



For Kering, “Empowering Imagination”  
goes far beyond our signature.  
It’s a value that we live by, and that we seek for our employees,  
our Houses, our customers.

Imagination is at the very heart of our business model,  
our success and the mindset that drives us.  
Only imagination can enable people to express new ideas,  
to invent new models and to find original solutions.  
It gives us the power to create and innovate,  
to surprise and to motivate.

And it’s why we encourage each of our 38,000 employees  
to keep their sense of a child’s view of the world.  
A perspective that is sincere and authentic,  
curious and audacious.



Mohamad



Sabrina



Laureen



Stefania



Laetitia



Emma



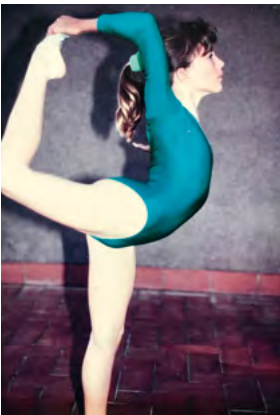
Yannick



Irina



Émilie



Monica



Chrystelle



Dajana



Giovanni



Cristina



Twjnky



Veronica



Davide



Enrico



Cristina



Chiara



Alice



Kateryna



Sabrina



Aurelie



Chiara



Vanessa



Cristiana



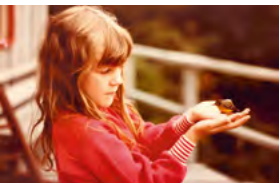
Chiara



Vanessa



Cristiana



Chiara



Vanessa



Cristiana



Chiara



Vanessa



Cristiana



Florence



Sylvie



Sonia



Luca



Vincenzo



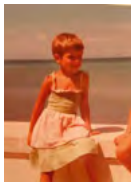
Robin



Diego



Claire



Rossana



Giorgia

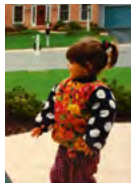
Seeing the world  
through the eyes of a child...  
... means wanting to change  
the world



Shannon



Elena



Julia



Anne-Marie



Giacomo



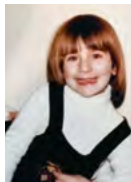
Vicki



Giada



Melinda



Béatrice



Alexandre



Rossella



Roshan



Denise



Michele



Marine



Annabel



Angie



Anne



Tommaso



Éva



Alessio



Émilie



Chloé



Nikol



Bérengère



Estelle



Kerry



Élisabeth



Olivia



Aaron



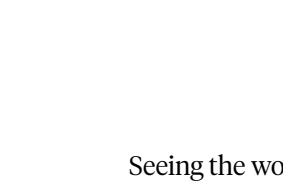
Marco



Martina



Oana Liliana



Amani



Salome



Tiziana



Nicolas



Maxime



Claire

Seeing the world  
through the eyes of a child...  
... means never giving up on  
your dreams



Francesca



Delphine



Tommaso



Mailys



Claire



Donatella



Angela



Kendreth Charlon



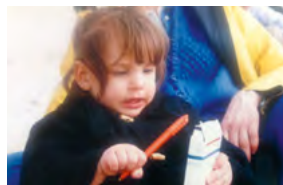
Rémi



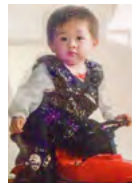
Majdouline



Steve



Mélanie



Lawrence



John



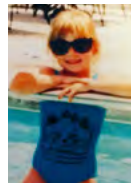
Maria



Elisabetta



Frédérique



Sarah



Lucia



Tina



Iman



Pin-Syuan



Antonella Maria



Rachel



Daniela



Valentina



Yolande



Ariel



Ines



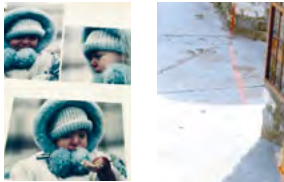
Frederica



Alessandra



Genny



Chiara



Luca



Nicola



Celia



Cynthia



Marianna



Eleonora



Francesco



Corina



Mariano



Willem



Charlotte



Florine



Martina



Gabriella



Emmanuelle



Maja



Jean-Baptiste



Sade



Caterina



Maria



Kamel

Seeing the world  
through the eyes of a child...  
... means handing power over  
to your imagination



Annika



Élodie



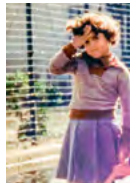
Giorgia



Leonora



Gianluca



Chiarella



Michelle



Antonino



Claudia



Simone



Alexandru



Giada



Jérémý



Briggita



Prisca



Stephanie



Rosita



Massimo



Fabiola Filena



Shellah



Assunta



Béatrice



Serena



Nathalie



Chelsea



Stefania



Andriana



Laura

Seeing the world  
through the eyes of a child...  
... means looking to the future  
with optimism



Antonio



Lea



Luis



Lijana



Raffaella



Matteo



Jacqueline



Carole



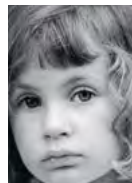
Shannon



Éric



Camilla



Ambre



Kristine



Giulia



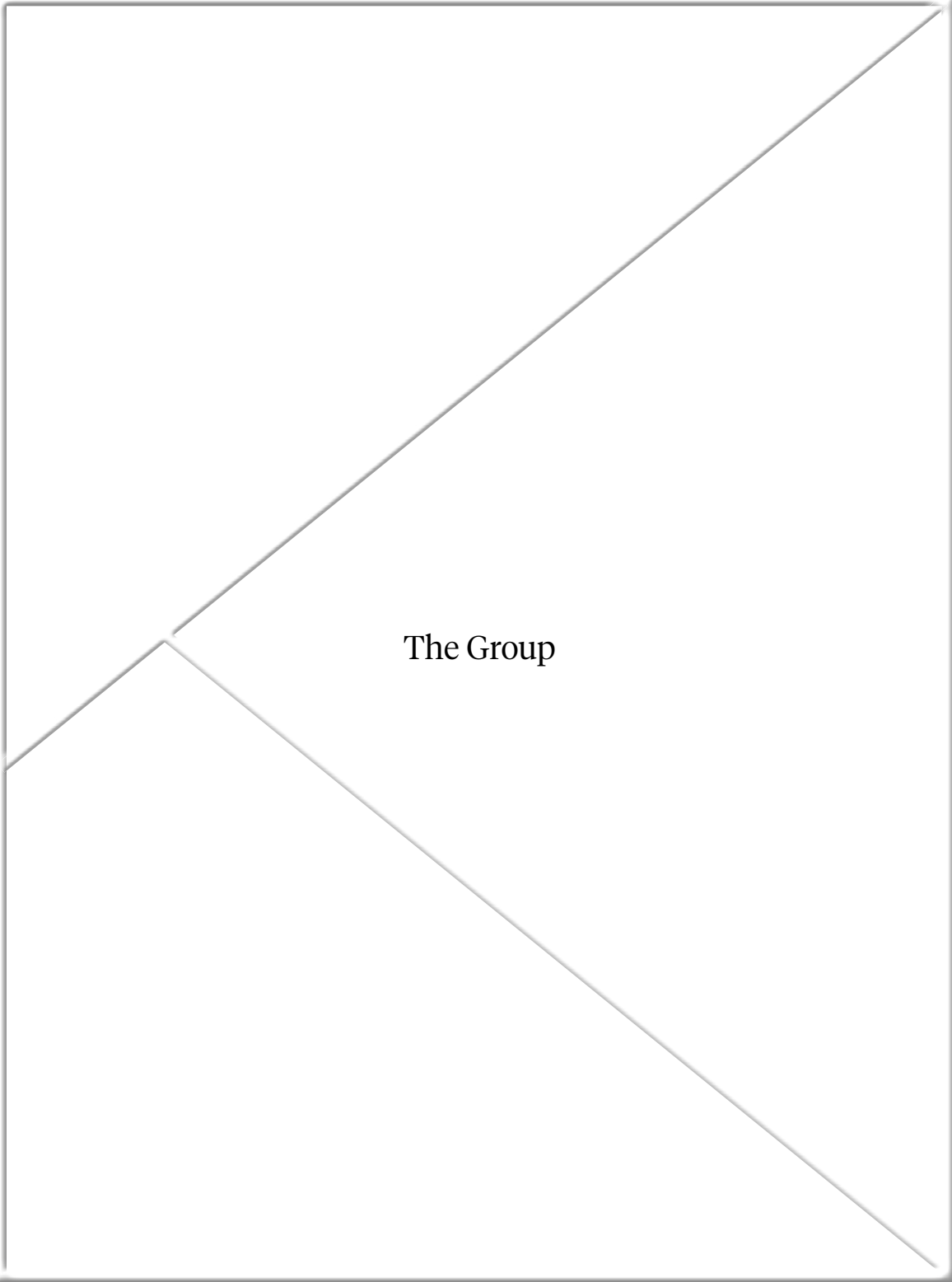
Pritika

Summary

- p. 14 — Message from the Chairman
- p. 18 — Business Model and Strategy
- p. 21 — Moving Toward Sustainable Luxury
- p. 24 — Executive Committee
- p. 26 — 2019 Highlights
- p. 44 — Kering Foundation

- p. 50 — Gucci
- p. 52 — Saint Laurent
- p. 54 — Bottega Veneta
- p. 56 — Balenciaga
- p. 58 — Alexander McQueen
- p. 60 — Brioni
- p. 62 — Boucheron
- p. 64 — Pomellato
- p. 66 — Qeelin
- p. 68 — Ulysse Nardin
- p. 70 — Girard-Perregaux
- p. 72 — Kering Eyewear

- p. 78 — Key Figures



|         |                                  |
|---------|----------------------------------|
| p. 14 — | Message from the Chairman        |
| p. 18 — | Business Model and Strategy      |
| p. 21 — | Moving Toward Sustainable Luxury |
| p. 24 — | Executive Committee              |
| p. 26 — | 2019 Highlights                  |
| p. 44 — | Kering Foundation                |



In 2019, Kering once again demonstrated the relevance of its business model. The Group's revenue totaled €15.9 billion, an increase of 13.3% on a comparable basis with 2018. This growth was driven by all our business segments. Our recurring operating income reached a historical high of €4.8 billion, an increase of 19.6%. In four years, our operating income has increased threefold, and our Houses' sales have doubled.

We owe this excellent performance to our strong corporate culture, built on an ambitious drive for innovation. Above all, these results reflect the commitment and talent of our 38,000 employees. I would like to sincerely thank each and every one of them. With these key assets, Kering can maintain high levels of growth over the long term.

#### **Competitive thanks to our multi-brand model**

This outstanding growth is the product of our integrated business model and the decisive advantage it gives us. Drawing on the Group's synergies, our complementary Houses are achieving healthy organic growth, fueled by creativity, innovation and flawless execution.

Gucci, which will mark its 100<sup>th</sup> anniversary in 2021, remains the backbone of our portfolio. The House delivered a performance in line with its ambitions, generating 13.3% growth in revenue on a comparable basis—a milestone made all the more remarkable since Gucci more than doubled its sales between 2016 and 2019. This tremendous momentum is driven by the brand's digital excellence, its constant innovation, and of course, its exceptional collections.

Saint Laurent doubled its sales in four years, topping the €2 billion mark. Through its distinctive identity and an ability to combine the core values of its heritage with uncompromising contemporary design, the House still has immense untapped potential.

Bottega Veneta has been totally reinvented with the arrival of Creative Director Daniel Lee, in June 2018. This renewed creativity has proved successful with ultra-desirable collections and a return to growth. Such success demonstrates that our efforts and investment can reinvigorate the brand in the medium term.

Our Other Houses recorded revenue of €2.3 billion, an increase of 17.8% on a comparable basis. Within this, two growth drivers stand out. Following its staggering development in 2018, Balenciaga continued its impressive growth, achieving a major sales milestone in 2019. Meanwhile, Alexander McQueen continued its impressive growth trajectory throughout the year. Our Jewelry Houses also contributed to the Group's growth, performing superbly, while our Watch Manufactures have reinforced their reputation and positioning. We intend to step up our investment to develop our brands, with a specific focus on accelerating distribution and communication.

Lastly, Kering Eyewear, which has been fully operational for just four years, is cementing its status as a forward-thinking and key player in eyewear.

**Making Kering the most influential Luxury group**

We remain confident in the trends now happening in our industry. Furthermore, we are convinced of our core business, as our financial results are complemented by an ambitious sustainability strategy and an unwavering commitment to a range of issues affecting the environment and society.

Three years after announcing a new set of targets in our sustainability strategy (see pages 21-23), we published our first progress report outlining our accomplishments and the challenges that lie ahead. Among the major breakthroughs, between 2015 and 2018 we reduced our overall impact by 14% in EP&L intensity. For the same period, we also reduced our global greenhouse gas emissions (boutiques and other locations) by 77% in EP&L intensity. These indicators are proof that we are on track to meet our targets. In 2019, our commitment and efforts were recognized by the Group's presence, for the third consecutive year, on the Carbon Disclosure Project's *Climate Change A-List*. Kering also remains the leading company in the Textile, Apparel and Luxury sector in the Corporate Knights ranking of the Global 100 most sustainable corporations in the world.

Our economy and markets must ride out uncertainties, whether in the form of changes in customs regulations, currency fluctuations or geopolitical tensions. The Covid-19 epidemic, although it does not call

into question the structural drivers of the Luxury industry, is a case in point. Major and temporary crises may occur, compounding the complexity of our markets.

More than ever, flexibility and vigilance are paramount to anticipating disruptions and seizing the opportunities they bring. Our solid financials, coupled with our strong internal culture and singular vision of putting creativity at the service of modern, audacious Luxury mean we can look to the future with confidence and determination.



**François-Henri Pinault**



Sustainability, a source of innovation for the Group.



Kering Eyewear, an example of integrated expertise.



Kering's new offices in Hong Kong, inaugurated in 2019.



Kering's logistics center in the United States, in Wayne (New Jersey).

## Business Model and Strategy

The world of Luxury is changing faster than ever. A new generation of consumers has emerged. What they demand is authenticity, with transparency and constant dialogue across all channels. As a result, Luxury brands must strive to engage more closely and more personally with their customers, sparking emotion and creating exceptional experiences both in brick-and-mortar boutiques and online. This approach calls for rethinking distribution channels as well as cultivating customer relations in new and innovative ways.

### Three growth levers

Kering's strong 2019 results once again demonstrate the relevance of a business model that combines agility, balance and responsibility in addition to an approach founded on long-term strategy and responsiveness.

At Kering, we are driven by two guiding principles: enhancing synergies and prioritizing organic growth. Propelled by the Group, our Houses are

ideally positioned to capitalize on market opportunities and deliver robust performances. To further support its Houses and improve the efficiency of their activities, Kering has identified three main growth levers: digital; information systems; and the logistics and supply chain.

### Accelerating digital transformation

Kering's new digital strategy is based on three pillars:

- online visibility, across social media in particular;
- the development of online sales;
- leveraging artificial intelligence and big data.

In digital, the Group's Houses have upscaled their media investment strategy over the past several years. In 2019, digital accounted for approximately 55% of total media expenditure, due mainly to increased presence on social media platforms.

In 2019, for the first time, online sales accounted for more than 5% of brands' revenue. In growth terms, this represented an average of nearly

50% over the last four years. To offer customers the best possible e-retail experience, the Group made the decision to fully internalize all of its e-commerce activities. Following the test and migration stages that began in Fall 2019, the preliminary rollout is scheduled for 2020. Lastly, Kering continues to explore new strategies for leveraging customer relations, including through artificial intelligence solutions and Customer Relationship Management (CRM). Against this backdrop, the Group is also working to develop in-depth knowledge by recruiting recognized experts.

### Rethinking information systems

The second set of initiatives focuses on the complete overhaul of Kering's information systems. The process is already underway, and the challenge lies in harmonizing solutions, providing access to real-time data, and increasing security. In 2019, we achieved many milestones. These included:

- The worldwide implementation of a unified

infrastructure that grants real-time access to a single data source.

- Adopting a suite of leading-edge, integrated IT solutions. These solutions are more flexible, more cost-effective, and diminish the risk of obsolescence.
- Upskilling in-house expertise.
- Upgrading cybersecurity systems and procedures.

### Redesigning logistics and supply chains

To meet increasing volume demands and to manage and streamline the entire logistics process, the Group is developing its infrastructure by investing in new facilities in Europe, North America and Asia.

In October 2019, Kering relocated its North American logistics center to Wayne, New Jersey. These new warehouses obtained LEED (Leadership in Energy and Environmental Design) gold certification, thereby demonstrating the buildings' environmental quality.



Alexander McQueen's new flagship store on Old Bond Street, London.



The new store concept of Bottega Veneta in Miami.

As of 2020, the Group will also open a state-of-the-art logistics hub in Trecate, in northern Italy. To meet growth in volume, the new platform will have larger storage capacity. Within the next two years, we will inaugurate other centers in the Asia-Pacific region and the Middle East. Once re-engineering has been completed, Kering's logistics network will ensure faster distribution across all channels, in addition to improved product availability and optimized stock levels. At the same time, the hub will facilitate access to services across multiple channels.

#### Realizing Luxury's full potential

Through the strength of its integrated model, the Group supports its Houses so that they can unleash their creative energy and focus on what is essential: creativity, excellence in execution, customer relations and communication. All of these factors strengthen Kering's capacity to harness Luxury's full potential and grow faster than its markets.



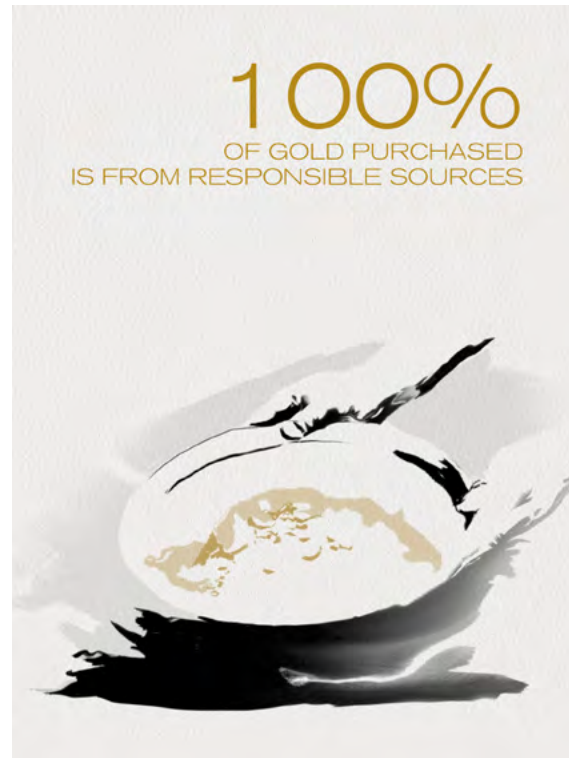
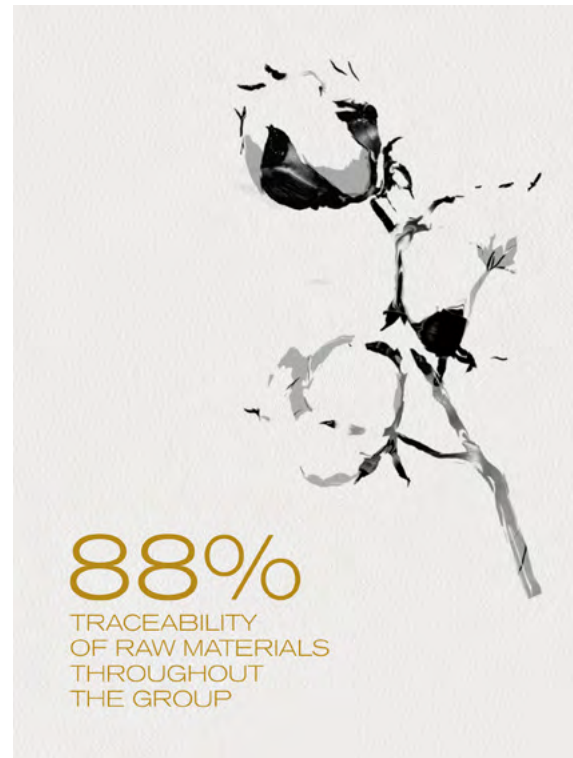
#### Moving Toward Sustainable Luxury

In 2017, Kering unveiled its 2025 sustainability strategy with ambitious targets and a commitment: to share progress every three years. In early 2020, the Group published a progress report. Initial results are promising: Kering has reduced its environmental impact by 14% in EP&L intensity. At the same time, the Group cut greenhouse gas emissions from operations by 77% in EP&L intensity. In addition to these overall indicators, we achieved progress in all three pillars of our sustainability strategy.

#### Care for the planet

First and foremost, in order to reduce its environmental impact and preserve the planet's resources, Kering adheres to a set of high standards covering raw materials, manufacturing processes and animal welfare. These standards provide a framework, measuring the Group's progress in traceability, working conditions, environmental protection, animal welfare and the use of chemical substances. With an 88% traceability score for its key raw

materials at end-2019, Kering is on track to meet its 100% goal. The Group also achieved 100% responsible gold purchase. And in French Guiana, Kering provided all the funding for a reforestation project at a mining site, in collaboration with the Mina Verde initiative. Kering has also set up the South Gobi Cashmere Project with the Wildlife Conservation Society, Rio Tinto, Stanford University and NASA. The challenge: to restore high-quality cashmere production by helping herders minimize the impact of their activity on nature through the adoption of more responsible practices. For five years, Kering has worked alongside 170 families of herders and NGOs to improve fiber quality, pasture management and biodiversity conservation. Results have been highly positive: yields have surged and herders' living standards have improved. Lastly, as of 2018, Kering became entirely carbon neutral as a Group in its operations and across its supply chain. This milestone was primarily achieved through measures aimed at avoiding



or reducing emissions, followed by offsetting remaining emissions every year.

#### **Collaborate with people**

The Collaborate pillar in our sustainability strategy is founded upon a conviction: that close collaboration with stakeholders ensures Kering's higher economic, environmental and social performance. This is why the Group champions equality and diversity, and strives to be an employer of choice. Kering is actively involved in global industry initiatives and is expanding its partnerships with schools and universities. The Group launched the very first MOOC (Massive Open Online Course) in Luxury fashion and sustainability in 2018 with the London College of Fashion. The MOOC is intended for fashion and luxury professionals, students and, more generally, anyone interested in sustainable fashion. Through a mix of videos, podcasts and editorial content, the challenges of "Tomorrow's Luxury" are highlighted alongside the required practices

and tools. The course is free and open-access, and is available in English and Chinese. So far, more than 33,000 learners from 150 countries have participated. In 2019, Kering also partnered with the Institut Français de la Mode to launch the IFM-Kering Sustainability Chair. This position seeks to foster a first-class research and teaching center that incorporates all aspects of sustainability and corporate social responsibility. Today, faced with such challenges, no actor can make progress alone. This is why Kering strives to establish virtuous alliances and change attitudes. The Fashion Pact presented to heads of state at the Biarritz G7 Summit in August 2019 is a prime example of this strategy. This historic coalition, which gathered over 250 brands from global fashion and textile companies, was formed by François-Henri Pinault at the request of President Emmanuel Macron.

#### **Create new innovations**

The Group's Create pillar means forging innovative alternatives, driving change to influence

the entire industry, and sharing knowledge via an open-source approach.

In 2013, Kering unveiled the Materials Innovation Lab (MIL). The MIL is both a library of sustainable fabrics and a driver of change within a complex supply chain. The MIL leverages quality through constant dialogue with the Group's suppliers. The goal: to encourage traceability and the sourcing of more sustainable and innovative materials. To date, the Houses' creative teams have access to an archive of 3,800 samples. The Lab helps to drive change in Luxury by working with cross-industry organizations and sustainability collaborations, such as Textile Exchange and the Ellen MacArthur Foundation. A similar platform has just opened for the Group's Watches and Jewelry activities: the Sustainable Innovation Lab.

Kering is also a partner of the Fashion for Good - Plug and Play accelerator. The objective of this initiative is to identify and support startups with high potential while fast-tracking sustainable innovation. To fuel momentum, the Group focused on China,

a source of innovation and a key player in the textiles industry. At Shanghai Fashion Week in November 2019, Kering and Plug and Play held the first K Generation Award ceremony. The mission: to recognize and support Chinese startups that affect positive change to accelerate sustainable innovation in the fashion industry.

More than ever, through its vision and its actions, Kering is firmly committed to sustainability—from local initiatives to global partnerships, and from historic industries to startups. The eyes of the world are on the Luxury sector. It has the power to inspire new best practices and influence other actors. At Kering, we are aware of such responsibility: it drives our strategy forward.

Full results are available on [progress-report.kering.com](https://progress-report.kering.com)



François-Henri Pinault



Jean-François Palus



Cédric Charbit



Jean-Marc Duplaix



Francesca Bellettini



Marie-Claire Daveu



Béatrice Lazat



Valérie Duport



Marco Bizzarri



Grégory Boutté



Bartolomeo Rongone



Roberto Vedovotto

**François-Henri Pinault** Chairman and Chief Executive Officer—**Jean-François Palus** Deputy CEO—**Francesca Bellettini** President and CEO, Yves Saint Laurent—**Marie-Claire Daveu** Chief Sustainability Officer and Head of International Institutional Affairs—**Marco Bizzarri** President and CEO, Gucci—**Grégory Boutté** Chief Client and Digital Officer

**Cédric Charbit** CEO, Balenciaga—**Jean-Marc Duplaix** Chief Financial Officer—**Béatrice Lazat** Chief People Officer—**Valérie Duport** Chief Communications and Image Officer—**Bartolomeo Rongone** CEO, Bottega Veneta—**Roberto Vedovotto** President and CEO, Kering Eyewear



**JANUARY**—At the *Salon International de la Haute Horlogerie*, in Geneva, Ulysse Nardin presents its distinctive creations including *Freak X*, *Executive Skeleton X* and the new *Diver* model in 42mm. In Girard-Perregaux's galaxy of new creations, the iconic *Laureato Absolute* is entirely clad in black PVD-treated titanium.

**Kering is named the world's second most sustainable company** by the Corporate Knights 2019 Global 100 Index. The Group ranked first in the 100 best-performing companies in sustainability in the Textile, Luxury and Apparel sector.



**Boucheron celebrates the reopening of its historic flagship at 26 Place Vendôme.**

Salma Hayek-Pinault, Laetitia Casta, Léa Seydoux, Gong Li, Uma Thurman, Catherine Deneuve, Fanny Ardant and friends of the House are welcomed in a warm and intimate setting. Guests are treated to an entrance illuminated by a thousand candles, a candlelit dinner, a recital by the opera singer Natalie Dessay and a performance by Belgian singer Angèle.



**Alexander McQueen opens its new flagship store on Old Bond Street** in London. The space is a tribute to nature, morphing and transforming for every season and collection. The third floor is an experiential space focused on imparting expertise. It will host exhibitions and talks mainly intended for students and fashion schools.

**FEBRUARY—An outstanding 2018 performance** and excellent financial results for Kering and its Houses. Group revenue climbs 29.4% and recurring operating income increases by 46.6%.



**Kering celebrates Agnès Varda.** As part of its *Women In Motion* program, the Group supports the release of Varda's autobiographical documentary film, *Varda by Agnès*, previewed at the 69<sup>th</sup> Berlin International Film Festival. This initiative follows the two Talks given by Varda in 2015 and 2018.



**Kering unveils its new website.** In keeping with its signature—*Empowering Imagination*—this new digital showcase highlights the Group's projects, news, talent and commitments. It embodies Luxury that is creative, bold and constantly on the move. It offers total immersion in the universe of Kering and its Houses.



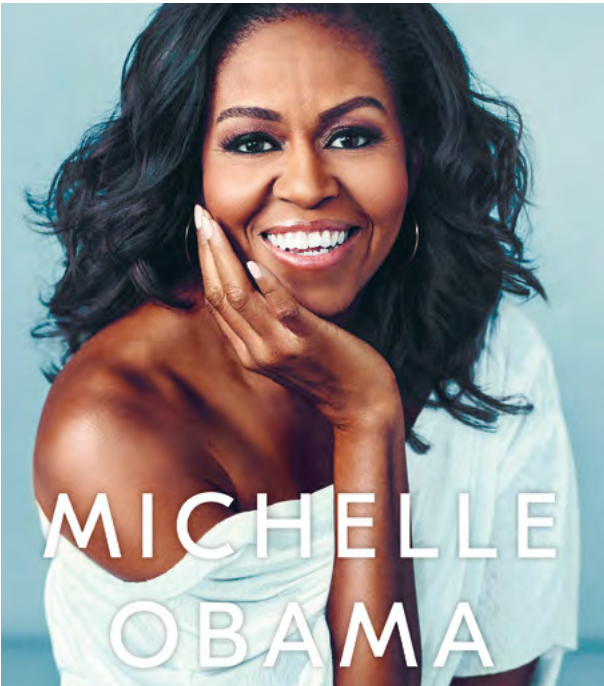
**Daniel Lee, Bottega Veneta's new Creative Director, makes a promising debut** with the presentation of his first Fall/Winter collection. With its blown-up biker-style leather pieces, minimalist dress designs, and experimental outdoor wear, the collection is a celebration of freedom and self-expression.



**MARCH—Women In Motion welcomes Leïla Slimani** for a Talk at the *Rencontres 7<sup>e</sup> Art Lausanne*. During the Talk, Slimani discusses her position as a writer, difficulties she encountered in becoming a free, independent woman; the importance of setting an example for others and her support for “revolutionary feminism.” The latter focuses on women changing their destiny as opposed to having the same things as men.



**Pomellato launches the Pomellato Sisterhood Initiative**, a campaign shot by photographer Cass Bird to empower women and promote inclusiveness. Since its 50<sup>th</sup> anniversary in 2017, Pomellato has developed its #PomellatoForWomen communication platform, which advocates gender equality, female leadership and a more authentic idea of natural beauty.



**APRIL—To mark the release of Michelle Obama's autobiography in France**, Kering invites 350 young women from all backgrounds to a talk given by the former First Lady of the United States.

**Kering publishes its 2018 integrated report**, which delivers the Group's global value creation model.



**Kering unveils its new Italian headquarters at 91 Via Mecenate in Milan, near the Gucci Hub.** The building is a showcase for sustainability. It has a low-consumption sanitary water system and high-performance LED lighting as well as green spaces with an irrigation system that uses rain sensors.



**Kering invites fashion students selected as finalists of the International Festival of Hyères** to a one-off meeting with sustainability experts. Led by Marie-Claire Daveu, Chief Sustainability Officer and Head of International Institutional Affairs, its objective is to raise awareness of this key challenge among fashion's next generation, a goal that drives the Group's growth and illustrates its values.



**Jack de Boucheron launch.** The collection gives the imagination free rein with a supple gold wire that reinvents how jewelry can be worn. More than just a bracelet or a necklace, it is versatile and defies any one category. Its graphic clasp, inspired by jack cables, lets its wearer wrap it as he or she likes.



**MAY—The emblematic Brioni flagship store reopens on 32 Bruton Street, London.** Restyled as the residence of a Roman gentleman, the space showcases the perfect blend of quintessential Roman design and a traditional British esthetic.



**Kering and the Festival de Cannes renew their partnership for five years**, underscoring a desire to support women's contributions to cinema. To commemorate this anniversary, *Women In Motion* collaborates with Stacy L. Smith, a researcher and the creator of the Inclusion Rider, to take a closer look at representations of women in cinema and the media. During the Talks, Nadine Labaki, Eva Longoria, Leyna Bloom and Anita Gou share their visions and commitments. Lastly, Chinese actress Gong Li receives the *Women In Motion Award* while the *Young Talent Award* is given to the German film director Eva Trobisch.



**Kering and its Houses commit to work only with models aged over 18** to represent adults in fashion shows and photo shoots, as of 2020. This new step, which follows the publication of a charter with LVMH in 2017 on the working relations and well-being of models, signals further progress in Kering's continued commitment to women.



**François-Henri Pinault gives the opening address at the 10<sup>th</sup> edition of the Copenhagen Fashion Summit**, sharing his vision of sustainability and calling on fashion and luxury leaders to work together on matters concerning the environment and society.



**Gucci launches its first lipstick collection.** To mark the occasion, Gucci unveils a bold advertising campaign celebrating multifarious and unusual beauty.

**Kering publishes its animal welfare standards**, a first for Luxury and fashion. These are aimed at ensuring optimal treatment of cattle, sheep and goats. Kering's ambitions are threefold: to deploy best practices with regard to animals and protect wildlife and biodiversity; to ensure the widespread adoption of such standards for all species; and to share these standards with peers in Luxury and across various industries.

**JUNE—Kering sponsors the We Love Green festival**, the electro-pop music event in Paris, for the third time. At the core of the festival's values is respect for the environment.



**At a *Women In Motion* Talk held in tandem with the Shanghai International Film Festival**, actress Zhao Tao talks about the challenges facing women in the Chinese film industry.



**With the opening of Saint Laurent Rive Droite at 213 Rue Saint-Honoré**, the most Parisian of Kering's Houses unveils an amusing and chic version of today's Saint Laurent. This creative and cultural destination combines exclusive pieces, books, music, photography, performances, exhibitions, events and more. Shoppers can have a truly unique experience both here and at its sister store at 469 Rodeo Drive in Los Angeles.



**JULY—Qeelin, the first Chinese fine jeweler to open a boutique on Place Vendôme**, offers a prestigious setting for its contemporary designs. The House's international clientele is presented with a new vision of Chinese sophistication. With its traditional-inspired design, lacquered wood furniture and jewelry displayed under glass bells create a cultural dialogue between East and West.

**In Milan, Gucci hosts the Fast Company European Innovation Festival.** The festival focuses on how man and machine can collaborate in the era of artificial intelligence.

**Kering publishes its first-half revenue which totals €7.6 bn, up 18.8%**, while its operating margin reaches a record 29.5%.



A partner of the *Rencontres d'Arles* photography festival since 2016, Kering creates the *Women In Motion Award for photography*. Susan Meiselas wins this first edition. The *Women In Motion LAB* is created at the same time. The LAB is dedicated to research programs that highlight women's roles in the history of photography. The project is led by the historians Luce Lebart and Marie Robert, and will lead to the publication of a book. Lastly, Kering supports the *Prix de la photo Madame Figaro*. In 2019, that prize is awarded to Evangelia Kranioti.



**Gucci chooses the Place Vendôme as the location for its official foray into High Jewelry.** The brand's first collection, *Hortus Deliciarum*, consists of more than 200 one-of-a-kind pieces whose designs evoke mysterious kingdoms of old. The dark wood display cases upholstered in green satin give the precious stones a unique sheen.



AUGUST—32 leading global fashion and textile companies sign the Fashion Pact to combat climate change, support biodiversity and protect the oceans. The pact, initiated by President Emmanuel Macron, is presented by François-Henri Pinault as part of the G7 summit in Biarritz. President Macron entrusted Mr. Pinault with creating a coalition of the leading players in Luxury, Fashion, Sport and Lifestyle.

SEPTEMBER—Kering announces a partnership with the intergovernmental platform IPBES to finance research work on biodiversity. Encouraging a more environmentally friendly approach will thus create a framework that can guide decision making.

**Kering commits to full carbon neutrality across the Group.** As a next step in its long-term commitment to sustainability, Kering pledges to reduce its greenhouse gas emissions by 50%—factoring in those of its supply chain—by 2025, and offset them entirely through projects that conserve critical forests and biodiversity.

**Balenciaga opens its New York City flagship store at 620 Madison Avenue.** The new store's architecture reflects Artistic Director Demna Gvasalia's interest in the concept of a public domain. A mostly-glass storefront leads the eye to the street from inside and to the eclectic interior from outside. From either vantage point, one sees a mixture of elements taken from metropolitan exterior design, with hyper-real mannequins and original artwork by Tobias Spichtig.



Kering's headquarters welcomed 12,000 visitors during the 2019 European Heritage Days. Two of the tour's exhibitions catch the public's attention. The first, *Tears of Joy*, offers a selection of artwork from the Pinault Collection centered on the theme of "Art and Entertainment", including works by Sigmar Polke and Damien Hirst. The second, *Cristóbal Balenciaga, designer-sculptor*, combines couture with sculpture, presenting 18 original *demi-toiles*, the cloth prototypes for haute couture dresses.



With its Baby Leave policy, the Group launches a pioneering measure for all employees at Kering and its Houses. Applicable from January 1<sup>st</sup>, 2020, baby leave with full pay lasts at least 14 weeks, strengthening Kering's parental policy and making the Group an employer of choice. Every parent has the right to maternity, paternity, adoption or partner leave, irrespective of the employee's personal circumstances or geographic location, during the six months following birth or adoption.



**Gucci's Spring/Summer 2020 show takes place at the Gucci Hub in Milan.** The show, certified as a sustainable event according to the ISO 20121 international standard, is entirely carbon neutral. Gucci donated 2,000 trees to the Municipality of Milan, fully compensating for the fashion show's CO<sub>2</sub> emissions.



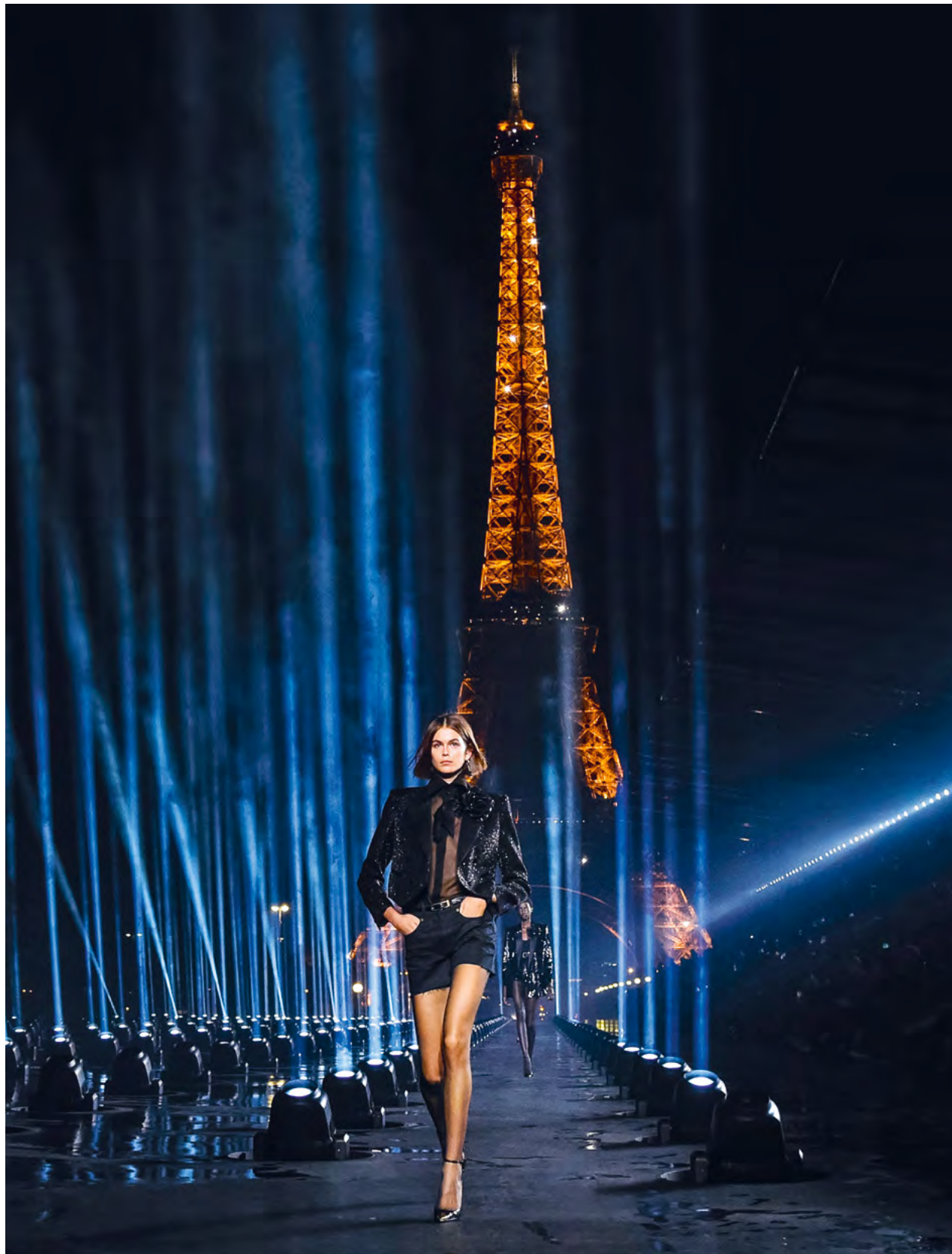
**Taking the time to make things and to reconnect, while still moving fashion forward.** Sarah Burton's message for the Alexander McQueen Spring/Summer 2020 collection highlights her profound respect for tradition and artisanal techniques, as well as for innovation.



**Bartolomeo Rongone is appointed CEO of Bottega Veneta.** His mission is to realize the full potential of the new creative force that has been driving the House since 2018.



**Hack to Act, the first hackathon organized by Kering for sustainable luxury, gives an award to the Core project.** *Core* is a prediction and recommendation platform aimed at creative teams, product managers and clients. Leveraging Kering's Environmental Profit & Loss (EP&L) account, developers and experts have 48 hours to create a new generation of apps and digital solutions to gain a better understanding of the link between Luxury fashion and its impact on the environment.



**Anthony Vaccarello revisits the spirit of Rive Gauche** and its elegant masculine-feminine tailoring for the Spring/Summer 2020 collection.



**OCTOBER**—Kering partners with creative arts publisher Phaidon to launch *Great Women Artists* in the US and *400 femmes-artistes*, its French version.

**François-Henri Pinault ranks third in the world's best-performing CEOs** in the Harvard Business Review's Top 100 list.



**Kering steps up its policy for diversity** with the appointment of Kalpana Bagamane Denzel as Chief Diversity, Inclusion and Talent Officer.



**To celebrate its 15<sup>th</sup> anniversary, Qeelin unveils the *Origins* jewelry exhibition in the prestigious SKP Beijing mall.** Its brand ambassador, Sandra Ma, dons the elegant *Wulu ruby* set, specially created to mark an important milestone in the House's history.



**In an exclusive *Women In Motion* Talk given at the Tokyo International Film Festival**, the renowned Japanese artists Shinobu Terajima, Mika Ninagawa and Sputniko! discuss the representation of women in the national arts and culture scene.



**Women In Motion partners with the 48<sup>th</sup> edition of the *Festival d'Automne* in Paris, supporting its guest artist Anna Boghiguian.**



**Kering Eyewear inaugurates its logistics center.** The giant 15,000 square-meter hub on the outskirts of Padua has storage capacity for 5 million pieces of eyewear. The entire supply value chain is managed in-house and its 16,000 clients enjoy outstanding service. Kering Eyewear has 30,000 points of sale in more than 100 countries.



**In Shanghai, Kering holds the first K Generation Award ceremony, accelerating sustainable innovation in the luxury and fashion sectors in China.** Three Chinese startups—Melephant, Heyuan and FeiLiu Technology—are recognized for their disruptive innovations addressing sustainability challenges in the fashion industry.



**Matt Dillon is the face of Brioni's Fall/Winter 2019 Tailoring Legends advertising campaign.** The images highlight Dillon's individual sense of style.



**Demna Gvasalia presents his Spring/Summer 2020 collection** against an EU-blue inspired backdrop. Dubbed *New Fashion Uniforms*, the collection is an artistic and thought-provoking narrative on power dressing.



NOVEMBER—In the heart of Miami's Design District, Bottega Veneta unveils its new store concept designed by Daniel Lee. Rough surfaces are juxtaposed with polished materials: plaster, marble, concrete, brass plywood, leather, resin and reclaimed wood co-exist within the space. The Palladiano Terrazzo is clad with marble, foregrounding the plaster staircase and pink marble steps.



Institut Français de la Mode and Kering inaugurate the IFM-Kering Sustainability Chair, in the presence of François-Henri Pinault. Its mission: to create a first-class fashion research and teaching center incorporating all aspects of sustainability.



Kering participates in the second edition of the China International Import Expo in Shanghai, with a pavilion designed by architect Ole Scheeren. To celebrate the event, Ulysse Nardin released a limited edition of the *Marine Torpilleur* luxury watch.



Ulysse Nardin becomes an official partner of the *Vendée Globe* regatta and presents two *Diver X* models, *Cap Horn* and *Point Nemo*, designed to withstand the "Everest of the seas." *The Lady Diver X Great White* model is also presented to honor the achievements of its new brand ambassador, the freediver Alessia Zecchini.

Kering supports the *Illuminated Ocean* exhibition at the *Museum national d'histoire naturelle* in Paris.

DECEMBER—François-Henri Pinault receives the Global Trailblazer Award in recognition of his longstanding commitment to women's rights around the world, at the Vital Voices event in New York City.



Myriam Raja wins the second edition of 16 Days 16 Films with *The Third Sorrow*. Supported by the Kering Foundation, the competition recognizes female directors of short films that address the issue of violence against women. Aside from financial support, the award grants Myriam Raja an opportunity to create a new public service message for the UK's national campaign, UK Says No More.

At the 2019 British Fashion Awards in London, Sarah Burton receives the Trailblazer Award for her visionary work and for championing UK-wide craftsmanship for Alexander McQueen. Daniel Lee, Creative Director of Bottega Veneta, receives four awards: Brand of the Year, Designer of the Year, Accessories Designer of the Year, and British Designer of the Year—Womenswear.



One out of three women worldwide is a victim of violence during her lifetime. Since its creation in 2008, the Kering Foundation has made this critical issue the focus of its combat by supporting survivors, and rolling out prevention initiatives and worldwide mobilization. To maximize its impact, the Foundation works hand-in-hand with long-term partners for a minimum period of three years in six countries: China, France, Italy, Mexico, the United Kingdom and the United States.

**Supporting survivors**

In 2019, the Foundation reinforced its partnerships with local organizations that provide tailored support for women impacted by violence. The Foundation implements a three-pronged approach: funding frontline, national organizations specialized in combating domestic violence; backing pilot initiatives, and partnering with Women's Funds that support grassroots initiatives. The Foundation is a longstanding partner of the *National Network to End Domestic Violence* (United States), the *Fédération Nationale Solidarité Femmes* (France),

*Donne in Rete Contro la Violenza* (Italy) and *Women's Aid* (United Kingdom).

The Kering Foundation also advocates for new approaches, like the *Maison des Femmes* in Saint-Denis, outside Paris. With its fifty-strong team of professionals working across a range of sectors, this space is a one-stop safe place offering a wide range of services for survivors, ensuring they are listened to, cared for and offered comprehensive guidance. As a founding partner, the Foundation in 2019 extended its support to the creation of a new unit dedicated to treating adults who as children were victims of sexual abuse. Lastly, the Kering Foundation takes action at a grassroots level via the Women's Funds network, for example through the *HER Fund* in Hong Kong, which supports local micro-organizations run by marginalized women who are victims of violence.

**Preventing violence by working  
with younger generations**

Since 2018, the Kering Foundation has stepped up

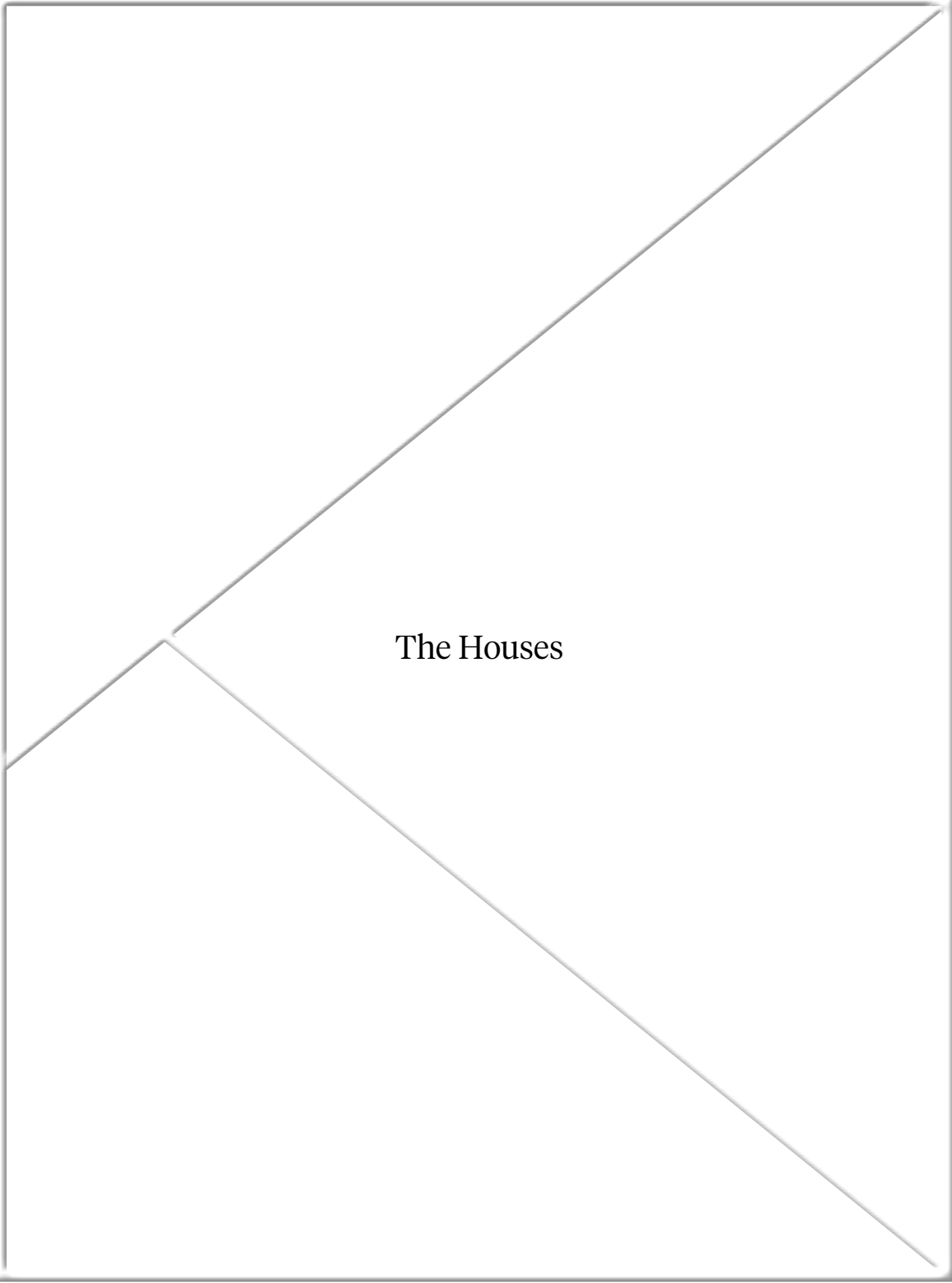
its involvement in prevention programs aimed at young people and, specifically, boys and young men. In New York, the Foundation is continuing its support of *The New York City Alliance Against Sexual Assault* and *Project Dream, Own, Tell (DOT)*, which works with young people from underserved communities on initiatives targeting sexual violence. The Foundation also partners with *Promundo* and its curriculum, *Manhood 2.0*, which encourages young men to think beyond the rigid divisions of gender and build healthier relationships based on respect and equality. Lastly, in Mexico, support continues for *Gendes*, which seeks to redefine the notion of masculinity for men.

**Mobilizing across the globe**

Through its internal and external campaigns, the Foundation aims to raise awareness of violence against women, changing mentalities and behaviors. In 2018, the Kering Foundation joined forces with *Fondation agir contre l'exclusion* (FACE) to create *OneInThreeWomen*, the first European network to encourage companies to support female

employees who are victims of violence with concrete measures. In 2019, the network revealed the results of a study sent to more than 40,000 employees across six companies in six countries. Results: 16% of the women and 4% of the men surveyed reported experiences of domestic violence. 16% of women and 13% of men interviewed stated that they knew of a colleague who had been affected. Companies have a leading role to play in establishing concrete measures and a supportive workplace. With this in mind, since 2011 the Foundation has provided Kering's employees with training to understand the impact of domestic violence on the workplace. To date, 1,500 employees have benefited from these training sessions co-created with local specialist organizations.

Last but not least, the Foundation uses the International Day for the Elimination of Violence against Women as a platform to raise public awareness. In 2019, in collaboration with Modern Films, the Kering Foundation launched 16 Days, 16 Films, a short film initiative addressing violence against women.



p. 50 — Gucci  
p. 52 — Saint Laurent  
p. 54 — Bottega Veneta  
p. 56 — Balenciaga  
p. 58 — Alexander McQueen  
p. 60 — Brioni  
p. 62 — Boucheron  
p. 64 — Pomellato  
p. 66 — Qeelin  
p. 68 — Ulysse Nardin  
p. 70 — Girard-Perregaux  
p. 72 — Kering Eyewear



The opening of Gucci's first jewelry boutique accompanied the launch of Alessandro Michele's debut High Jewelry collection, the 200-piece *Hortus Deliciarum*. Sharing a common theme of a mythical garden in full bloom, his vibrantly colorful fashion designs sit alongside the fine jewelry collection. To complement the richly-hued gemstones, the interior décor is elegantly muted, featuring dark wood cabinets with brass details and a marble floor in black and white mosaic.

## GUCCI

With its centennial just around the corner in 2021, Gucci has grown from its Florentine roots into one of the world's leading luxury Houses for fashion and accessories. Since 2015, a very successful creative and commercial dynamic has developed under Creative Director Alessandro Michele and President and CEO Marco Bizzarri. Gucci's focus on artistic freedom, self-expression and innovation is reflected not only in its portfolio but also in the brand's significant online presence. Their leadership has enabled Gucci to engage highly effectively with consumers around the world, providing a consistent, appealing brand narrative across all touchpoints and deepening the conversation with its various audiences.

In 2019, the House maintained its policy of innovation, notably with the introduction of a make-up line and the opening of its first jewelry boutique on the Place Vendôme in Paris (*see above*). Gucci also continued the rollout of its new store concept, which brings products and customers closer together, creating a more intimate dynamic. Travel retail delivered the highest segment growth, amid a renovation program, while *Gucci Pin* pop-up stores were introduced in major cities around the world. In the digital space, e-commerce sales grew significantly, courtesy

of an increase in the number of countries and the quality of the user experience, both in terms of functionality and storytelling. New relationships were built with key e-commerce sites and a partnership agreement was signed with the Internet-based company Tencent, which owns the WeChat platform. The year also saw the rollout of Gucci's new global client service center, based in Florence, with regional hubs in the US, Korea, Japan and Southeast Asia.

In terms of social responsibility, two highlights of 2019 were in the areas of sustainability and diversity. In September, Gucci announced that it would become entirely carbon neutral, including its entire supply chain. This follows a commitment to offset greenhouse gas emissions from its own operations and those of its suppliers by supporting forest conservation and biodiversity projects around the world. To help fulfill Gucci's mission to create a corporate culture where diversity and inclusion can flourish, the company appointed Renée Tirado as Global Head of Diversity, Equity & Inclusion. Her role, which is to help develop a more diverse workforce, also reflects Gucci's broader vision of creating Luxury that is both inclusive and fully in step with the contemporary world.



Conceived as creative and cultural destinations, new Saint Laurent Rive Droite boutiques were opened on the Rue Saint-Honoré in Paris and Rodeo Drive in Los Angeles. These spaces introduce a new concept for expression, exchange and lifestyle by offering a wide range of products including exclusive pieces, limited editions, a bookstore, vintage, music, and photography alongside art, performances, exhibitions, events and cultural happenings. Through an extensive and diversified offer from various creative and design fields, Anthony Vaccarello imagines and embraces new ways of expanding the universe and DNA of Saint Laurent.

**SAINT LAURENT**

Created as a Haute Couture House in 1961, Yves Saint Laurent revolutionized modern fashion from the mid-1960s onward by introducing luxury ready-to-wear under the Saint Laurent Rive Gauche brand. Today, the House has a global retail network, with flagship stores in all the major destinations for luxury fashion.

Creatively, Saint Laurent’s core values include a focus on youth, the ability to bring couture to the street, and a style that resonates with modern times. Anthony Vaccarello, its Creative Director since 2016, has successfully brought in a contemporary esthetic while remaining fully aligned with these values and the heritage of the House. His collections have been embraced both by longstanding customers and by newcomers to the world of Saint Laurent. Furthermore, the Spring/Summer 2020 collection ranked #1 in *Vogue’s* list of most-viewed runways online. To meet growing demand, Saint Laurent in 2019

enhanced its retail network with store openings and refurbishments in both emerging and mature markets, including the innovative new Saint Laurent Rive Droite boutiques in France and the US (*see above*). Its presence in China was reinforced with new points of sale and the opening of its first flagship stores in Shanghai and Beijing. At the same time, the House also strengthened its position in the digital space. By year-end, Saint Laurent had e-commerce websites in more than 50 countries.

Looking ahead, Saint Laurent will further develop its creative vision, notably through the SELF initiative, which restores art as a core value for the brand, and in which artists are invited to portray the spirit of the House. Following collaborations with Daido Moriyama, Vanessa Beecroft and Bret Easton Ellis, the most recent works presented, at the Festival de Cannes and at the Shanghai International Film Festival respectively, were by Gaspar Noé and Wong Kar-Wai.



2019 began in the transitional period before Daniel Lee's collection became available in-store. The first new handbags introduced for the Spring/Summer 2019 collection (the *Maxi Cabat* and *The Pouch*) immediately garnered a positive response. Bottega Veneta has since enjoyed strong growth and increased presence within the industry, with Daniel Lee paving the way for a bold new era with his unique creative vision.

## BOTTEGA VENETA

Established in 1966 in Vicenza, Italy, Bottega Veneta is renowned for its unparalleled leather and signature *intrecciato*. Bold, essential and immediate, Bottega Veneta's collections combine luxurious materials with the masterful touch of artisans. Embedded in Italian luxury, the House embraces a core philosophy of refined discretion, confidence and innovation for women, men and the home. Contemporary designs reflect an elevated reality, building a utopian wardrobe made for wearing every day.

In June 2018, Daniel Lee was appointed Creative Director of the House. Previously Director of Ready-to-Wear Design at Céline, the British-born graduate of Central Saint Martins College of Art and Design established a powerful new perspective for the brand in less than half a year. Following his first full collection—for Pre-Fall 2019, unveiled in late 2018—Lee's vision continues to respect Bottega Veneta's rich heritage of Italian craftsmanship and culture while championing evolution with a global outlook. Brand connoisseurs will find familiarity in the expert leatherwork of supple bags and discreet

accessories. New initiatives will be drawn in by Lee's sensuous and uncompromising approach to ready-to-wear.

Bottega Veneta brings contemporary and considered designs to clients around the world. In 2018, the brand opened its two largest stores to date on Madison Avenue in New York City and in Tokyo's Ginza district. Since Daniel Lee laid the foundations of an unapologetic new era with his first runway show for the Fall/Winter 2019 collection, Bottega Veneta has continued to expand its reach beyond singular products with unique concept stores, pop-ups, cafés and Maisons. In September 2019, a compelling response from the international press and buyers at the Spring 2020 collection underscored the brand's new momentum. Three months later, Bottega Veneta and Daniel Lee swept all four categories for which they were nominated at the annual British Fashion Awards: Brand of the Year, Designer of the Year, British Womenswear Designer of the Year and Accessories Designer of the Year.



In September 2019, in an all-blue set echoing the European Parliament, the Spring/Summer 2020 show explored the idea of power dressing, reimagining the look of today's corporate dress codes and showcasing new archetypes. Irrespective of profession, what one wears in the corporate world has the same transformational power as a uniform: this is the message Demna Gvasalia wished to convey with a collection called *New Fashion Uniforms*. The Artistic Director transforms everyday attire by presenting a new shoulder line for dresses, redesigned suits and a new sneaker style, the *Tyrex*, which combines sportswear elements with a classic shoe.

## BALENCIAGA

57

Balenciaga has always occupied a unique place in the world of fashion. Founded as a Haute Couture House in Spain in 1917 by Cristóbal Balenciaga and established in Paris in 1937, the House enjoyed a true renaissance in the late 1990s by reconnecting with the fashion world and ready-to-wear while developing new lines of accessories and shoes.

In 2015, the arrival of Demna Gvasalia as Artistic Director opened a new chapter in the House's history. Gvasalia is recognized throughout the industry for his creative vision, expert use of volume and craftsmanship, and his approach to combining heritage and innovation, which has garnered tremendous critical and commercial success.

In 2019, Balenciaga continued to expand its distribution network. The House opened

boutiques in Asia and the United States, including a flagship on Madison Avenue in New York City. Several boutiques have also been renovated using Demna Gvasalia's store concept, which blends modernity, couture heritage and industrial design. Balenciaga increased its presence in the most prestigious department stores in Europe, Canada, Japan and Asia. Another key milestone was the sharp increase in visitors to [balenciaga.com](https://www.balenciaga.com). The site is available in 100 countries and the number of visitors continues to rise steadily. Throughout 2019, Balenciaga continued its momentum and attained an important new threshold in terms of revenue. And in 2020, the House plans to secure prime locations in mature markets and Asia, while also building on the success of the *Hourglass* leather goods line launched in 2019.



A highlight of 2019 was the exhibition in November at the Alexander McQueen Old Bond Street store. Entitled *Roses*, it brought together rose-inspired creations by the House's founder, Lee Alexander McQueen, and Sarah Burton. Sumptuous dresses, including some of the House's most iconic creations, were showcased alongside videos, editorial content, moodboards and photographs to illustrate how various pieces had been produced and highlight the House's savoir-faire.

## ALEXANDER McQUEEN

A House that is synonymous with modern British Couture, Alexander McQueen has been led by Sarah Burton since her appointment as Creative Director in 2010. Her collections have won widespread critical acclaim for their focus on storytelling, experimentation and traditional artisanal techniques. The strength of the House, which was launched in 1992, lies in a coherent, distinctive silhouette that informs designs across product categories.

As of 2019, the brand was present in more than 50 countries, supported by a new retail concept developed by Sarah Burton, in which the brand's narrative approach forms part of a unique customer journey through a physical space. Launched at its flagship store on London's Old Bond Street, the concept has now been introduced at major new boutiques in Dubai, Shanghai and Hong Kong, with further openings planned in 2020. At Old Bond Street, her vision of open access installations and collaborative immersion has been translated into an extensive program

for visitors about the history and skills underpinning the House (*see above*).

Alexander McQueen has also developed a highly successful digital strategy, both on its own platforms and across social media, including Chinese platforms such as Weibo and WeChat. Meanwhile, its e-commerce site has been the House's number one store in terms of revenue since 2018. In 2020, the House will relaunch its MCQ label as a global creative collective using a disruptive and innovative approach.

Under Sarah Burton's creative leadership, Alexander McQueen has retained its original uncompromising style. At the same time, the House's design codes have evolved with lightness and a distinctive, authentic touch to introduce a new esthetic. In 2019, Sarah Burton's talent and vision were recognized with two accolades: the CFDA International Designer Award and the Trailblazer Award at The British Fashion Awards.



A fusion of elegant Georgian architecture with stylish, mid-century Roman décor and furnishings, Brioni's London flagship is set in an 18<sup>th</sup>-century townhouse in Bruton Street, Mayfair. Inside, a welcoming ground floor houses the collection, while fitting areas catering to ready-to-wear and Bespoke service are located on higher floors. Designed to feel more like a gentleman's residence than a retail space, this townhouse is a perfect expression of Brioni's timeless elegance.

## BRIONI

Italian tailor Nazareno Fonticoli and entrepreneur Gaetano Savini founded Brioni in Rome in 1945 with a desire to challenge the status quo in menswear. In 1952, it became the first men's luxury brand to stage a fashion show and pushed traditional wardrobe boundaries by introducing bright colors and new fabrics. Today the House's offer ranges from men's apparel, leather goods and shoes to its Bespoke tailoring service. All products are meticulously handmade by expert artisans, primarily at Brioni's ateliers in Penne, a small town in Abruzzo.

Under Design Director Norbert Stumpfl, the Fall/Winter 2019 and Spring/Summer 2020 collections brought a fresh artistic vision to Brioni's traditional strengths of unrivaled craftsmanship, subtlety and a distinctly Roman nonchalance. Updated House codes and a touch of informality in fine tailoring, ready-to-wear and eveningwear won critical acclaim. The new spirit and tone were set

by Hollywood actor Matt Dillon, who featured in the Tailoring Legends campaign for the Fall/Winter 2019 collection.

The House's renewal has also been reflected in a year-long renovation of its London flagship (*see above*), an important showcase in a retail network that spans Western Europe, North America, Asia and the Middle East.

As the House celebrates its 75<sup>th</sup> anniversary, 2020 will see Brioni further expanding its artistic and commercial horizons. A high-profile start to the year included a return to Pitti Uomo, a key event for menswear, with the unveiling of the Fall/Winter 2020 collection. Also in January, Brioni's latest advertising campaign introduced Brad Pitt as its new brand ambassador, ensuring global media attention for the House. Brioni will continue to broaden its vision of Luxury with the launch of a new perfume line developed under a licensing agreement with Lalique.



The *Jack de Boucheron* collection presented in April 2019 inaugurated the brand's next chapter. *Jack* is the new “wear-it-your-way” icon, with a golden wire connected by a clasp inspired by an audio jack. *Jack de Boucheron* is a bracelet, a necklace, a headpiece and much more, depending on its wearer's mood and outfit. It gives every woman the freedom to have fun, and to be herself by choosing her own jewelry codes.

## BOUCHERON

63

Renowned for its masterful gem cutting and jewelry designs, Boucheron in 1893 became the first major contemporary jeweler to open a boutique on Paris's prestigious Place Vendôme. Since its founding in 1858 by Frédéric Boucheron, freedom has been at the heart of the House's creative vision—in terms of esthetics and technique as well as the liberty that transcends traditional codes and conventions.

2019 was a pivotal year for the brand. In addition to the launch of the daring *Jack de Boucheron* collection (*see above*), Creative Director Claire Choisne unveiled the creative High Jewelry collection *Paris Vu du 26* during

Haute Couture week in July. Four boutiques were also renovated in the style of the new ‘family home’ store concept that informed last year's renovation of the historic Place Vendôme flagship. Boucheron also made its American comeback by opening a corner in Saks on New York's prestigious Fifth Avenue. Lastly, the brand remains focused on increasing its foothold in Asia.

In February, the House released a global advertising campaign embodying the spirit of freedom found in its creations to support its 2019 launches. As photographed by Oliver Hadlee Pearch, Andreea Diaconu is the epitome of elegance and empowerment.



Launched in 1994, the DoDo brand is specialized in small, delicate pieces that can be mixed and matched. Innovations in 2019 included a new 'tree' charm, which was launched with a campaign entitled A Tree for a Tree in partnership with the global tree-planting platform Treedom. With each purchase of a charm, a tree is planted—a practical measure for environmental conservation that underscores the brand's commitment to sustainability. Created using responsibly-sourced gold and 12 responsibly-sourced sapphires, this piece and the accompanying campaign are helping to expand the DoDo Forest. Clients may follow the growth of their tree online.

## POMELLATO

Globally renowned for its creativity and distinctive blend of colorful gemstones, Pomellato was the first House to bring a ready-to-wear philosophy to the world of fine jewelry. An avant-garde approach to design and the use of large stones—the brand's hallmarks since its founding in 1967—make Pomellato pieces instantly recognizable. Their modern yet unconventional beauty is handcrafted by expert goldsmiths at Casa Pomellato, the House's Milan headquarters. To help ensure the continuity of that craftsmanship, Pomellato has partnered with the Galdus Goldsmith Academy to provide programs, seminars and apprenticeships to promising young artisans in Milan.

The House's portfolio is based on four core collections: *Iconica*, *Nudo*, *Tango* and *Sabbia*, with a separate offer for the DoDo brand of small, delicate pieces that are designed to be mixed and matched in a playful accumulation (*see above*). Recently, the main

collections have been further extended to include more designs in gold. Because sustainability and social responsibility are key values for Pomellato, the House has been using 100% responsibly-sourced gold since 2018. Pomellato's digital strategy was a major focus of 2019, and it proved a highly effective way of engaging with a core target market of fashion-oriented consumers and with Millennials in particular. The main driver of the strategy was a communication platform, #PomellatoForWomen, which first launched in 2017 to mark the House's 50<sup>th</sup> anniversary. A celebration of women's diversity and authenticity, it featured real-world, strong, independent women of all ages, and reached audiences across digital platforms.

This year will also see the House launch its first High Jewelry collection, positioning the brand as an unconventional player in the world of Haute Couture jewels. Lastly, in 2020, Pomellato will further develop its presence in Asian markets.



By opening a boutique on the Place Vendôme in Paris, the ultimate address for fine jewelry, Qeelin has created a space where East meets West. While retaining all the original architectural features of the Place Vendôme, the boutique integrates décors, colors and furnishings that accentuate the brand's Chinese heritage. Echoes of Beijing's traditional narrow streets blend with Twenties-era Art Deco, while pieces from the brand's core collections are presented in different settings, evoking the playfulness of a treasure hunt.

## QEELIN

Founded in 2004, Qeelin creates fine jewelry for everyday wear that blends traditional Chinese symbols with stylish, modern designs and a playful touch. The brand, which takes its name from the *Qilin*, a mythical Chinese animal and an icon of love, focuses on three core collections, each of which highlights Qeelin's cultural heritage.

The *Wulu* collection draws on the Chinese gourd, a symbol of good fortune and positive energy, with contemporary curves that echo an 8, the luckiest number in Chinese culture. *Yu Yi* takes its inspiration from the symbolism of a lock in traditional Chinese iconography—a bringer of good luck. Finally, the central motif of the *Bo Bo* collection is the country's celebrated panda. Named after the word for 'precious', *bao*, it evokes the beauty of childlike innocence and curiosity. Together, Qeelin's collections express a desire to embrace fashion trends and create a space for traditional Chinese culture in today's luxury world.

The brand expanded in 2019 by opening new boutiques and marked its 15<sup>th</sup> anniversary by becoming the first Chinese jeweler present

on the Place Vendôme, the French capital's historic showcase for fine jewelry (*see above*). By year-end, Qeelin had over 40 boutiques and shop-in-shops, 34 of them in Greater China. A media highlight was the appearance of Founder and Creative Director Dennis Chan on the Chinese TV channel CCTV2's *Fashion Master*, which generated over 17 million views on video platforms and more than 220 million mentions on social media.

This year also saw new additions to the *Wulu* portfolio, with a limited-edition *Jade Place Vendôme* necklace, a *Bamboo Lace* pendant and a colorful series of pieces in jade and red agate. The unisex *Wulu* bracelet extended the range to a male audience, while *Hip Bo Bo* became the latest member of the Bo Bo Gang.

In 2020, Qeelin aims to expand further in Greater China and to enhance its e-commerce operations. Key product launches will focus on *Wulu* rings, the *Double Wulu* collection, a new *Cannes Couture* collection and a series of collaborations.



In January 2019, Ulysse Nardin reinvented the rules of the watchmaking industry with the launch of *Freak X* and *Skeleton X* at Geneva's *Salon International de la Haute Horlogerie*. The *X* collections embody disruption and are intended for those who dare to be different. Their positioning is accessible to a younger clientele that expects innovation. In early 2020, the *X* series expanded with the release of new *X* models in the *Diver* collection.

## ULYSSE NARDIN

Since its founding in 1846, Ulysse Nardin's renown has come from its close ties to the nautical world. The standard-bearer in watchmaking excellence, it is a pioneer for its use of leading-edge technology and innovative materials such as silicon. A member of the *Fondation de la Haute Horlogerie*, the Manufacture creates marine chronometers that are highly prized by collectors and are among the most reliable ever made. With the in-house expertise that is key to producing high-precision components and movements, Ulysse Nardin continues a quest for perfection, centered around five collections: the *Marine*, the *Diver*, the *Classic*, the *Executive* and the *Freak*.

In 2019, the opening of five flagships—four directly operated in China and Geneva, plus a franchise in Dubai—offered an opportunity

to unveil a bright and airy architectural concept that subtly nods to the sea. The Swiss watchmaker continued to enhance its distribution network with renovations to 50 corners and other points of sale. By year-end, 100 retail spaces leveraged the brand's image worldwide. Another highlight of 2019 was a website redesign. Users now enjoy access to a fast, ergonomic site designed for mobile traffic; the e-commerce function will go live in 2020, marking the final phase of a marketing strategy focused on digital.

During a gala dinner in Paris in December 2019, Ulysse Nardin announced that it will be the official timekeeper of the next Vendée Globe, the legendary non-stop solo yacht race. The Manufacture also revealed new models for 2020 to major players in media and retail.



The *Laureato Absolute* is a sophisticated, contemporary and sports-type mechanism, a distillation of watchmaking expertise. In 2019, Girard-Perregaux unveiled four new variations in this emblematic collection: the *Laureato Absolute*, *Laureato Absolute Chronograph*, *Laureato Absolute Rock* and *Laureato Absolute WW.TC*, a quartet of singular and assertive timepieces. A play on colors as black as the universe and as blue as the sky makes the *Laureato Absolute* a natural fit in the *Earth to Sky* theme.

## GIRARD-PERREGAUX

Girard-Perregaux's 230-year history is studded with exceptional timepieces. For one of Switzerland's oldest manufactures of Haute Horlogerie, technical perfection is only equaled by sharp design, as epitomized by the renowned *Tourbillon with Three Gold Bridges*, a timepiece that won a gold medal at the Paris Universal Exhibition in 1889.

True to its roots, Girard-Perregaux is based in La Chaux-de-Fonds, the home of Swiss watchmaking and a designated UNESCO World Heritage Site. The watchmaker has preserved its Manufacture status by mastering in-house a complete range of horological skills. From design and development to finishing, assembly and production, the Manufacture combines technical craftsmanship with state-of-the-art design, both of which

are essential to creating iconic pieces that are constantly renewed.

In 2019, Girard-Perregaux presented a new collection of rare watches under the theme *Earth to Sky*, a showcase that included the *Laureato Absolute*, *Laureato Absolute Rock*, *Cosmos*, *Quasar* and *Neo-Bridges Earth to Sky Edition*. The brand has also enhanced its visual identity to better leverage its unique positioning. In China, the Manufacture named a new brand ambassador, the acclaimed actor Chen Xiao, with a campaign illustrating their shared values: engagement, precision and innovation, and a flair for adding emotion and elegance to everyday life. Lastly, following major renovations, the Manufacture reopened its doors to the public, allowing visitors to discover anew the watchmaker's history and workshops.



A key moment of 2019 was the opening of a new, fully automated logistics center in Vescovana, just a few kilometers from Kering Eyewear's headquarters in Padua. The 15,000 square-meter facility enabled the distribution of over 7 million units in 2019, with an average of 28,000 frames shipped daily. The center guarantees end-to-end control over logistics processes, greater efficiency compared to the outsourced model, a shorter lead time and higher quality as a consequence of less manual work. In addition to its impressive avant-garde design, the hub was awarded Silver LEED certification for its sustainability as a green building.

## KERING EYEWEAR

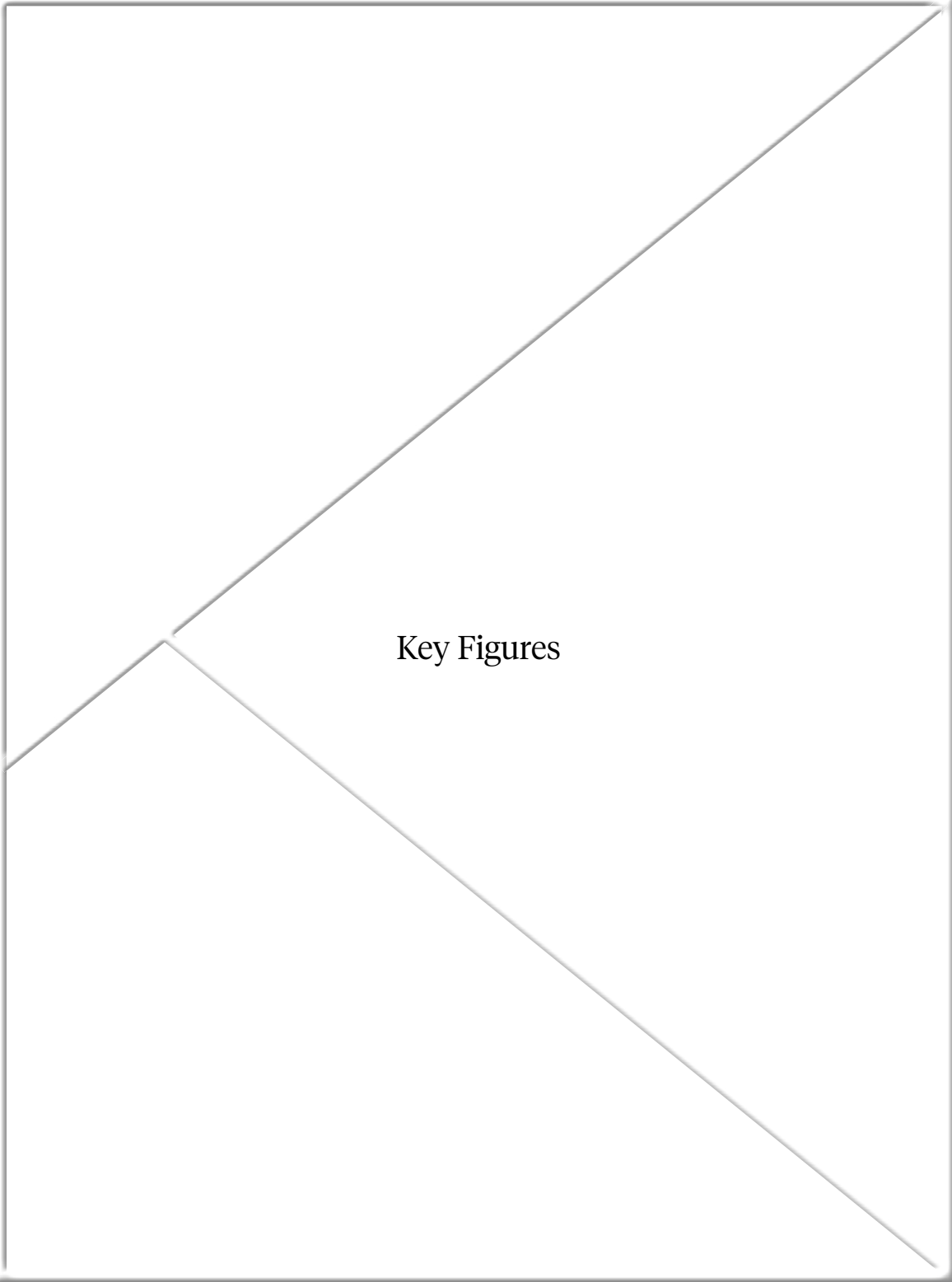
Launched as a startup in 2014, with the support of Kering and the leadership of Roberto Vedovotto, Kering Eyewear was created to develop in-house eyewear expertise for the Group's brands. This innovative business model involved bringing the entire value chain under Kering's control, representing a major breakthrough in the industry. Product development, supply chain, sales and marketing, distribution, and business strategies are all managed directly by Kering Eyewear. By working closely with the brands' creative directors, Kering Eyewear ensures that the DNA and esthetic codes of each House are fully integrated in the development of eyewear.

Fast and agile decision-making is essential to the business model to ensure a swift response to the opportunities and challenges generated by this fast-growing sector. Close collaboration with the Houses is equally important, creating synergies and business growth in shared channels, such as brand boutiques, travel retail, department stores, multi-brand fashion specialists and e-commerce. In total, the distribution

network serves some 20,000 customers with 30,000 sales locations in 110 countries.

Among the highlights of 2019 was the addition of Balenciaga, Courrèges and Montblanc to create an unparalleled portfolio of 15 brands with Gucci, Cartier, Saint Laurent, Bottega Veneta, Alexander McQueen, Stella McCartney, Alaïa, Brioni, Boucheron, Pomellato, MCQ and Puma. During the year, Kering Eyewear also opened a new, high-tech logistics center (*see above*) and acquired a minority stake in one of its key manufacturing partners, Trenti S.p.A., as part of a strategy to further invest in innovation and "Made in Italy" excellence. Meanwhile, a three-year manufacturing agreement with Safilo for the supply of Gucci-branded frames and sunglasses was renewed to 2023.

In 2020 and beyond, Kering Eyewear is committed to fully exploiting the potential of its brands, in both the sun and optical categories. Its strategy is also to expand the company's presence in new distribution channels, leveraging its expertise and unique positioning in the luxury segment.

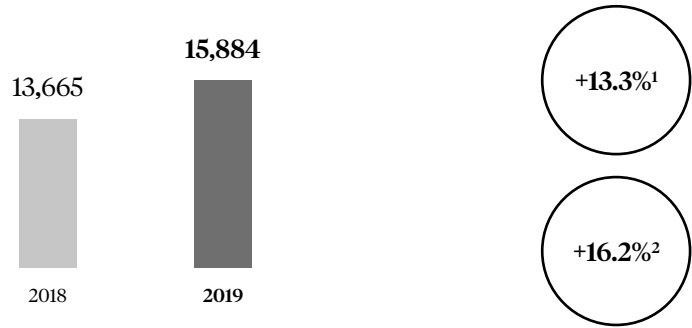


p.78 — Group Key Figures  
p.80 — Houses Key Figures  
p.82 — Extra-financial Key Figures

2019 KEY FIGURES

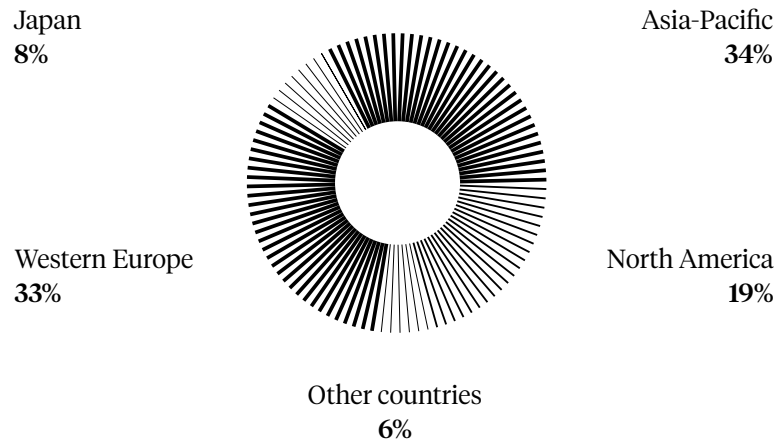
GROUP

Revenue  
in € millions

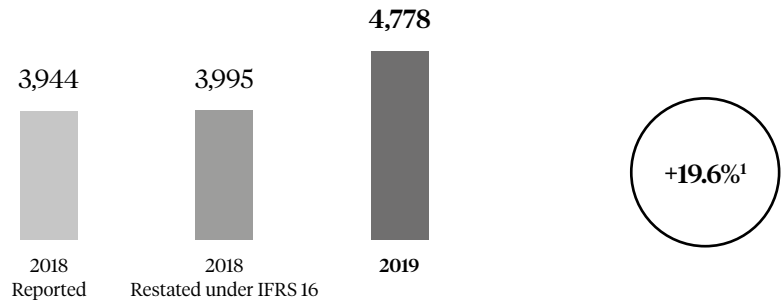


1 – Growth on a comparable Group structure and exchange rate basis  
2 – Reported growth

Revenue breakdown  
by region

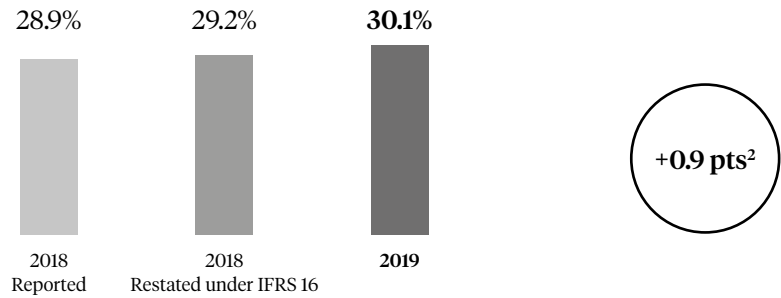


Recurring  
operating income  
in € millions



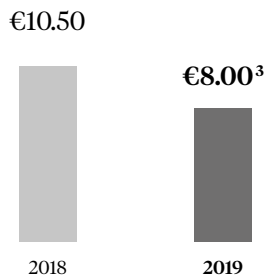
1 – Change versus 2018 restated under IFRS 16

Recurring  
operating margin  
as a % of revenue



2 – Change versus 2018 restated under IFRS 16

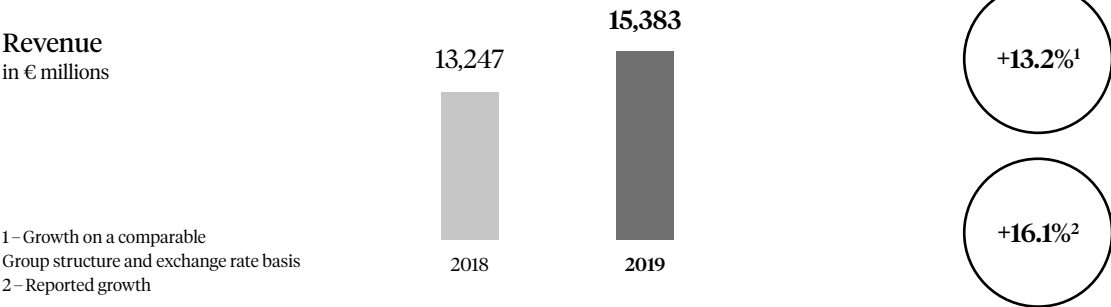
Dividend  
per share  
in euros



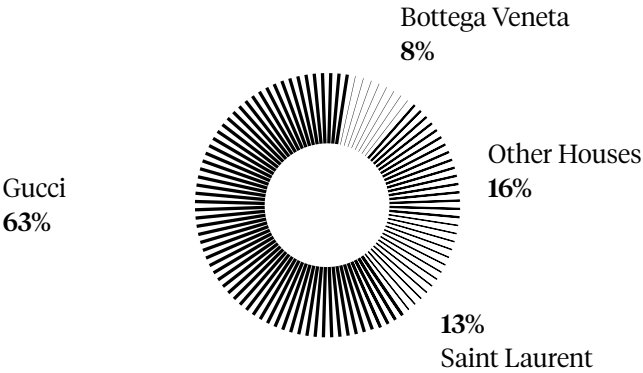
3 – As decided by the Board of Directors on April 21, 2020 and given the context of the Covid-19 pandemic and its impact on economic activity, the 2019 dividend, which is subject to the approval of the June 16, 2020 Annual General Meeting, has been lowered by 30% compared to the amount initially proposed.

2019 KEY FIGURES

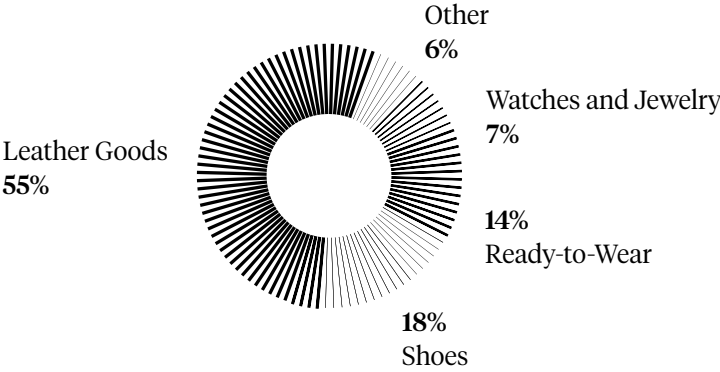
HOUSES



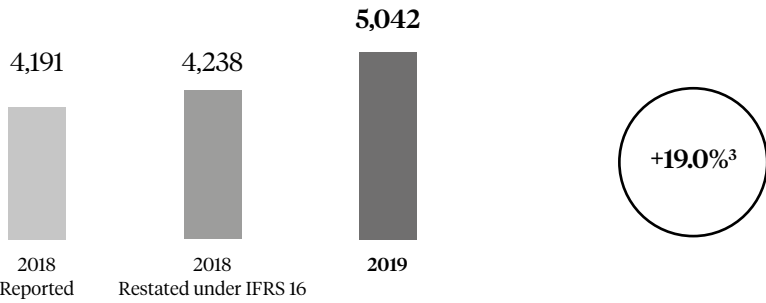
**Breakdown of revenue by House**



**Breakdown of revenue by product category**



**Recurring operating income**  
in € millions



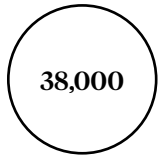
3 – Change versus 2018 restated under IFRS 16

**Performance of the Kering share from January 1, 2019 to February 28, 2020 compared to CAC 40 index**

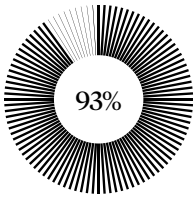


2019 KEY FIGURES

EXTRA-FINANCIAL

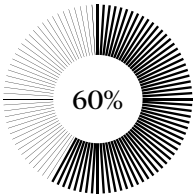


Total number of employees in the Group and its Houses.

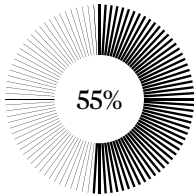


The share of permanent contracts for Group personnel.

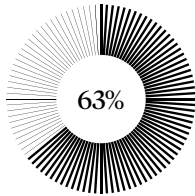
Proportion of women on the Board of Directors.



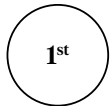
Proportion of women in managerial positions.



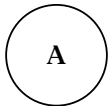
Proportion of women in the total workforce.



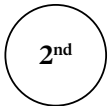
Kering is the only Luxury group listed on the Bloomberg Gender Equality Index.



Kering topped the Textile, Apparel and Luxury sector in the 2019 Corporate Knights Global 100 ranking.



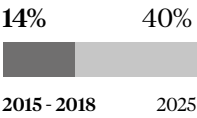
Kering is the only Luxury group to be included in the A-List of the Carbon Disclosure Project ranking, for the third year in a row.



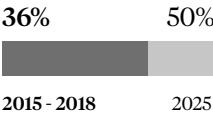
Kering was ranked 2<sup>nd</sup> out of the 255 companies analyzed in Equileap's 2020 ranking of the top European companies leading the way on gender equality.

Progress report 2020

Presentation of Kering's initial progress and the first results of its sustainability roadmap for 2025



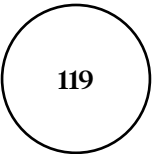
Between 2015 and 2018, the Group reduced its environmental footprint by 14% in intensity on a target of 40% by 2025.



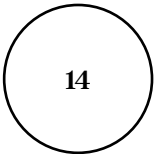
Between 2015 and 2018, the Group recorded a 36% reduction of GHG emissions on a target of 50% by 2025.



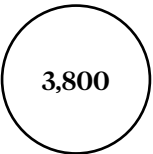
In 2018, 68% of the Group suppliers were aligned with the Kering Standards on a target of 100% by 2025.



Number of startups scouted through the Materials Innovation Lab (MIL)<sup>1</sup>, Kering innovation team, Fashion for Good, investor contacts, conferences.



Number of weeks provided on full pay by the new global parental policy to all parents of a new child.



Number of sustainable textile samples available in the Kering MIL.



Number of audits in the Kering supply chain in 2019.

Full results are available on [progress-report.kering.com](https://progress-report.kering.com)

1 – Founded in 2013 and located in Italy, the MIL is used by all of the Group's brands to identify sustainable and responsible alternative fabrics and textiles.



—  
Société Anonyme  
(a French corporation)  
with a share capital of €505,117,288  
—

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