

K E R I N G



Additional information to ESG reporting  
2024-2025

# K E R I N G



*In the context of the ESG rating campaign 2024-2025, this note intends to complement the existing extensive ESG (Environment, Social, Governance) information of Kering available in the public domain, such as Kering's 2024 Universal Registration Document, the Sustainability Progress Report, Sustainability Library and other ESG information that can be found on Kering's corporate website to increase dialogue with ESG rating organisms. It aims at providing additional insights into Kering's reporting on specific ESG topics already comprehensively developed, and where the Group intends to emphasize its transparency with regard to the specific rating criteria of these organisms.*

*All information, including key performance indicators (such as GHG emissions, energy consumption, waste consumption, water etc.) and social (health and safety, employees' and suppliers' related metrics etc.), disclosed in its Sustainability Statements has been audited by an external, independent third party. This audit was conducted in accordance with the Corporate Sustainability Reporting Directive (CSRD). For more information, please refer to pages 266 and following of the 2024 Universal Registration Document.*

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## 1. ENVIRONMENTAL DIMENSION

This section intends to complement Kering's reporting on its environmental strategy and related action plans that are described in depth in the 2024 Universal Registration Document, chapter 4, section 2. Environmental information.

### 1.1. Additional information on Environmental Policy & Management systems

Kering has not paid any fines nor penalties related to environmental or ecological issues in the past 7 fiscal years.

### 1.2. Additional information on climate

The Group is setting up prioritization and action plans in its own operations as well as in its supply chain to achieve its targets, building on programs and initiatives already implemented throughout the years. As regards the Group's own operations (GHG Protocol Scopes 1 and 2), Kering is building on the following actions (please refer to the 2024 URD section 2.1):

- Optimizing energy efficiency of sites (Kering Standards for stores, environmental certifications for buildings such as LEED, HQE or BREEAM, LED lightning allowing for energy savings of up to 90%);
- Energy supply strategy (on-site production of renewable energy, purchases of electricity from renewable sources wherever possible, shared power purchase agreements). Since 2022, Kering achieved the RE100 target of sourcing 100% of its electricity from renewable sources, in countries where it was possible, in accordance with the directives of the RE100 initiative.

The Group is also focusing its efforts on three main types of action that are most significant for Kering, accounting for 75% of scope 3 emissions:

- Sourcing of raw materials (optimizing production volumes and inventory levels, sourcing raw materials that are certified, recycled, from regenerative agriculture or innovative);
- Support for suppliers through dedicated programs such as Clean by Design or Carbon Target Setting;
- Increased use of renewable energies in supply chains and promote energy efficiency at production sites and optimize processes;
- Transportation: optimize transport itineraries and minimize journeys shift toward increasing the use of sea freight, use of electric vehicle for last-mile logistics.

As explicitly described in its Sustainability Statements, Kering considers climate change adaptation as a central priority. The Group's adaptation policy is based on three pillars: (i) protecting its most strategic assets from the risk of damage and destruction, (ii) securing its supply chains for raw materials and energy and (iii) ensuring the resilience of its critical operations (particularly its production sites, warehouses, stores and logistics hubs). The Group's policy on climate change adaptation is based on its analysis of climate physical risks and covers Kering and its Houses, and especially the most strategic sites (production sites, warehouses, offices, stores operated by Kering or its Houses) that are owned or managed by Kering (including leased sites), as well as new operations.

Due to the impacts of climate change, Kering faces physical and transition risks, whose financial and operational impacts depend on the climate scenario considered for the Group (two IPCC scenarios: RCP 2.6 and RCP 8.5 and several time horizons: 2030, 2040 and 2050). In particular, in the accelerated transition scenario (RCP 2.6), Kering would be more severely affected by the risks relating to transition, while in the no mitigation scenario (RCP 8.5), it would be more severely affected by the physical risks. The risks to which Kering is exposed are covered by the mitigation and adaptation measures described in the 2024 Universal Registration Document, chapter 4, section 2.1.

The Group is reviewing and realigning its climate transition plan with its most recent targets and updated climate risks and scenario analysis whilst continuously identifying, assessing and mitigating climate change related risks and opportunities on the short, medium and long term. Climate-related risks can be physical (e.g. from extreme weather) and transitional (e.g. changing regulations and consumer expectations). If left



unaddressed, both types of risk can produce significant operational, strategic and legal impacts, along with reputational repercussions (see 2024 Universal Registration document, chapter 4, section 2.1.2).

As an example of a specific acute physical risk considered in Kering's assessment: extreme meteorological events can have significant negative impacts on agricultural production, thereby reducing resource availability and raising commodity prices. Increase in precipitations and drought events could impact available arable land and crops. This could increase Kering's operational costs considerably, as the Group relies on several agricultural raw materials such as cashmere which is key for Kering. These physical risks could impact and disrupt Kering's value chain, by intensifying the need for diversifying cashmere sourcing regions and further developing regenerative agricultural practices with suppliers. To mitigate these risks, Kering works with suppliers to implement sustainable agriculture practices and develop pilot projects (Gobi Desert Cashmere), to redefine high quality and sustainable cashmere production in the Mongolian steppe.

Another example pertains to chronic physical risks. Long-term impacts of climate change like chronic changes in water availability, changes in climate patterns or rising temperatures resulting from climate change can have significant negative impacts on agricultural production. This could increase Kering's operational costs considerably, as the Group relies on several agricultural raw materials such as leather which is key for Kering. For example, increased heat stress measured by the Temperature Humidity Index may affect cattle rearing in key sourcing regions, reducing leather availability and increasing the cost of leather hides, which could possibly result in a strong increase in Kering's operational costs. To mitigate these risks Kering monitors its key leather sourcing areas, favoring locations identified as less vulnerable to heat stress. Kering also pursues the development of regenerative practices through its Regenerative Fund for Nature but also develops alternatives to leather, the transition to a circular model promoting the upcycling of leather leftovers.

In this regard, the EP&L tool<sup>1</sup> is used to orient the Group towards sustainable sourcing solutions according to geography and impacts of raw materials such as leather or cashmere. Further details are provided in Kering's annual responses to the CDP Climate questionnaire.

In addition to the Group's reduction targets and adaptation plan, Kering has since 2012 been investing in nature-based carbon offsetting projects, thereby helping to protect essential ecosystems and carbon sinks around the world. These projects help to mitigate climate change beyond the Group's value chains and to preserve and restore sensitive ecosystems (forests, wetlands and coastal areas). In December 2022, Kering also announced the creation of the Kering Climate Fund for Nature. The fund is supporting new projects involving high-quality nature-based solutions that generate carbon credits for Kering and the other co-investors. Around two thirds are removal projects and one third avoidance projects.

All actions above contribute to Kering's mitigation and adaptation plan, with a view of preventing or minimizing the impacts and potential damage. The Group is working continuously to implement its mitigation and adaptation measures. Their prioritization and implementation are adapted to context-specific factors, such as the type of operations (e.g specific standards for stores, manufacturing processes and logistics), their locations, the raw materials sourced (considering their environmental impact, footprint and sourcing locations) as well as the best available technologies. Kering Sustainability Strategy, which is fully integrated into the Group's overall strategy, helps define the investment policy and is supported at the highest level of the Group.

All CEOs of Kering's Houses are incentivized on the Group's decarbonation roadmap implementation, including climate-related targets.

### **1.3. Additional information on LEED certifications, energy, water and waste management**

Kering measures the energy consumption of all of its sites. Energy audits are performed on a regular basis on the most significant sites.

<sup>1</sup> The construction of the EP&L utilizes databases that encompass a degree of variability inherent in the concept of assessing environmental impacts through LCA methods (Life Cycle Analysis: full LCAs: 85%, other external recognized tools: 15%) as well as economic modeling tools.

Aside some 60 energy audits completed between 2022 and 2024 as part of the compliance with European Energy Efficiency Directive (EED), Kering decided to include some of its largest production sites into two programs designed for the supply chain, namely Clean by Design (CbD) and Carbon Target Setting (CTS) – see 2024 Universal Registration document, chapter 4, section 2. Both programs start with an energy and water audit. Within CbD, the factory undergoes an energy audit and implements then the most convenient interventions in the short term, mostly with energy management improvements and small investments. Within CTS, the factory drafts a medium-term plan aimed at including more significant investments to reduce energy use and consumption.

As part of CbD program, between 2013 and 2023, training sessions were provided on the main measures to reduce their environmental impact (metering, insulation of networks, clean cooling water and wastewater recovery and reuse, heat recovery from hot wastewater and flue gases streams, insulation, steam and hot water networks and management, de-steaming, compressed air).

In the past 10 years Kering strongly invested in improving energy efficiency at its premises, thanks to the following levers:

- The passage to LED lighting, now covering the great majority of the lighting systems of the Group;
- The LEED certification of flagship stores and main buildings once they are built, opened or renovated which passed from less than 10 to 390 sites over this period;
- The passage from fossil fuel heating to electric heat pumps for space heating;
- From 2023, the integration of solar systems on the Group's sites' roofs and parking lots;

Targeted trainings were held in 2024 with facility management staff at Kering's main logistics sites to improve energy efficiency and reduce energy consumption at these premises, targeting especially the optimization of schedules and settings of lighting and heating, ventilation and air conditioning (HVAC) of these buildings.

The EU taxonomy further incentivizes improvement of energy efficiency, as the requirements for a real estate project to be considered aligned, although similar to those of LEED, are more stringent in terms of energy efficiency. Kering is committed in achieving a high percentage of its financial figures (CAPEX in particular) aligned to taxonomy, and is reviewing the standards for acquisition, renovation and management of the Group's sites to allow a precise alignment of these internal rules to the taxonomy through better thermal insulation, efficient mechanical, electric and plumbing equipment, improved control systems and management.

More than 390 sites including flagship stores and other main buildings (headquarters, large offices, warehouses and industrial sites) have undergone LEED or equivalent certification, testifying of their environmental excellence. In 2024, the Group and the houses obtained 71 additional LEED (Gold or Platinum level) certifications for its stores and offices. The LEED certification provides an overall framework for sustainable buildings, with a balance among the various impacts that construction and buildings have on the global environment. LEED-certified building includes lower operating costs, energy and water conservation, a healthier work environment, and reduced greenhouse gas emissions. In particular, the LEED crediting system has large part of the final score related to energy efficiency measures and energy performance. Among the other areas covered by the certification, both the construction and demolition waste recycling and the management of waste that will be produced during the store/office/building operation are included. As regards construction and demolition waste, LEED provides a higher credit where it is demonstrated that 75% or more of waste is diverted from landfills. It also mandates the designers to calculate the exact bill of quantities and to measure the weight of waste. The LEED certification for interiors design (the one most used in renovations) imposes to foresee a significant surface dedicated to the collection of waste into at least 6 selection streams. Finally, a portion of LEED credits also impact water resources.

The Group has defined action plans to reduce the amount of water and energy use and to minimize waste that are adapted for the various types of sites it operates. For instance, the Kering Standards for sustainable production define requirements at each step of the production process (e.g. for tanneries or warehouses and industrial sites) while the Kering Standard for Stores and for offices provides clear indications on efficient energy and water management at store level, as well as on how to manage and organize waste collection at a site.

In addition, various internal training and awareness-raising workshops are organized internally:

- The Material Innovation Lab (MIL) has a dedicated workstream dedicated to increase the use of recycled content materials in luxury applications as well as textile-to-textile technologies for close-loop projects leading to the long-term reduction of textile waste. This workstream notably includes delivering specific trainings roadmap for internal multi-brand Research & Development, Merchandise and Sustainability teams, but also for external suppliers. These trainings focus, among other, on different recycling technologies (mechanical and chemical), different feedstock and their resulting outputs, related yarn and fabric construction, as well as the challenges and opportunities in recycling for luxury applications.
- In order to improve the internal knowledge and lifelong learning on recycling and waste usage, an internal open tool has been created and is continuously updated (named “Circulopedia”).
- Kering organizes hands-on workshops to promote waste reduction through creative reuse. These include Kintsugi sessions to repair and repurpose broken ceramics, and ceramic mug painting workshops to discourage the use of disposable cups. Employees also participate in embroidery and sewing workshops aimed at extending the life of clothing through repair and customization. Dedicated signage in kitchen and cafeteria areas further reinforces zero-waste practices and encourages the use of reusable mugs and containers. Through these initiatives, Kering raises employee awareness of waste-related issues and fosters more sustainable, low-waste habits in the workplace.

## 1.4. Additional information on water

Kering is committed to use the natural resources conscientiously throughout its value chain. The Groups works to improve its water management, protect water sources, reduce water consumption and maintain water quality within its own premises and collaborates with relevant actors across its supply chain.

In 2024, water withdrawals for the Group’s tanning activities were highest in comparison with other sites, representing 29% of total water withdrawals and less than 0.4% of the number of sites. Water discharges also represent a significant impact for the tanneries owned by the Group, in comparison with the other sites.

As part of the Group’s commitment to reach the level 2 of the ZDHC Supplier to Zero program for 100% of strategic suppliers, Kering organized dedicated training sessions on chemical management systems and the Supplier to Zero Program to which employees of specific sites owned by the Group such as tanneries or product manufacturers attended in 2024.

	2021	2022	2023	2024
<b>Water withdrawn (m³)</b>	953,093	992,894	897,571	870,384
<b>Wastewater discharged (m³)</b>	905,883	909,564	806,740	794,621
<b>Water consumption (m³)</b>	47,210	83,330	90,831	75,763

## 1.5. Additional information on biodiversity

In 2023 and 2024, Kering has been one of the 17 corporate participants in the Initial Target Validation Group set up by the Science-Based Targets Network (SBTN), to pilot the validation process for the first public version of Science Based targets for Nature methods. As part of this pilot, the Group has followed the first 3 of the 5 steps of SBTN guidance (noting that Steps 4 and 5 have not yet been released):

1. **Step 1 - Assess:** After an initial sector-level materiality screening, Kering collected detailed data on: (i) the impacts (or pressures) of our value chains (including both "Upstream" value chain activities, from raw material production to primary processing, but also activities relating to processing materials into finished products and delivering them to the end user, under our "Direct Operations" scope), and contextualize with (ii) data on the state of nature related to those pressures (e.g., “water scarcity” information for a “water use” pressure -- conveying existing risks, as well as highlighting the severity of pressures exerted), and (iii) on the state of biodiversity more generally in the locations where these pressures are exerted.



2. **Step 2 - Interpret & Prioritize:** The Group interpreted and prioritized the data identified in Step 1 to set priority locations for target-setting.
3. **Step 3 - Measure, Set & Disclose:** Kering set robust, mostly location-specific science-based targets, informed by the results of Steps 1 & 2. Please note that Step 3 target-setting guidance is available for Freshwater and Land for the moment. Further guidance will be published by SBTN on Biodiversity and Oceans in the coming months.

In 2024, Kering became the first company globally to adopt science-based targets for land and freshwater, validated by the SBTN.

As described in its Universal Registration Document, chapter 4, section 2.4, Kering's biodiversity risk assessment is integrated into a multi-disciplinary, company-wide risk management process. First, Kering defined its risks and opportunities universe related to climate and nature. For some identified risks and opportunities, the Group conducted in-depth studies (for example, biodiversity degradation on raw material procurement for the Group - see 2024 Universal Registration Document, chapter 4, section 2.1.2 for more information).

Second, through its involvement in the Science Based Targets Network (SBTN) pilot (see above), Kering has been able to precise and detail Kering's assessment to define its pressures and impacts on nature, including biodiversity and ecosystems at a more local level, leading to the identification of the 10 priority water basins in the Group's value chain. These 10 basins are strategic locations upon which Group activities depend, but which can also impact them negatively. Using this methodology, Kering has been able to understand the state of biodiversity, the ecosystem and the scarcity of species around its value chain. Third, the Group is also using alternative tools to identify biodiversity-related risks such as the WWF Biodiversity Risk Filter.

These different risks exercises all fed the double materiality assessment, conducted in accordance with the CSRD (Corporate Sustainability Reporting Directive) expectations, enabling to identify the impacts, risks and opportunities related to biodiversity and the scarcity of raw materials. The methodology of the double materiality assessment is aligned with and has been integrated into the group-wide risk analysis and risk management system (Enterprise Risk Management – ERM) and built with a broad diversity of corporate departments (insurance, sustainable finance, compliance, ...).

## 1.6. Additional information on raw materials

The Kering Standards include a clear commitment to increasing the use of third-party verified raw materials. The Standards encourage suppliers to source materials certified by recognized third-party schemes that cover sustainability criteria such as animal welfare, biodiversity conservation, traceability, and ecological farming practices. Kering also lists preferred certifications for various raw materials, such as the Global Organic Textile Standard (GOTS), Responsible Wool Standard (RWS), and Global Recycled Standard (GRS), Environmental Outcome Verification (EOV), among others. These third-party certifications are registered within Kering's environmental profit and loss statement (ep&l). Kering also explicitly requires suppliers to prioritize materials verified by third parties, particularly in areas such as regenerative agriculture and recycled content. Full traceability and verification by independent certifiers are strongly encouraged throughout the supply chain.

Kering regularly conducts assessments to prioritize origins and characteristics (eg. certifications) of its Houses' choices of raw materials. Report on progress of third-party verified sustainable raw materials is inscribed annually in the ep&l. As per Kering standards, these specific criteria form the basis for Kering's prioritization of leather sourcing countries and materials:

- Risk of conversion of sensitive ecosystems;
- Ecological sustainability of farming practices;
- Labor conditions (including risks of forced or child labor);
- Animal welfare regulations and practices;
- Traceability systems;

For other materials, such as precious skins, cashmere and wool Kering sets out:

- Preferred sourcing countries and operations based on sustainability risks;
- Recommended third-party certifications that verify environmental, social, and animal welfare criteria;
- Requirements to avoid sourcing from high-risk regions, particularly concerning ecosystem degradation, labor issues, and traceability gaps.

The ensemble of these sustainable requirements contributes to reducing the negative social impacts of raw

material production.

Kering requires all suppliers to comply with its Code of Ethics and Suppliers' Charter, as is stipulated in supplier contracts. This includes respect for human rights, fair labor conditions, and health and safety, across all sourcing activities.

Kering links its sourcing practices with improving social conditions at raw material production sites. For instance, for cashmere, the Kering Standards highlights the social and cultural importance of cashmere production in Mongolia, and Kering's promotion of sustainable grazing practices and support for herder livelihoods. Finally, regenerative practices are prioritized under the Regenerative Fund for Nature to improve soil health, biodiversity, and local livelihoods.

Kering is committed to collaborating with both suppliers and external stakeholders to advance best practices for sustainable raw materials.

First, with its Kering Standards, Kering publishes annually clear expectations on traceability, animal welfare, environmental protection, and social responsibility which are to be followed by its suppliers. Recognition of these Standards are contractualized in supplier contracts.

Second, Kering actively works with industry bodies, multi-stakeholder initiatives, and non-governmental organizations to promote responsible sourcing, while also participating in collaborative platforms to drive systemic change. For example, on global level, Textile Exchange, WBCSD (World Business Council for Sustainable Development), OP2B (One Planet Business for Biodiversity), The Fashion Pact, Watch & Jewelry Initiative 2030, among others, as well as more local entities such as Confindustria, UNIC, and other national and local trade organizations, all of which promote responsible sourcing and/or regenerative and nature-positive pathways. In terms of NGOs, Kering works very directly with Conservation International via its Regenerative Fund for Nature, a leader on regenerative and landscape approaches to sustainable raw materials.

In addition to the table published page 202 of the 2024 Universal Registration document gathering the alignment rate with the Kering Standards for the Group's main raw materials, Kering closely monitors the percentage of certified and recycled materials incorporated in its products:

Textile materials	Certified (%)	Recycled (%)
Cotton	53%	29%
Wool	75%	1%
Silk	39%	5%
Leather	7%	0%
Cashmere	34%	23%
Natural rubber	0%	0%
Down	66%	0%
Man-made cellulosic fibres (MMCF)	48%	13%

The share of plastic in products that is recycled is 13% for 2024.

## 1.7. Additional information on hazardous substances

Kering is committed to work with industry associations on the topic of hazardous substances. Indeed, the Group has been a signatory member of the ZDHC (Zero Discharge of Hazardous Chemicals) program since 2016. ZDHC is a multi-stakeholder organization comprising over 320 signatories from across the industry including brands, suppliers, solution providers and chemical suppliers.

The Roadmap to Zero Programme, by ZDHC, leads the fashion industry to eliminate harmful chemicals from its global supply chain by building the foundation for more sustainable manufacturing to protect workers, consumers and the planet's ecosystems, relying on the MRSL (Manufacturing Restricted Substances List) V.3.1. Within this initiative, Kering actively collaborates with the Competence centers part of ZDHC; these departments are rooted in scientific research, best practices, new innovations and feedback from the community. The ZDHC Competence centers organize collective focus groups with the aim to investigate new chemicals that can be used as substitutes for hazardous substances, tools and programs to support the global chemical management's progression.



Additionally, Kering started cooperating with peers, chemical labs and Consortium Physis (benefit corporation and an innovative start-up, born from the vision and ambition of multiple entities, strongly committed to sustainability and technological innovation) to draft a new MRSL – the Manufacturing Restricted Substances List – for Metal Hardware suppliers currently not in scope with the ZDHC MRSL V.3.1 - which provides guidance to suppliers and product manufacturers, addressing hazardous substances that are potentially used and discharged into the environment during manufacturing and related processes, and not just the substances that could be present in finished products (PRSL).

In addition, Kering dedicates R&D resources to substitute or phase out the hazardous substances. In 2024, Kering provided 12 Performance InCheck assessments to its strategic suppliers. This tool is designed to verify the compliance of chemical inventories—typically comprising around 100 to 300 chemical products—with the ZDHC Manufacturing Restricted Substances List (MRSL). Through Performance InCheck, Kering gains access to suppliers' chemical data, enabling the identification of non-compliant substances and facilitating their replacement with safer alternatives.

Kering also allocated budgetary resources to conduct 21 wastewater tests across tanneries and textile mills. These tests aim to ensure alignment with the highest wastewater standards, such as those outlined in the ZDHC Wastewater Guidelines (ZDHC WWG). In cases where non-conformities are detected, suppliers are required to perform a root cause analysis and develop a corrective action plan. This plan must include the phase-out of non-compliant substances and their replacement with certified alternatives, with a clearly defined completion date, in accordance with the ZDHC WWG.

Besides, Kering's aim is gradually to cease using tanning agents that have a major environmental impact. Since 2017, the Group has been working closely with its tanneries, as well as its houses and their suppliers, to investigate and promote the use of leather tanned without chromium. Kering allocated a dedicated budget in collaboration with an Italy-based research center to conduct a comprehensive Life Cycle Assessment (LCA) of the environmental and human health impacts associated with chrome-based tanning agents. The study examined all key aspects and significant impact areas. Additionally, the same LCA methodology was applied to evaluate the primary commercially available alternatives to chrome tanning, with a focus on avoiding harmful chemical substitutes.

## **1.8. Additional information on packaging**

Kering is committed to eliminating plastic packaging waste through focused sustainability efforts. In collaboration with the sustainability team, the indirect procurement department plays a key role in establishing partnerships with suppliers and recycling organizations to support the collection and recycling of plastic materials, particularly poly bags. Building on this commitment, Kering has launched a Store Waste Management Project aimed at increasing in-store recycling, especially for LDPE polybags. Indeed, polybags should remain the last plastic packaging, for which the solution “circular plastic” is the preferred option by brands as an alternative for single-use plastic packaging. The project, already implemented in Paris and expanding to cities like London, Milan, New York, and Tokyo, involves close coordination between procurement, sustainability, and brand teams to identify local waste management partners, assess store waste streams, and implement closed-loop recycling solutions wherever possible. These initiatives not only reduce waste and promote responsible material management but also support alignment with Kering's objective to eliminate single-use packaging and its broader environmental objectives.

The Kering Standards for Buildings strongly emphasize the recycling of packaging, requiring stores to implement waste management practices across design, construction, and operations. This includes allocating space for the storage and reuse of transportation packaging, such as cartons, hangers, and reusable polybags, particularly for B2B transfers. Waste management must be optimized through clearly defined and color-coded collection systems, and stores are expected to implement reduction strategies, avoiding disposable packaging, and promoting reusable one. Additionally, specific waste fractions, including paper, plastic, metals, glass, organic waste, hangers, batteries, and printer cartridges must be collected for recycling.

## 2. SOCIAL DIMENSION

This section intends to complement Kering's reporting on its human resources strategy that is described in depth in the 2024 Universal Registration Document, chapter 4, section 3. Social information.

### 2.1. Additional information on Kering's workforce

Based on available data reported at local level in countries and territories representing 88% of the global workforce, the top 4 reported nationalities/citizenship are: Italian (29%), Chinese (12%), French (9%) and Japan (6%). For managers, the top 4 reported nationalities/citizenship are: Italian (30%), French (14%), Chinese (11%) and Korean (6%)<sup>2</sup>.

In 2024, women represented 60% of managers in revenue-generating functions (meaning working in sales).

As part of Kering's well-being culture, employees are annually reminded to take annual leave when relevant. Kering has internal systems and processes to ensure that employees are properly compensated for overtime work.

In certain locations, and in accordance with local legislation, Kering offers part-time work arrangements and supports employees with access to childcare or back-up childcare services. In the United States specifically, Kering provides dedicated breastfeeding and lactation rooms in its larger offices. Additionally, many retail locations feature wellness rooms that can be used for lactation purposes, ensuring a supportive environment for working parents.

In 2024, 10,580 employees were hired. Out of the total number of new hires:

- 61.3% were women
- 89.9% were non-managers

As mentioned in Kering's European Works Council agreement article 6, the European Works Council (EWC) shall be consulted in the case of a transnational project with a negative impact on employment, if a certain number of employees across the EU are affected.

The consultation must take place in a timely manner, with sufficient information to enable the EWC to issue an informed opinion, without delaying national procedures or the management of the company.

The projects concerned include: closures, economic redundancies, restructurings, relocations, and transfers involving at least two countries.

Detailed documentation must be provided before the plenary meeting, allowing members to prepare their questions and engage in discussions during the meetings.

This opinion shall be concomitant with the completion of any information and consultation procedures of the local works councils required by national legislation or collective agreements.

### 2.2. Additional information on Kering's Culture of performance

As part of Kering's culture of performance, 360-degree feedback process is used either on an ad hoc basis for managers or for dedicated programs such as Kering Influence (6-month experience for top talents to challenge their leadership, influencing skills and their impact) or Kering Leadership (dedicated training for Kering top managers aiming to develop their leadership capabilities). With this approach, a 360-degree view of the employee's performance is provided and complements the performance and development annual review and check-in conversations.

### 2.3. Additional information on Talent management

**Global mentoring program worldwide (2024-2025):** Strategic lever for talent development, drawing on the experience of the Group's leaders and promoting new leadership styles. Selected employees (mentees) are supported by leaders (mentors). This program aims to strengthen coaching, people development, and leadership skills. It also fosters transversal exchanges, encourages an internal mentoring culture, and reinforces a sense of belonging within Kering.

<sup>2</sup> These data complement Kering's 2024 social reporting campaign, which results are disclosed in the Sustainability Statements of its 2024 Universal Registration Document.

**Transition programs for retiring employees:** The GEPP agreement of December 12, 2022 in place for Kering Corporate France, introduces several end-of-career measures for people retiring, including

- Skills-based Volunteering ("Mécénat des Compétences");
- Training Opportunities: In the two years leading up to retirement, employees can pursue training related to post-retirement activities;
- Senior Part-Time Work;
- Paid Notice Period Without Work.

The Group's dedicated leadership programs for high-potential employees and executives play a key role in maintaining a low turnover rate in senior positions. By offering tailored development experiences that foster cross-regional collaboration, anticipate future challenges, and strengthen leadership capabilities, the company ensures a strong internal pipeline of ready-now leaders. With 345 participants this year, these initiatives enhance engagement and retention.

## 2024

Percentage of managers in trained staff	Percentage of non-managers in trained staff	Percentage of women in trained staff	Percentage of men in trained staff
18.6%	81.4%	62.8%	37.2%

Part-time employees are covered by Kering's trainings and e-learning programs.

## 3. GOVERNANCE AND ECONOMIC DIMENSION

This section intends to complement Kering's reporting on governance that is described in depth in the 2024 Universal Registration Document, chapter 4, sections 3. Social information and 4. Governance information.

### 3.1. Additional information on Kering's suppliers

Kering's supplier social audit system is described in its 2024 Universal registration document (section 3.2 of the sustainability statements), along with its supplier map and the results of supplier audits.

As part of the supplier base managed by Kering's central team for its Houses, 15.5% of suppliers were deemed critical in 2024 (of which 64.5% were in Tier 1 and 35.5% in Tier 2). In 2024, the percentage of total spend on critical Tier 1 suppliers was 81.5%. Suppliers are deemed critical when they are strategic and/or at risk. If they meet both criteria, they are only counted once. They are given special attention in view of their importance to the business and their location. Among the audits conducted in 2024, this included 394 critical suppliers assessed, out of which 49 were rated "progress expected" or "zero tolerance". Robust corrective action plans were put together following the audits, wherever breaches of compliance, and particularly serious breaches, were identified. Follow-up audits were then conducted to verify the resolution of the problem. A total of 13 critical suppliers saw their business relationship terminated in 2024 due to unsatisfactory audit results. Please note that these figures are part of the figures covering all audits reported in the 2024 URD.

Kering's approach to risk remediation ensures that relevant corrective action plans are drafted following the audits, wherever breaches and particularly high non-conformity breaches, are identified in our supply chain. Follow-up audits, also unannounced, are then conducted to verify the resolution of the issues. The zero-tolerance breaches identified during the audits were dealt with immediately, in accordance with established rules and in coordination with the relevant houses. With respect to other breaches, action plans are implemented not only to correct but also to remediate a situation to prevent it from happening again. Measures implemented are tailored to every situation. For example, in 2024, as stated in our 2024 Universal Registration document page 245:

- a supplier did not comply with regulations regarding organization and cleanliness of the work environment, with potential health and safety risks for workers. In order to remedy the situation, the supplier ensured that all part of the sites had been cleaned and cleared of the materials requiring proper disposal and that appropriate workload signs were added in all relevant places. The supplier shared proof of the corrective measures implemented in the form of documents and photographic reports.



- a supplier was not compliant regarding social security legislation, overtime and rest days. To remediate the situation, the supplier progressively increased the coverage of employees enrolled in social security schemes up to reaching 100%; reduced the overtime hours as per legal requirements by implementing time-stamps with check-in/out stamp and overtime hours count.

In addition to its social audit system, Kering has developed several tools to support its suppliers in meeting ESG requirements set forth in its code of Ethics & Suppliers' Charter, its Sustainability Principles (both part of the contractual framework) and in the Kering Standards for sustainable production. These notably include, although not limited to:

- information on company's supplier sustainability program, process, and requirements, notably via the Vendor Portal (please refer to the 2024 URD section 4.2 for detailed description), trainings, e-learning and documentation available on the Kering Standards, as well as through dedicated communication campaigns on the whistleblowing system (see section 4.1.2). This enables the collection of social and environmental performance information from strategic suppliers (representing 84% of purchase volumes in 2024) and facilitates information sharing. Strategic suppliers are evaluated through questionnaires on their environmental and social performance and the management of chemical substances. In 2024, the majority of strategic suppliers answered to the 3 questionnaires. As part of the ongoing dialogue between production teams and their suppliers, a positioning of the supplier's rating compared to its competitors can be communicated to suppliers – allowing them to benchmark their ESG performance against that of their peers. Early 2025, data from 300 strategic suppliers were audited to improve the quality and reliability of reported data on energy consumption, water usage, and waste generation. This verification process was conducted by an external independent auditing firm and involved a thorough comparison of self-reported data against supporting evidence and documentation, such as utility bills.
- in-depth technical support programs to build capacity and implement improvement actions. 169 critical suppliers participated in capacity building programs like Clean by Design, Carbon Target Setting and Supplier to Zero, representing 72% of strategic raw materials purchases (leather and fabrics), 40% of strategic suppliers of leather products and shoes, 73% of strategic finished products bought for the Group's ready-to-wear items and accessories, and 11% of strategic metal hardware suppliers. The Clean by Design and Carbon Target Setting Program aim to improve environmental efficiency and reduce the environmental footprint of the involved facilities with dedicated trainings, on-site visits and energy and water efficiency. On average, factories applying the program reduce their water use by 5 to 10% and their energy consumption by 10 to 20%. Additionally, Kering has set a chemical management target: the achievement of a certified strategic supply chain in ZDHC Supplier to Zero program by 2025 - the program includes the mandatory attending of training sessions to increase suppliers' awareness and knowledge on hazardous chemicals and sustainable chemical management. Suppliers also have access to a ZDHC tool called the Detox live map, which allows suppliers to benchmark their performance against peers on and to assure alignment with ZDHC's requirements;

Suppliers are evaluated twice a year by the Fashion Brands in a Vendor Rating exercise. Through a common methodology and a common process, brands score their suppliers on a set of KPIs grouped into six categories: Quality, Research & Development, Production, Cost, Management Relationship and Sustainability. In the Sustainability category, that weighs 17% of the overall rating, KPIs evaluated include traceability, environmental aspects, social aspects and MRSL (chemical management). The latter four KPIs are evaluated centrally by a dedicated team, on the basis of annual questionnaires sent to suppliers and further ad hoc verifications.

The Vendor Rating process not only has the objectives of tracking supplier performance and promoting a culture of continuous improvement, but also of reducing subjectivity in the supplier selection and order allocation process by taking into account the views of all stakeholders involved and as many objective parameters as possible.

Twice a year, meetings called "Community Sessions" are organized with the production teams of the Houses. These meetings aim to foster exchanges between the Houses and to communicate on supplier performance (Vendor Rating), as well as to share important information on a wide range of supply chain-related topics, such as the Kering Standards (standards and guidance for sustainable production), animal welfare, plastic disposal, new legislation coming into force (EUDR, Environmental Labeling, PFAS, etc.), supplier assessments and audits, chemical management (application of the Group's Manufacturing Restricted Substance List (MRSL) and Product Restricted Substance List (PRSL)), etc. These meetings serve as important levers to accelerate the deployment of the Group's key projects, raise awareness of the teams and provide dedicated trainings, particularly in the area of sustainability. These meetings are also valuable moments to obtain feedback from the Houses regarding the challenges they face as well as their needs in terms of

communication or training on certain topics.

To ensure suppliers' compliance with Kering's MRSL requirements (which are aligned with the ZDHC MRSL v3.1), on-site assessments are carried out by independent accredited auditing body such as:

- On-sites visits carried-out by ZDHC accredited auditing body on chemical management to verify suppliers' compliance with sustainable chemical management requirements posed by the Group. In 2024, 30 audits on high and medium chemical risk suppliers were performed.
- On-site test to verify industrial wastewater performances on limits of several parameters as pH, heavy metals and chemicals listed in the Kering's MRSL by a ZDHC accredited laboratory. In 2024, 12 strategic tanneries were offered to have wastewater tests performed on-site.
- Chemical Inventory Checks are remotely performed audits on suppliers' chemical inventory compliance with Kering's MRSL. These audits are run by a ZDHC accredited auditors. In 2024, Kering offered the Chemical Inventory Check to 21 suppliers.
- Additionally, Kering chemical management targets align with the 4sustainability Chemical Management Protocol (4s CHEM). This is a framework designed to support the elimination of toxic and hazardous chemicals in production processes, aligning with the ZDHC Supplier to Zero Programme. The protocol requires an on-site audit to assess the advancement of the company on chemical management practices. The Advancement level of the 4S CHEM Protocol allows to complete the ZDHC Level 2 of the ZDHC Supplier to Zero programme. 41 Kering suppliers followed the 4S CHEM in 2024.

Finally, as part of Kering strategy to reduce risks associated with leather sourcing, multiple audits are carried out throughout the year. The primary aim of this due diligence is to assess, on-site, the implementation of animal welfare practices and alignment with Kering's animal welfare standards. The need to directly audit the leather supply chain arises when solid and widely recognized certification schemes for animal welfare are unavailable. To address this, Kering draws on expert opinions and internationally recognized guidelines to develop its own checklist and requirements for conducting audits in the absence of certification.

Audits for animal welfare are conducted independently in collaboration with partners renowned for their expertise in external independent verifications.

In 2024, the LTIFR (Lost-Time Injury Frequency Rate) for Kering's strategic suppliers<sup>3</sup> was 3.5<sup>4</sup>. In 2024, no fatal accident occurred at Kering's direct (TI) suppliers' sites.

## 3.2. Additional information on Risks Management Processes

Kering has put in place an onboarding process for all new Board members. New Board members meet Legal, Internal Audit/Risk Management, Sustainability, General Management, and other services that may be useful for their understanding of the business. Regarding Internal Audit/Risk Management, new Board members meet the Chief Audit Executive who walks them through the risk assessment process, including the identification of risks, the discussion of the different types of impacts, the rating and the action plans. The discussion includes the explanation of how the Group's risk map stems from the consolidations of the Houses' risk maps and of the detailed risk maps for the Duty of Care, the Sapin II Act, Cybersecurity, to name a few.

One specific session of the Board of Directors is held every year in October, during which the Chief Audit Executive presents the Group's risk map with its key highlights and business considerations.

Kering promotes a strong risk culture across its global workforce by delivering highly operational and practical training programs tailored to the Group's key risks identified in its Enterprise Risk Management process, such as cybersecurity, data privacy, ethics and fraud prevention. These trainings are designed to be close to employees' day-to-day responsibilities, ensuring that the content is relevant, concrete, and actionable. By using real-life scenarios and examples, Kering empowers its teams to recognize potential risks in their specific work environments and equips them with the right reflexes to respond effectively.

As part of its process, Kering has identified the two following **emerging risks** for its business and has implemented related mitigating actions.

<sup>3</sup> Representing 91% of strategic spent in 2024

<sup>4</sup> calculated as: (Number of lost-time injuries) / (Total hours worked in accounting period) x 1,000,000.

Kering is aware of the different AI-related growing risks, notably those related to misinformation or disinformation—false or misleading content spread unintentionally or deliberately—proliferating rapidly and exacerbated by the emergence of artificial intelligence and notably the use of deep fakes.

For Kering, whose business and value creation models highly rely on creativity, exclusivity and craftsmanship, this specifically represents an external and emerging risk that could increasingly shape and distort customer perception and behavior. Indeed, if false information is spread on social media regarding its products quality, processes, sourcing, sustainability initiatives etc., this could have direct bearing on its business model, brand image and long-term viability, beyond Kering's direct control. AI-driven algorithms on social media platforms often prioritize sensational, controversial, and divisive content, accelerating the spread of false narratives and making them harder to contain, posing a growing threat to brand perception and consumer trust.

This risk can significantly impact Kering's operations. A deteriorated brand image due to false claims spread may reduce consumer trust and demand, especially among Kering's aspirational customers that constitute young and digital-native audiences, potentially leading to declining sales due to reputational damage of the Houses. False narratives can also affect Kering's ability to attract and retain young creative talents.

Kering is actively implementing several measures to mitigate the spread and impact of misinformation:

- Kering invests in transparent and proactive communication, including verified social media accounts, direct engagement with consumers, and dedicated communications on sustainability, craftsmanship etc.
- Through campaigns, podcasts and storytelling, Kering educates not only its consumers but also all its stakeholders about the value of luxury craftsmanship, ethical sourcing, and the environmental benefits of long-lasting, high-quality products.

Another emerging topic identified pertains to the significant increase in importance of biodiversity loss and raw material scarcity. In recent months, there has been an acceleration in global awareness regarding the impact of biodiversity loss and ecosystem collapse. International organizations like the World Economic Forum in its 2025 report, the United Nations and the OECD have highlighted this issue as one of the global risks that will intensify at some of the highest rates within the coming decade. Kering relies heavily on natural materials to manufacture products, and its sourcing practices could be negatively impacted by biodiversity loss. Consequently, manufacturing disruptions caused by the unavailability or decreased quality of raw materials, due to climate change and its impact on biodiversity and on the destruction of land and ecosystems or by intensive livestock farming, could increasingly threaten the production of high-quality luxury products. With global supply chains, Kering is particularly attentive to and impacted by the preservation and healthy functioning of natural ecosystems, especially those that are specific to its activities.

Kering's activities rely on nature and its resources, making their protection of paramount importance for maintaining the Group's sustainable growth. Like other fashion companies, Kering's core business is inextricably linked to well-functioning, healthy ecosystems. Any degradation of these ecosystems has a direct impact on the Group's global supply chains, which include – among other commodities –cashmere in Mongolia or wool in New Zealand. Unavailability of raw materials that must comply with the Group's quality criteria and be obtained in accordance with the Group's standards is a key business risk with significant financial and operational impacts, which would translate into greater price volatility, and may thus affect the production and distribution of finished products. For example, during a recent winter, a severe drought led to the loss of cashmere goats, leading to reduced cashmere availability and to a 30-50% price increase. These risks could impact Kering's value chain, by intensifying the need for diversifying cashmere sourcing regions and further developing regenerative agricultural practices with suppliers.

Updated in 2023, Kering's Biodiversity Strategy applies the conservation hierarchy as recommended by the Science Based Targets Network (SBTN) to create a nature-positive trajectory that ensures that human activities respect planetary boundaries. Kering aims to bring about a paradigm shift through restoration and regeneration. Endowed with 5M€ over a 5-year period, the Regenerative Fund for Nature aims to convert 1M ha of farms in landscapes where raw materials are produced to regenerative agricultural practices by 2025. The Kering Standards list all requirements to be respected by the brands and their suppliers in terms of raw material sourcing to reduce negative impact on biodiversity and promote (i) recycled or certified materials (ii) regenerative farming (iii) alternatives to virgin materials. Our Environmental Profit & Loss allows to estimate how Kering and the raw materials used affect nature and, through the Land Use pillar, the provision of ecosystem services and biodiversity. It's used to prioritize commodities & sourcing regions to reduce negative impacts.



### 3.3. Additional information on Kering's double materiality assessment

In 2024, Kering conducted a double materiality assessment as part of the requirements of the European Corporate Sustainability Reporting Directive (CSRD).

As detailed in its 2024 Universal Registration Document, chapter 4 section 1.2, Kering assessed, for all sustainability topic, and following a rigorous methodology reviewed and validated by external independent third-parties, how it may be affected financially by external risks and opportunities ("financial materiality") but also, how it positively and negatively impacts the environment, stakeholders and society in the short, medium and long term ("impact materiality").

To assess the Group's impact on external stakeholders, it assessed, for every sustainability-related positive or negative impact, the severity (scope, scale, irremediable character of negative impacts) and the probability of occurrence. Every impact is scored on a scale from 0 to 20, 20 being the highest impact on external stakeholders.

Based on this evaluation, Kering identifies 2 main topics for which its impacts (positive or negative) are the higher: Climate mitigation, with an impact score of 18/20 and water, with an impact score of 17/20.

### 3.4. Additional information on Whistleblowing mechanism

Ethical and compliance alerts are managed according to the Kering Group Whistleblowing Policy (see Kering's 2024 Universal Registration Document chapter 4, section 4.1.2). In case a breach / violation of our principles is identified following the investigation (may it be related to human resources matter or compliance matter, such as corruption or bribery), corrective action plan to address the situation will be taken and implemented (e.g. disciplinary action, update of our procedures or trainings).

Allegations related to discrimination or harassment are handled in accordance with the Kering Group Whistleblowing Policy, meaning alerts are supervised by the geographically competent Ethics and Compliance Committee and relevant department, following a strict procedure aiming to guarantee the confidentiality of the information and investigation conducted (see Kering's 2024 Universal Registration Document chapter 4, section 4.1.2).

### 3.5. Additional information on Human Rights due diligence process

In addition to the information disclosed in Kering's 2024 Universal Registration Document chapter 4, section 3.2 and chapter 5 section 3, risk identification relating to new business relations is achieved:

- First, pre-acquisition through (i) a systemic and extensive strategic, financial, legal and compliance due diligence review (data room) including human rights aspects and their risks (URD, p. 285 "integration of acquisitions") and (ii) a specific compliance M&A due diligence procedure for all acquisition targets and joint ventures including questions relating to human rights on a case-by-case analysis
- Second, post-acquisition through an extensive integration compliance review of the acquired entity, such as the one recently carried out with respect to Creed in 2024 (URD, p. 234, 285, 303 and 308) which includes a gap analysis and ensures that Kering standards on human rights and duty of care are upheld through specific action plan.

### 3.6. Additional information on Data Privacy and Cybersecurity

In 2024, Kering did not report any breach to privacy protection authorities regarding data protection matters.

Failure to comply with the principles and rules of the Privacy Policy (including any other policies referred to therein, as the case may be) or Kering information use policy may have serious adverse consequences. Such failure may lead to disciplinary sanctions, ranging from a verbal warning up to dismissal of Users who are employees or termination for fault of contract entered into with non-employee users, in accordance with the procedures provided for by applicable laws and internal rules, and, in some cases, in criminal charges being pressed.

To further strengthen its Privacy practice and reinforce its commitment to accountability, Kering has decided to appoint an external Data Protection Officer, which is bound by auditing action as described in the GDPR. This strategic choice ensures a clear separation of functions and brings an additional layer of independence to our governance model.



By embedding ongoing external oversight and regular audits at both Group and brand levels, we aim to continuously enhance the transparency, effectiveness, and integrity of our privacy practices.

As of 2024, Kering does not use customer data for secondary purposes.

At Kering, the protection of personal data is an everyday value and an essential part of our activities. When relying on third parties to process personal information, Kering and its Houses ensure a comprehensive evaluation of their privacy maturity, so that data processing activities are carried out in a consistent, compliant and trustful manner. To this end, Kering and its Houses reserve the right of auditing them, allowing the Group to trust on privacy responsible partners only.

In the context of Customer Profile creation, each House of Kering may collect and process personal information related to an individual, allowing such a natural person to benefit from a personalized and tailored experience, as well as accessing to some specific services or purchasing from Houses' websites. Before creating a Customer Profile, data subjects are exhaustively informed about how their personal information will be processed.

In addition, Kering made the choice to ensure strict application of any privacy legislation by ensuring that each customer will benefit from the provision of its personal legislation. Therefore, taking this into consideration, the country of residence of customers wherever the data is collected in the world, Kering applies strictly any privacy provisions. In such context and when this is required by applicable privacy laws, data subject will also opt-in to receive marketing/transfer personal data/contents for profiling ensuring a harmonized and compliant privacy practice regarding profiling, personalization and tailored based on their expectations.

Kering does conduct regular cybersecurity audits:

- Every 2 years, there is an external audit of 27001 compliance;
- Every 2 years, there is a Cyber benchmark covering full maturity based on ISO27001, NIST, CIS referentials;
- Annually, there is a technical cyber security audit (Red Team exercise).

In 2024, Kering did not record any cybersecurity breach.

### **3.7. Additional information on Customers relations**

In 2024, the percentage of customers using Kering's brands online services was 19%.

### **3.8. Additional information on remuneration**

To illustrate how sustainability is embedded into the employees' remuneration scheme: all Bottega Veneta's teams, including Regions, were asked to identify some Sustainability Targets, related to their daily activities or volunteering activities, to be achieved by the end of the year. For the fifth year, 10% of the employee bonus is tied to the achievement of these targets.

### **3.9. Additional information on Trade Associations**

Kering disclosed the trade associations which it is a member of, or engages with, through which the Group has an indirect engagement on policy, law or regulation that may impact the environment as stated in its CDP 2024 answer, as specified below:

**(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.**

Row 1

## **(4.11.2.1) Type of indirect engagement**

Select from:

- ☒ Indirect engagement via a trade association

## **(4.11.2.4) Trade association**

Europe

- ☒ Other trade association in Europe, please specify :Comité Colbert

## **(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position**

Select all that apply

- ☒ Climate change
- ☒ Forests
- ☒ Water

In line with Kering's collaborative approach, the Group seeks to ensure that the most material sustainability topics identified are addressed by the industry associations and structures in which it plays an active role. For example, Kering:

- addresses matters relating to circularity, environmental labeling and product durability as part of work done under the auspices of the Fédération de la Haute Couture et de la Mode (FHCM);
- contributes to the development of a responsible fashion industry, including the promotion of social responsibility, as part of the Camera Nazionale della Moda Italiana;
- addresses topics related to the climate, oceans and biodiversity as part of the Fashion Pact, which was launched as a mission given to Kering Chairman and CEO François-Henri Pinault by French President Emmanuel Macron on the occasion of the G7 Summit in Biarritz in 2019.

Kering limits the number of trade associations of which it is a member. By being a member of these associations, Kering aims to ensure that it is fully informed about changes in legislation and regulations (through Afep, Medef, Confindustria, etc.) and to keep up with the main issues in the Luxury industry (Comité Colbert, Altagamma, Walpole, etc.). Kering's contribution to those associations is intended to encourage the sustainable growth of the Luxury industry and is aligned with the Group's sustainability approach.

Should the Group notice a misalignment between the position of an association, organization or coalition of which it is a member and Kering's Sustainability Strategy, that takes into account the goals of the Paris Agreement, Code of Ethics or compliance procedures, the Group would: (i). engage with the body concerned to ensure realignment swiftly and within a clear timeline; (ii) leave the body concerned if this engagement, after an escalation process, proves unsuccessful. So far, this scenario has not occurred.