents specializing in ready-to-wear. Our colleagues contribute to the training programs, and upon course completion internship at Gucci is offered to at least three of the young trainees every year.

**Supplier financing:** initially launched in May 2020 with Intesa Sanpaolo bank to support our suppliers during the COVID-19 pandemic, providing faster access to loans at better terms and conditions, we expanded the 'Sviluppo Filiere' program's scope to green financing in 2021. At the of 2022, 189 of our Italian suppliers accessed loans through the program, totalling €330 million EUR since launching with over 36% of our suppliers benefiting.

# PLANET HIGHLIGHTS

## ENHANCING A CIRCULAR AND SUSTAINABLE VISION

**Circular approach:** working with experts and organizations help us further scale and embed the principles of the circular economy across our activities and, in July 2022, we became a strategic partner of the Ellen MacArthur Foundation, a leading authority on the circular economy. From the early stages of our collections' conception, we have been pursuing circularity, designing out waste and pollution while enhancing durability, recovery, reuse, recycling and second life. This partnership complements and augments our ongoing initiatives.

**Upcycling:** in 2022, in the pursuit of solutions to optimise manufacturing efficiencies and give new life to offcuts, our Gucci-Up program recovered and upcycled 350 tons of leather leftovers, 298 tons of textile leftovers and 67 tons of metal scraps. Additionally, we donated 48,000 meters of fabric to social cooperatives and NGOs.

**Innovative processes:** in 2022, we avoided using 91,000 meters of leather through our Gucci Scrap-less program, totalling 329,434 square meters since its inception in 2018. Consequently, in 2022, the initiative saved energy equivalent to 477 MWh; avoided using 75 tons of chemicals, including 10 tons of chrome; avoided producing over 73.4 tons of waste; and saved 5.8 million litres of water.

**Traceability:** in 2022, we increased traceability for our raw materials, achieving an overall traceability rate of 97%.

**Sustainable materials:** we made notable strides in incorporating sustainable materials into our collections in 2022. The quantity of organic or recycled cotton has risen to 74% from 61% the year before, while our use of organic, recycled or responsibly sourced wool and

cashmere has increased to 60% from 47% since 2021. Furthermore, we incorporated more metal or chrome-free leather, accounting for 49% of the total leather in our collections, up from 40% since 2021. We also almost doubled our year-on-year organic silk covering 46% in 2022 and maintained our 100% target for responsibly sourced precious metals (recycled silver, recycled palladium leather and ethical gold) and 100% paper from responsibly-managed forest sources, as a few examples of our progress.

## REGENERATIVE AGRICULTURE THROUGH A NATURE-POSITIVE APPROACH

**Regenerative agriculture:** in recognition of our dedication to champion regenerative agriculture, Gucci's CEO and Chairman, Marco Bizzarri, was presented with The Climate Change Award at the 2022 CNMI Sustainable Fashion Awards ceremony. We have been investing in regenerative agriculture since 2020, while protecting and restoring nature and biodiversity.

**Supply chain transformation:** in 2022, we scaled up our commitment to regenerative agriculture, creating value for nature and communities, through partnering with and investing in a number of projects in Italy and around the world, including:

- Regenerative wool project in Uruguay, where we are supporting a group of ten farmers for the adoption of regenerative agriculture practices on 100,000 hectares of land, with a projected potential to replace 19% of the conventional wool we currently use.
- Regenerative wool project in Alpage, in the Italian region of Veneto, where we are supporting a cooperative of farmers to preserve natural breeding practices and follow ancient pastoral traditions. In 2022, we replaced 11% of Gucci's conventional wool, integrating the project's regenerative wool into

collections starting with Gucci Aria.

- Regenerative silk in Calabria, where we are supporting the rediscovery of traditional artisanal skills and created employment opportunities, while investing in regenerative silk production for the House's future collections.
- Regenerative Cotton Project in Sicily, where we have supported a pilot to help revive cotton production and restore Italy's cotton supply chain, whereby we have replaced 2% of Gucci's conventional cotton use in 2022, with a goal for the project's regenerative cotton to replace 5% of it.

## TACKLING CLIMATE CHANGE AND REDUCING OUR FOOTPRINT

**Reducing our footprint:** in 2022, aligned with our Science-Based Target (under our parent company Kering and verified by the SBTi) we reduced -68% of our Absolute GHG emissions in Scopes 1 and 2 of the Greenhouse Gas Protocol and achieved a -55% reduction of our GHG emissions related to intensity in Scope 3 (baseline 2015). Backed by science, our climate strategy helps to propel radical transformation across our value chain.

**Green energy:** in 2022, we successfully achieved 100% renewable energy for our world-wide directly operated stores, in accordance with the RE100 guidelines. This milestone builds upon our commitment to adopt greener choices and implement best practice for sustainability in our corporate facilities and retail operations.

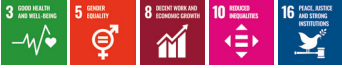
**LEED-certified stores:** increasing from 66 LEED-certified stores and corporate locations in 2021, we made significant strides totalling 111 LEED-certified stores and 4 LEED-certified corporate locations in 2022. Our goal is to certify 380 of our eligible directly-operated stores by 2025.

# SUSTAINABLE DEVELOPMENT GOALS

Gucci's long term-sustainability strategy is aligned with the United Nations Sustainable Development Goals as demonstrated by a selection of highlighted actions.

## PEOPLE

### DIVERSITY, INCLUSION & EQUITY



- Gucci's Diversity, Equity and Inclusion Policy
- 57% female managers and 63.1% female employees
- Adopted Gender Balance Report in Italy
- Training women in Italian luxury supply chain
- Supporting women and girls via Gucci CHIME
- Private sector lead on the Feminist

- Movements & Leadership Action Coalition for UN Women's Generation Equality Action Coalitions
- Awarded one of the 2022 Best Places to Work For Disability Inclusion by the Disability Equality Index
- Baby Leave
- Health and safety policy
- Charter on Well-Being of models
- Policy on Domestic Violence

### COMMUNITY IMPACT



- Providing scholarships to diverse students and supporting NGOs for positive impact in local communities through Gucci Changemakers North America

- Employees supporting over 100 local NGOs around the world through Gucci Changemakers Volunteering Program

### PRESERVING CRAFTSMANSHIP



- Gucci École de l'Amour, hosted in the Gucci ArtLab offers three courses: Craftsmanship School, Factory School, and ArtLab and Factories

- Fashion Prototyping course established to train young talents artisanship for ready-to-wear with internship for at least three trainees each year

### SUPPLIER ENGAGEMENT



- 2,354 suppliers audited to ensure alignment with Sustainability Principles and Code of Ethics

- Sviluppo Filiera supplier loans and green financing program
- Responsible Purchasing Code of Conduct

## PLANET

### SUSTAINABLE SOURCING & DESIGN



- 97% traceability overall
- Aligning with sustainability standards and increasing recycled, organic bio-based, regenerative raw materials
- Circular manufacturing innovations

- Strategic Partner of Ellen MacArthur Foundation
- Development of Circular Hub to facilitate circular infrastructure in Italian luxury supply chain

### BIODIVERSITY



- Investing in regenerative agriculture
- Natural Climate Solutions Portfolio protecting & restoring nature

- -58% Intensity EP&L reduction since 2015 including water use and water pollution, air pollution, waste and land use

### CLIMATE



- Climate Strategy with 1.5° trajectory
- Science Based Target
- -68% Absolute GHG emissions reduction in scopes 1 & 2 and -55%

- Intensity GHG emissions reduction in Scope 3 since 2015
- 100% Renewable Energy in accordance with RE100 guidelines