

#### Table of Contents

#### **Our Report**

- 5 A Letter from Our CEO
- 6 About Our 2018 Corporate Responsibility Report
- 7 Highlights
- 10 UN Sustainable Development Goals
- 11 Our 2025 Goals

#### **Our People**

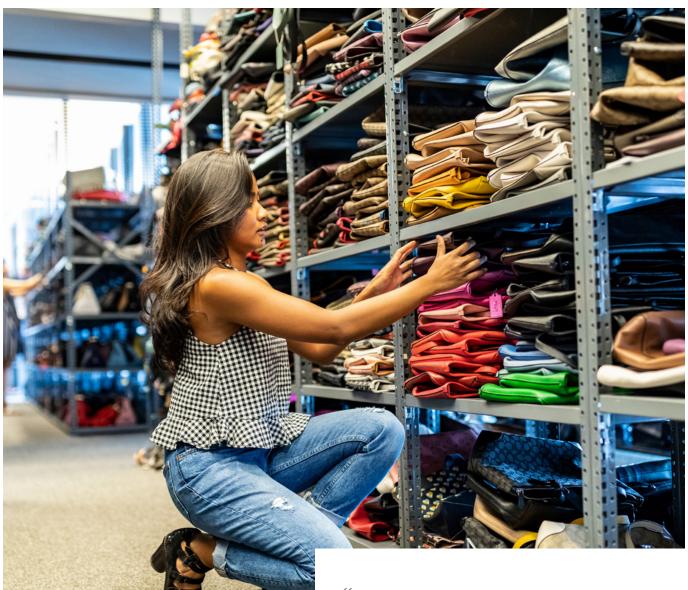
- 16 Inclusion and Diversity
- 19 Diversity Snapshot
- 20 Learning and Development

#### **Our Planet**

- 24 Traceability and Materials
- 26 Greenhouse Gas Emissions
- 29 Conserving Water
- 31 Reduce and Recycle

#### **Our Communities**

- 35 Our Foundations
- 38 Volunteering
- 40 Worker Dignity



"To succeed, we'll need to leverage our greatest asset—our people. We firmly believe that anyone, from anywhere, can have the best idea. Here, success is based solely on merit. We strive to provide a working environment that is inclusive and fosters a sense of belonging, where our people can grow and develop their career journeys."

—Victor Luis, CEO, Tapestry, Inc.



#### A Letter from Our CEO

2018 was a pivotal year for Tapestry. We have achieved many milestones, which have truly moved the needle toward meaningful, positive change. This report marks the launch of our 2025 sustainability strategy and goals, which we're exceptionally excited about. Our values of Optimism, Innovation and Inclusivity influence everything that we do—from product development to our philanthropic work, and how we engage with our customers and members of the greater community.

Here, we present our progress through fiscal 2018; this includes our participation in the Women in the Workplace survey hosted by McKinsey and LeanIn.org, which provided us with additional insights on how to support the women of Tapestry in their career journeys. We began converting the energy supply of our stores, switching from 10 percent renewable to 100 percent renewable in 23 locations. While we acknowledge that we still have work to do in this area, this is a significant first step. In late 2018, Tapestry became a signatory to the UN Global Compact, reaffirming our recognition of corporate responsibility as a key component of a sustainable business model.

To succeed, we'll need to leverage our greatest asset—our people. We firmly believe that anyone, from anywhere, can have the best idea. At Tapestry, success is based on merit. We strive to provide a working environment that is inclusive and fosters a sense of belonging, where our people can grow and develop their career journeys.

We recognize that this ambitious strategy will require us to push the boundaries, and we're ready for the challenge. We realize we have a tremendous opportunity to effect real change and take a leadership position in our industry by encouraging collaboration and commitments to addressing these pressing global issues.

Contributing to a world that is inclusive, sustainable and safe is a responsibility that falls upon us all. At Tapestry, we believe that we can do this better, together.

Victor Luis Chief Executive Officer

# About Our 2018 Corporate Responsibility Report

When we created Tapestry, we built our company upon values of Optimism, Innovation and Inclusivity. This, our sixth annual Corporate Responsibility Report, provides highlights, updates and performance data for fiscal year 2018 (from July 1, 2017 to June 30, 2018).

To coincide with the release of this report, we are thrilled to announce the launch of *Our Social Fabric*, a microsite solely devoted to Tapestry's sustainability and social governance program. This site will house news announcements, program highlights, and comprehensive information pertaining to our overall strategy. You can access this website at www.tapestry.com/responsibility.

We are pleased to share our alignment with the UN Sustainable Development Goals ("SDGs"), further demonstrating our dedication to driving meaningful positive change—not just for our Company, but for the greater global community.

We also publish a GRI Standards Index, which can be found at www.tapestry.com/responsibility.

#### **About Tapestry**

Tapestry is a global house of modern luxury lifestyle brands powered by Optimism, Innovation and Inclusivity. We believe true luxury is a freedom of expression that ignites confidence and authenticity. At Tapestry, we believe that anyone from anywhere can have the best

idea, and with hard work and dedication, anything is possible.

Our house of brands includes Coach, kate spade new york and Stuart Weitzman. Tapestry's common stock is traded on the New York Stock Exchange under the symbol TPR.

# Highlights

TAPESTRY
JOINED
MORE THAN

9,800

COMPANIES BY BECOMING A

SIGNATORY TO THE UN GLOBAL

COMPACT



FIFTH CONSECUTIVE
YEAR SCORE OF 100 ON
THE HUMAN RIGHTS

THE HUMAN RIGHTS
CAMPAIGN CORPORATE
EQUALITY INDEX



FORBES 2019 "BEST EMPLOYERS FOR DIVERSITY" LIST FOR THE SECOND CONSECUTIVE YEAR

#### **UN Global Compact**

In late 2018, Tapestry joined over 9,800 companies in becoming a signatory to the UN Global Compact, recognizing our role as a business with the ability to address global issues within the luxury goods sector.

The UN Global Compact is a corporate sustainability initiative that aligns businesses, strategies and operations with ten principles on human rights, labour, environment and anti-corruption. It encourages signatories to take actions to advance societal goals, such as the SDGs. Established in 2000, the UN Global Compact emphasizes collaboration and innovation between participants, the greater community and governments, and is present in over 160 countries and more than 80 local networks.

## Human Rights Campaign Corporate Equality Index 2019

For the fifth consecutive year, Tapestry achieved a score of 100 on the Human Rights Campaign Corporate Equality Index, earning the designation as a Best Place to Work for LGBTQ Equality.

### Forbes "Best Employers for Diversity" 2019

Tapestry was listed on the Forbes 2019 "Best Employers for Diversity" list for the second consecutive year. This recognition is based on an independent survey of 50,000 employees evaluating their employers on issues of diversity in the workplace.

#### Highlights (Continued)



#### Leather Working Group (LWG)

We have a long-standing partnership with the Leather Working Group ("LWG"), a multi-stakeholder initiative that develops and maintains a protocol to assess environmental compliance and performance capabilities of leather manufacturers. The LWG also promotes sustainable and appropriate environmental business practices within the leather industry. Currently, we source 63% of our leather from LWG Silver- and Goldrated tanneries.



**CURRENTLY WE SOURCE** 

63%

OF OUR LEATHER FROM LWG SILVER-AND GOLD-RATED TANNERIES



## CEO Action For Diversity and Inclusion Pledge

Our CEO, Victor Luis, signed the CEO Action for Diversity & Inclusion pledge to reaffirm our commitment toward advancing inclusion and diversity in the workplace.

#### Highlights (Continued)



#### **Dream It Real**

In 2018, the Coach Foundation launched Dream It Real—a promise to support the next generation as they envision and create the future they know is possible. Inspired by the unique spirit of optimism and inclusivity embodied by New York, the city where Coach was founded, the initiative is grounded in Coach's belief in the modern American Dream—and the role the next generation will play in redefining it. Philanthropic funding from the Coach Foundation will support young people everywhere as they discover their dreams and take steps to turn them into reality.



#### kate spade new york Mind Body Soul Program

Launched in 2018 to raise awareness about wellness, create a community of support, and build a workplace that integrates the physical and emotional well-being of employees globally, this program features an employee-ideated speaker series, *Heroines Of Their Own Stories*, as well as certifications for mental health, first aid training and wellness-focused webinars for retail employees.

# UN Sustainable Development Goals

The SDGs act to guide global efforts to achieve sustainable development through 2030. We have developed our corporate responsibility strategy to support the SDGs, as we continue to drive positive impacts across our value chain. These are mapped below:

#### **OUR PEOPLE**

Diversity and Inclusion
Diversity Snapshot
Learning and Development









#### **OUR PLANET**

Traceability and Materials Greenhouse Gas Emissions Conserving Water Reduce and Recycle

















#### **OUR COMMUNITIES**

Our Foundations
Volunteering
Worker Dignity



















## Our 2025 Goals

In 2019, we are excited to announce our 2025 Corporate Responsibility goals that align with the SDGs:

#### Our People

- Build diversity in North America
   Tapestry and brand leadership teams
   by increasing the number of NA-based ethnic minority leaders to better reflect our general corporate population.
- Reduce differences in our Employee
   Inclusion Index scores based on gender and ethnicity.
- Demonstrate a focus on career progression, development and mobility by filling 60% of leadership roles (VP+) internally.
- Enable all employees to manage both their work and personal life balance by achieving a global core benefit standard for self-care and parental and family care leave policies.

FILL

60%

OF LEADERSHIP ROLES
(VP+) INTERNALLY

DIVERSITY GENDER ETHNICITY

#### Our Planet

#### **ACHIEVE**

20%

REDUCTION IN ABSOLUTE SCOPE 1 AND SCOPE 2 CO<sub>2</sub>e EMISSIONS

#### **ACHIEVE**

20%

REDUCTION IN ABSOLUTE SCOPE 3 EMISSIONS FROM FREIGHT SHIPPING OVER A 2017 BASELINE

#### ATTAIN

95%

TRACEABILITY AND MAPPING OF OUR RAW MATERIALS TO ENSURE A TRANSPARENT AND RESPONSIBLE SUPPLY CHAIN

#### **ACHIEVE**

75%

RECYCLED CONTENT IN PACKAGING

25%

REDUCTION IN NORTH AMERICA CORPORATE AND DISTRIBUTION CENTER WASTE

#### **ACHIEVE**

10%

REDUCTION IN WATER USAGE ACROSS TAPESTRY AND OUR SUPPLY CHAIN

#### **ENSURE THAT**

90%

OF LEATHER IS SOURCED FROM SILVER- AND GOLD-RATED LEATHER WORKING GROUP TANNERIES

#### Our 2025 Goals (Continued)

**Our Communities** 

**DEDICATE** 

100,000

VOLUNTEER SERVICE HOURS TO BE COMPLETED BY OUR EMPLOYEES AROUND THE GLOBE

**GIVE** 

\$75,000,000

IN FINANCIAL AND PRODUCT DONATIONS TO NONPROFIT ORGANIZATIONS GLOBALLY

**PROVIDE** 

50,000

PEOPLE CRAFTING OUR PRODUCTS
ACCESS TO EMPOWERMENT PROGRAMS
DURING THE WORKDAY



Our 21,000 employees around the globe are our greatest asset. At Tapestry, we're devoted to fostering a work environment that's engaging, innovative, inclusive and diverse. We have generated specific 2025 goals to build diversity in North America Tapestry and brand leadership teams, reduce differences in gender and ethnicity within our employee population while encouraging internal career progression and better work/ life balance for all. We're committed to making Tapestry a place where great people want to work.

# OUR TAPESTRY

## Inclusion and Diversity

Inclusion and diversity are core to our values at Tapestry. We warmly welcome all people, embracing our differences and inviting a diversity of perspectives. At Tapestry, success is based on merit, and we believe that anyone, from anywhere, can have the best idea.

# CEO ACT!ON FOR DIVERSITY & INCLUSION

#### **CEO Action For**

#### Diversity & Inclusion Pledge

Our CEO, Victor Luis, signed the CEO Action for Diversity & Inclusion pledge to reaffirm our commitment toward advancing inclusion and diversity in the workplace.



#### Women in the Workplace

Women play an important role at Tapestry as the majority of our employee population and our customer base. We're proud to have participated in the McKinsey/LeanIn.org and Women in the Workplace study, which provided us with additional insights on how we can evolve our efforts to support women in their career journeys.

#### Inclusion and Diversity (Continued)



#### The Glass Runway Study

We participated in The Glass Runway study, which was co-sponsored by CFDA, Glamour magazine and McKinsey & Company. Our involvement helped foster dialogue around women in the fashion industry and provided an opportunity to learn and be a part of the broader industry conversation.



#### **Unscripted Series**

We build trust through open and honest dialogue. We regularly host a discussion series called Unscripted, which features diverse internal and external leaders, such as American activist and feminist Marley Dias. These trailblazers share their stories about optimism, innovation and inclusivity with our employees.



#### **Working Parents Community**

We launched our Working Parents
Community in the summer of 2018, which
provided a forum for working parents to
collaborate and communicate while
enabling us to learn how we can continue
to better support them. We regularly
evaluate our programs for all parents.
We recognize that the definition of family
has evolved, and we want our efforts to
reflect that reality.

#### Inclusion and Diversity (Continued)



## Forbes "Best Employers for Diversity"

In 2018, Tapestry was listed on the Forbes 2019 "Best Employers for Diversity" list for the second consecutive year. This recognition is based on an independent survey of 50,000 U.S. employees evaluating their employers on issues of diversity in the workplace.

#### **FORBES 2019**

"BEST EMPLOYERS FOR DIVERSITY"

#### **CEI 2019**

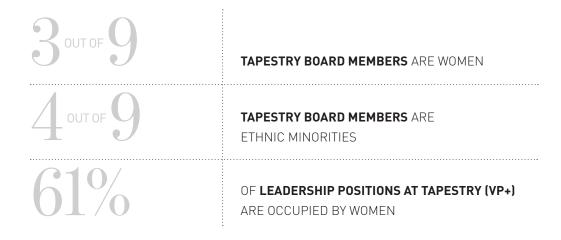
"BEST PLACES
TO WORK FOR
LGBTQ
EQUALITY"

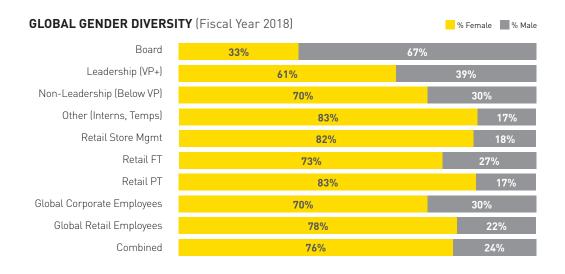


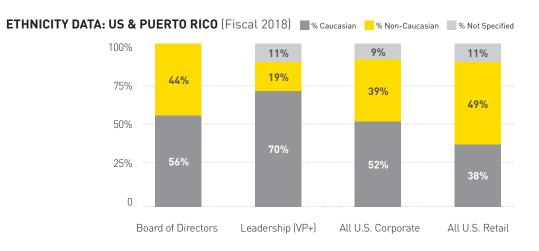
#### LGBTQ Equality

Tapestry achieved its fifth consecutive score of 100 on the Human Rights Campaign Corporate Equality Index (CEI) "Best Places to Work for LGBTQ Equality" in 2019. Additionally, Tapestry celebrated and participated in the NYC Pride March for the first time.

# Diversity Snapshot







# Learning and Development

At Tapestry, learning starts on the first day and continues throughout our employees' careers within the company. We want to attract and retain top-tier talent and are committed to helping our people develop the knowledge, skills and abilities needed for continued success. We encourage employee development at all levels, and at every career stage.

At Tapestry, our in-house people and organizational development team offers a diverse curriculum focused on professional development for leaders, people managers and individual contributors.



The Strategic Leadership Program at Tuck School of Business

Tapestry has partnered with
Dartmouth's Tuck School of Business to
create the Strategic Leadership
Program. This custom program develops
members of our leadership to accelerate
our successful transformation as a global,
multi-brand, modern luxury company.

Since its inception in 2016, we've had 81 leaders participate. The program encompasses:

- Developing a shared context of our Tapestry strategy, competitive environment and industry trends;
- Strengthening participants' ability to think and act strategically across brands so we operate in a more nimble and scalable way;
- Increasing clarity on company priorities to focus on the most important, needle-moving objectives; and
- Role modeling our leader expectations, supporting participants' individual and collective effectiveness in shaping our culture, and driving the performance of their teams.

#### Learning and Development (Continued)



#### **Employee Total Rewards**

We believe in recognizing and rewarding all our employees. Tapestry continues to expand its Total Rewards program, ensuring that each employee receives competitive compensation, paid time off, and comprehensive benefits including:

- 401k eligibility for all corporate and retail employees (including part-time), with company-matched contributions.
- Financial educational content and training through Fidelity Investments.
- Medical benefits for part-time employees—including in our stores.
- Paid sick leave for all, including part-time employees.

#### 2018 Highlights:

- 20 leaders participated in our 2018
   Tuck Strategic Leadership Program.
- We expanded our maternity leave policy, offering 12 weeks of parental leave paid at 100% of full-time employees' regular compensation for birth parents or parents who adopt or foster a child.
- We established our Emerging Leaders
   Program: a one-year development plan
   designed to accelerate the careers of
   our global mid-level leaders.





As a truly global company, we understand our responsibility to reduce our environmental impacts and risks and create opportunities that will allow us to operate a successful and sustainable business. Like many organizations, we do not always have direct control over every stage of our product life cycle. However, we strive to implement best practices across our value chain, to do the right thing for our business, and our planet.

# OUR PLANET

## Traceability and Materials

As a house of modern luxury lifestyle brands, quality materials are at the heart of what we create—from the finest leather for our handbags and shoes to the hardware used on belts and accessories. Understanding the origins of the materials we use is paramount to upholding our high quality standards. This means knowing who is making them, where the raw materials come from, and how they were made.

**GOAL: TO PROCURE** 

90%

OF OUR LEATHER<sup>1</sup> FROM LEATHER
WORKING GROUP ("LWG") SILVER- AND
GOLD-RATED TANNERIES

**GOAL: TO ACHIEVE** 

95%

TRANSPARENCY AND MAPPING OF OUR RAW MATERIALS SUPPLY CHAINS BY 2025

#### Leather Working Group (LWG)

Leather is at the core of our three brands, and we are committed to sourcing leather that is produced in an environmentally responsible manner. We have a long-standing partnership with the LWG, a multi-stakeholder initiative that develops and maintains a protocol to assess environmental compliance and performance capabilities of leather manufacturers, and promotes sustainable and appropriate environmental business practices within the leather industry. The LWG manages an audit protocol for tanneries, traders and chemical suppliers that requires information on water, effluent and waste management, safety, and chemical management, and other categories. Various ratings can be earned, including Pass, Bronze, Silver and Gold. The higher the rating (Silver and Gold), the more environmentally friendly the supplier is at all the aforementioned points.

<sup>1.</sup> This metric only includes Tapestry-sourced leather, and currently excludes leather sourced by our licensing partners.

#### Traceability and Materials (Continued)



#### Mapping Our Supply Chain

Over the past few decades, our supply chains have become more complex and global. Operating in an international enterprise has become increasingly complicated, as new laws around human rights, the environment and other governance topics emerge within our operational footprint. While we have good relationships with our suppliers, we do not own our supply chain and contract to manufacture. Each supplier is bound by our Supplier Code of Conduct, which sets forth our requirements for any Tapestry supplier. As a part of our corporate responsibility strategy, we will be requesting more information from our suppliers on their emissions, water consumption and waste generation,

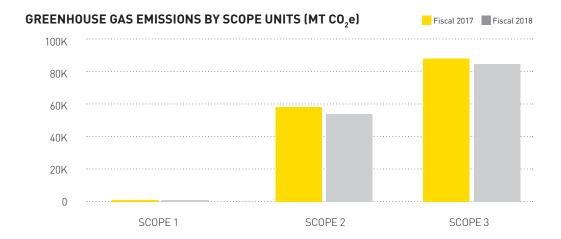
moving beyond social and legal compliance. This information, along with the use of new tools, will allow us to fully map our supply chain.

#### 2018 Highlights

- 63% of our leather was sourced from Leather Working Group Silver- and Gold-rated tanneries.
- kate spade new york began using Repreve® fibers in the lining of several handbag designs. Repreve® is a fiber made from recycled materials, including plastic bottles.
- We received a score of C on the CDP Forests survey.

Material Consumption by Type (Fiscal 2018)		
Leather	101,952,088	Square feet
Fabric-Shell	2,073,839	Meters
Fabric-Lining	10,368,741	Meters
Fabric-Webbing	6,555,912	Meters
Hardware	432,166,513	Pieces

## Greenhouse Gas Emissions



Climate change is one of the greatest challenges facing our generation. We've dedicated a significant amount of our sustainability efforts toward reducing our carbon emissions across our value chain, in line with the Paris Climate Agreement. As a leader in the luxury industry, we have a responsibility to reduce our carbon footprint to benefit our business and the greater community.

#### Greenhouse Gas Emissions (Continued)

### Setting a Target and Tracking Progress

In 2015, we set our first global target to reduce greenhouse gas ("GHG") emissions by 20% at our owned and operated facilities by 2020, over a 2014 baseline. Since that target was set, our business substantially changed from a mono-brand to a multi-brand organization. While we are on track to meet the 20% reduction by 2020, we believe that establishing a more ambitious target that incorporates our group of global brands is important.

Utilizing methodologies from the *Science-Based Targets Initiatives*, we've set a new target for a 20% reduction in Scope 1 and Scope 2 CO<sub>2</sub>e emissions by 2025, over a 2017 baseline. For the first time, we have added a Scope 3 target to reduce CO<sub>2</sub>e emissions associated with the ocean and air shipping of our products by 20%.

#### **Direct Emissions**

Our Scope 1 and 2 carbon footprint is heavily influenced by our fleet of stores, with the biggest impacts coming from lighting and HVAC. As a cross-departmental team, our architecture and design, retail facilities and procurement functions have developed comprehensive

ways to reduce our emissions in our owned and leased spaces, including:

- Our New York headquarters at 10 Hudson Yards is the first LEED
   Platinum commercial office building in New York.
- Our architecture and store design teams ensure efficiency with each retrofit of our Coach, kate spade new york and Stuart Weitzman stores with LED lighting standard in all retrofits.
- We are working to better understand our international store carbon footprint, and are exploring the usage of submeters in international locations.
- Our kate spade new york distribution center in West Chester, Ohio has retrofitted the building lighting, the lighting in truck bays and in the parking lot to be more energy efficient and reduce its carbon footprint.
- We are increasing the percentage of renewable energy in our energy purchases.



#### Greenhouse Gas Emissions (Continued)

#### **Supply Chain Emissions**

The emissions from our shipping footprint is a significant focus of improvement for us. Our products travel from their point of origin to our stores, and then ultimately to our customers. We are working with our distribution centers and logistics teams to optimize our freight from ocean shipping and air shipping—this will allow us to reduce costs and cut back on our carbon footprint.

We are also exploring methods to help our finished goods and finished raw materials suppliers manage their own carbon footprints through carbon reduction strategies, energy efficiency projects or utilizing more recycled materials.

#### 2018 Highlights:

WE BEGAN SWITCHING OUR STORES TO PURCHASING

100%

RENEWABLE ENERGY—THIS FISCAL YEAR, WE WERE ABLE TO TRANSITION 23 STORES

FROM OUR 2017 BASELINE, WE
DECREASED OUR COMBINED SCOPE 1
AND SCOPE 2 EMISSIONS BY

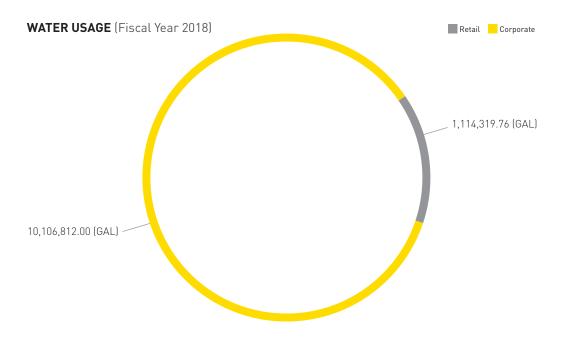
4.4%

WE REPORTED TO THE CDP CLIMATE CHANGE SURVEY FOR THE THIRD TIME AND RECEIVED A SCORE OF C

## Conserving Water

Access to clean water is a basic human right, and we are seeing the negative impacts of water shortages around the world, from California to South Africa. The United Nations Educational, Scientific and Cultural Organization (UNESCO) reports that nearly half of the world's population is already living in potentially water-scarce areas. This makes managing our use of water vitally important.

The leather goods and apparel industries are large users of water across the entire value chain—from farming raw materials such as cattle and cotton to dyeing and finishing garments and leather. Addressing water issues is complex, and we are thinking about water in a cross-disciplinary way—from our direct usage to usage in our supply chain.



#### Conserving Water (Continued)

#### **Determining Our Water Strategy**

In 2015, we announced a goal to begin measuring the water usage in our stores, offices and distribution centers. These efforts have allowed us to better understand our water usage baseline.

We've learned that the most significant impact to water use and quality lies in our agricultural supply chain, specifically in the production of leather. These are areas of our supply chain where we have limited direct control, so we are working to leverage partnerships through NGOs and multi-stakeholder initiatives, like the LWG, that can help us improve in this area.

#### **CURRENTLY**

63%

OF OUR LEATHER COMES FROM LWG SILVER- AND GOLD-RATED TANNERIES.



#### 2018 Highlights:

- 63% of our leather comes from LWG Silver- and Gold-rated tanneries.
- We were able to expand our water usage data collection to include more stores and our distribution centers, and in total used 11,211,131.76 gallons of water, up from 20% in fiscal 2017.
- We reported to CDP Water for the third year and received a score of C.

# Reduce and Recycle

Reducing waste reduces greenhouse gas emissions. According to the U.S. Environmental Protection Agency, Americans generated about 4.48 pounds of waste per person, per day in 2015 (when these figures were last reported). We are taking steps to reduce that waste by ultimately diverting as much from the landfill as possible.

#### Managing Our Packaging

The shopping bags and boxes that accompany product purchases, along with shipping materials that contain our products as they make their journey from the factory to our retail stores, are an important part of our downstream waste.

We are committed to making sure that these products are made of recycled materials. Currently, all shopping bags and boxes across all three of our brands are made of 40% post-consumer content and are 100% reusable.

Our distribution centers have partnered with our suppliers to reduce the amount of packaging used to ship our products. When we ship to our customers from our distribution centers, we've adopted a minimalist approach to packaging that reduces the amount of cardboard and air pillows used.

## Reducing Our Impact at Our Corporate Offices

We've had a commitment to reducing waste at our corporate locations in North America since 2015, and we've reasserted that commitment in our 2025 goals. Clearly labeled recycling bins for paper, plastics, and metals throughout our office locations ensure our employees are able to help us divert materials from the landfill. We also have a long-standing electronics recycling program to keep electronics out of landfills.

Throughout our production process, we sample many fabrics, leathers and materials to ensure that our handbags, accessories and clothes fit our high quality standards. Inevitably, we have a surplus of sample materials that are often in the form of full rolls, and occasionally, scraps. To avoid sending material to a landfill, we partner

#### Reduce and Recycle (Continued)

with the following organizations at our headquarters and offices: Materials for the Arts (MFTA), Fabscrap and ReFashioNYC.

- MFTA is a New York-based rescue center that allows companies and individuals to donate unneeded supplies to thousands of nonprofit organizations with arts programming and public schools.
- Fabscrap, a New York-based 501(c)3 charitable organization, recycles fabric scraps, cuttings, mock-ups and samples.
- ReFashioNYC is a New York City initiative to remove textile waste from landfills.

#### 2018 Highlights:

- We donated 3,533 pounds of fabric, leather and yarn from our New York headquarters to MFTA and ReFashioNYC.
- Stuart Weitzman piloted a program with Junkluggers, an eco-friendly removal company committed to the environment, to remove furniture, finishings and fixtures from store locations when they close. The brand plans on using Junkluggers for future store closings, remodels, and on demand pick-up.
- Our Jacksonville distribution center achieved a 91% diversion rate.

WE DONATED

OF FABRIC

3,533<sub>LBS</sub>

WE ACHIEVED AN

86.2%

OVERALL DIVERSION RATE IN FISCAL 2018



Tapestry is proud of its culture of service and our commitment to ensuring the vibrancy of communities globally where we and our customers live and work, and where our products are made. We serve those communities through empowerment programs, financial and product donations, and volunteering to make a positive impact on society.

# OUR COMMU NITIES

## Our Foundations

Tapestry's endowed Coach and kate spade new york Foundations donate to nonprofit organizations across the United States and around the world. Our employees come together to volunteer year-round, standing side-by-side with our nonprofit partners to make progress toward a better world for all.



#### **Coach Foundation**

Since its creation in 2008, the Coach Foundation has given more than \$46 million to nonprofit partners all over the world to do our part to make big dreams possible.

**SINCE 2008** 

\$46

GIVEN TO NONPROFIT PARTNERS ALL OVER THE WORLD



#### Dream It Real

In 2018, the Coach Foundation launched Dream It Real, a promise to support the next generation as they envision and create the future they know is possible. Inspired by the unique spirit of optimism and inclusivity embodied by New York, the city where Coach was founded. The initiative is grounded in Coach's belief in the modern American Dream—and the role the next generation will play in redefining it.

#### Our Foundations (Continued)

Philanthropic funding from the Coach Foundation will support young people everywhere as they discover their dreams and take steps to turn them into reality.

Dream It Real is supported by global faces of Coach, Selena Gomez and Michael B. Jordan, who both embody the initiative's values of possibility, optimism and inclusivity, and understand firsthand the importance of believing in dreams.



Stuart Weitzman Pencils of Promise

Stuart Weitzman collaborated with supermodel Gigi Hadid to create the EYELOVE and the EYELOVEMORE mules from the fall 2017/winter 2018 collection. The designs are a celebration of Stuart Weitzman's partnership with Pencils of Promise ("PoP"), a for-purpose organization that works across the globe

to build schools and create programs around the goal of education for all. With a focus on creating quality elementary schooling programs within the rural regions of developing nations, the Stuart Weitzman and PoP partnership is aligned with the vision that every child has the basic right to education.



The kate spade new york foundation

The kate spade new york foundation ("KSNYF") supports philanthropic initiatives that empower women economically and emotionally. By providing grants and partnering with New York-based nonprofits, KSNYF helps women develop professional and personal skills to grow their careers. The foundation believes that women's empowerment includes professional and personal support. KSNYF also provides internal resources and programs for kate spade new york employees, to ensure they feel empowered in their careers and beyond.

#### Our Foundations (Continued)

In 2016, the foundation started a Teatime Inspiration Series for corporate associates at kate spade new york. The series was created for employees to listen and learn from the stories and experiences of inspirational women leading interesting lives. In 2018, the foundation hosted conversations with nine women, including co-founder of the Born This Way Foundation, Cynthia Germanotta; author, Meg Wolitzer; poet, Cleo Wade and First Lady of New York City, Chirlane McCray.



#### 2018 Highlights:

- The Coach Foundation launched Dream It Real to support young people across the U.S.
- Stuart Weitzman's financial commitment to PoP allowed the organization to build schools in Ghana, Guatemala and Laos.
- In March 2018, the KSNYF celebrated International Women's Day by highlighting women entrepreneurs and the women who work at kate spade new york.

# Volunteering

At Tapestry, serving the local community is an activity that reflects our values. We encourage our corporate employees to step away from the office and into the community to volunteer with their department for a full day each year, while our store employees engage in weekend events. In 2018, over 2,000 volunteers contributed over 6,000 company-sponsored hours to great causes—from packing food for the hungry with local pantries to counseling women about to re-enter the workforce, or mentoring students, and many more. Our philanthropic Coach and kate spade new york Foundations support these service hours with grants to the nonprofits where we serve.



#### Employee Matching Gift Program

Supporting nonprofits that are important to our people is a priority. Tapestry offers eligible employees a matching gift program, providing the opportunity for employees to direct funds to causes that they care about, ranging from support centers for victims of domestic violence to local education initiatives.

In 2018, our philanthropic Coach and kate spade new york Foundations gave \$360,000 in matching gifts to hundreds of nonprofit organizations that our people believe are completing essential work. Since its inception, we've donated over \$3,245,000 through this program.

SINCE INCEPTION, WE DONATED

\$3.24 MILLION

THROUGH COACH AND KATE SPADE
NEW YORK FOUNDATIONS TO
SUPPORT OUR EMPLOYEE MATCHING
GIFT PROGRAMS

#### Volunteering (Continued)

DONATED

2,492

PIECES OF OUTERWEAR, APPAREL AND FOOTWEAR TO THE INTERNATIONAL RESCUE COMMITTEE



#### 2018 Highlights:

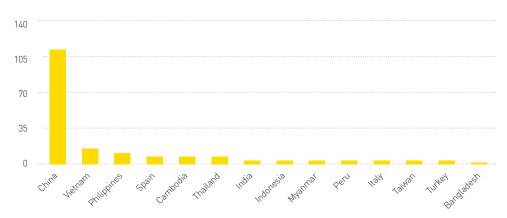
- In North America, 600+ Coach store managers assembled 2,000+ backpacks that were distributed to 50 highneed high schools across the nation on the first day of school. Students were welcomed to school with posters, t-shirts, red carpets and school supplies to start the year off in celebration.
- Our IT team and Jacksonville distribution teams packed an additional
   800 backpacks for children in need.



- After Hurricane Maria, employees across our brands donated and packed 1,687 toys for the children of Puerto Rico. Local store employees distributed the toys to children in need across five cities through our United for Puerto Rico initiative.
- Associates at kate spade new york
  volunteered their time in a variety of
  ways, including improving a local
  Manhattan park with the NY Junior
  League, mentoring teen girls through
  Girls Who Code, mentoring women
  entrepreneurs in partnership with
  Accion East, donating over 80 backpacks to The Backpacks Foundation,
  serving meals at the Food Bank for NYC
  Community Kitchen, and donating over
  100 dresses to the Memorial Sloan
  Kettering Annual Pediatric Prom.

# Worker Dignity

#### **SOCIAL COMPLIANCE AUDITS—TAPESTRY** (Fiscal Year 2018)



Tapestry has a long-standing history of caring for workers in our supply chain, from our social auditing program to our *on purpose* program at kate spade new york. We strive to ensure that the people who make our products are treated fairly at work.

#### Social Auditing Program

Our public-facing Supplier Code of Conduct was introduced in 2000, just after the Company was publicly listed. Since then, the Code and our program have evolved. Our audit program primarily covers our service providers who make finished goods, with plans to expand to more of our raw materials suppliers. The chart above shows the social compliance audits completed in fiscal 2018 by country.

In fiscal 2018, our internal auditing team and external auditors performed 182 audits of facilities that produce Tapestry brand products. Of those suppliers, 1.6% achieved "Unfavorable" results due to lack of transparency. With each of those suppliers, we developed a remediation plan—suppliers who failed to align with these standards were removed from the Tapestry supply chain.

#### Worker Dignity (Continued)

#### on purpose

When Tapestry acquired kate spade new york in 2017, the brand brought along its life-changing program, on purpose. on purpose is a social enterprise initiative that is committed to improving the health, economy and education of the communities where our on purpose suppliers are based by empowering women. Since its inception in 2012, the on purpose program has created over 250 full-time jobs, 93% of which are held by women in the Abahizi factory in Masoro, Rwanda.

The *on purpose* program has had amazing results:

- Of the formal Abahizi leadership roles, 86% are held by women;
- There has been a 43% increase in prenatal doctor visits since 2016, with 39% of pregnant employees making four or more visits to the doctor—in line with international health standards;
- 68% of the artisans are able to meet their living expenses and actively save money and;
- 1 in 3 families with an *on purpose* worker owned a side business.

In 2018, the Coach brand became the second client of the *on purpose* factory, and new Coach products made in Masoro, Rwanda will be arriving in the near future. We hope that the *on purpose* factory's clientele continues to grow and expand in the coming years.



## Expanding Our Commitment to Worker Dignity

Our corporate responsibility strategy drives us toward greater engagement with our suppliers, and we are planning to expand some of the learnings from the *on purpose* program throughout our supply chain. By the end of fiscal 2025, 50,000 people who craft our products will have access to empowerment programs during the workday. We plan to partner with our key suppliers and local NGOs to ensure that they are offering empowerment programs to their workers that are regionally appropriate and meaningful.

#### 2018 Highlights:

- The Coach brand became the second client of the *on purpose* factory, with these products arriving in stores in the near future.
- Our social compliance team conducted 182 audits.

The boundaries of this Report vary from section to section, and are a function of the accessibility of relevant data. Tapestry is a global organization with offices in Asia, Australia, Europe, and North America. We also have a global store network. We have done our best to provide performance data for Tapestry owned, operated, and leased office and distribution facilities, as well as our leased North America stores. In some instances, we are able to share performance data from some of our larger office facilities in Asia. We try our best to define the scope of any quantitative values reported throughout this Report as well as the associated time period that the data represents. At a minimum, data will represent the most recent full fiscal year, fiscal year 2018, which ended on June 30, 2018.

Tapestry uses data-collecting methodologies based on specific criteria, procedures, and processes outlined by business needs. These include, but are not limited to, computer software applications (e.g., SAP, Energy Management Systems, and Building Management Systems), surveys, GAAP (Generally Accepted Accounting Principles), and manual data collection.

In our sixth year of reporting, we have made no restatements of information. Changes in scope include the inclusion of new offices and stores.

Questions, comments, or feedback regarding this Report or any of Tapestry's corporate responsibility programs, should be directed to sustainability@tapestry.com.

We have prepared this Report using the GRI Standards of the Global Reporting Initiative's (GRI) In Accordance, Core, a recognized global standard for sustainability and corporate responsibility reporting. A GRI Index—which notes the indicators covered in this Report—is available for download in the Resources section of www.tapestry.com/responsibility. This Report is not externally assured.

For additional information about Tapestry, including our Annual Report on Form 10-K, and governance documents, as well as information on our Global Business Integrity Program, please visit our website: www.tapestry.com

This Report and the data contained herein covers Tapestry as a whole, however, certain information may be brand specific and will be designated as such.

This information to be made available in this Report may contain forward-looking statements based on management's current expectations. Forward-looking statements include, but are not limited to, statements regarding the Company's 2025 Goals, as well as statements that can be identified by the use of forwardlooking terminology such as "may," "will," "can," "should," "expect," "intend," "estimate," "continue," "project," "anticipate," "moving," "leveraging," "developing," "drive," "targeting," "assume," "plan," "build," "pursue," "maintain," "on track," "well positioned to," "look forward to," "to acquire," "achieve," "strategic vision," "growth opportunities" or comparable terms. Future results may differ materially from management's current expectations, based upon a number of important factors, including risks and uncertainties such as expected economic trends, the ability to anticipate consumer preferences, the ability to control costs and successfully execute our transformation and operational efficiency initiatives and growth strategies and our ability to achieve intended benefits, cost savings and synergies from acquisitions, the impact of tax legislation, etc. Please refer to the Company's latest Annual Report on Form 10-K and its other filings with the Securities and Exchange Commission for a complete list of risks and important factors. The Company assumes no obligation to revise or update any such forward-looking statements for any reason, except as required by law.

#OurTapestry