

# CONFLICT MINERALS STATEMENT

2023

K E R I N G



## INTRODUCTION

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This statement is made pursuant to Regulation (EU) 2017/821 on Conflict Minerals and sets out the steps that Kering SA and its affiliates have taken up to and during the financial year 2023 to implement relevant supply chain due diligence policies and practices for responsible sourcing with respect to certain minerals.

“Kering SA” refers to the French public limited company (*société anonyme*) registered with the Paris Trade and Company Register under the number 552 075 020, with registered office at 40 rue de Sèvres, 75007 Paris, listed on the Paris Stock Exchange, and a member of the CAC 40 index.

Kering Group (“Kering” or “Group”) refers to Kering SA and all the entities directly or indirectly controlled by Kering SA. Kering Group is a global luxury group managing the development of the following renowned companies in fashion, leather goods, jewelry, beauty and watches: Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron,

Pomellato, DoDo, Qeelin, Ginori 1735, Creed and Kering Eyewear (collectively, the “Houses”). Additional information on the Kering Group is publicly available online on Kering’s website ([www.kering.com](http://www.kering.com)). This statement covers all Group Houses and legal entities, although certain Houses may also issue their own conflict minerals statements.

By placing creativity at the heart of its strategy, Kering enables its Houses to set new limits in terms of their creative expression while crafting tomorrow’s luxury in a sustainable and responsible way. Kering’s ambition is to be the world’s most influential luxury group in terms of creativity, sustainability and economic performance. Kering’s 2025 Sustainability Strategy is based on three pillars – environmental, social and innovation – and sets ambitious targets for all of the Houses of the Group. The Houses implement the Group’s objectives through dedicated actions, including on sustainability and human rights.

## THE EU CONFLICT MINERALS REGULATION

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Regulation (EU) 2017/821 on Conflict Minerals aims at ensuring that EU importers of tin, tantalum and tungsten, their ores, and gold (“3TG”) meet international responsible sourcing standards such as those set forth by the Organisation for Economic Cooperation and Development (“OECD”), to help break the link between conflicts and the illegal exploitation of minerals, help put an end to the exploitation and abuse of local communities, including mine workers, and support local development. The Regulation requires EU companies to ensure they import these minerals and metals from responsible and conflict-free sources only.

While Kering has implemented due diligence policies and practices for responsible sourcing throughout its entire supply chain, the measures and controls described in the present statement focus on the sourcing of gold, in light of the thresholds established in Annex I of Regulation (EU) 2017/821.<sup>1</sup> Additional information about Kering’s supply chain due diligence policies and practices is detailed in the Kering Universal Registration Document and in its Modern Slavery Statement (both available on Kering’s website, [www.kering.com](http://www.kering.com)).

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<sup>1</sup> While Kering does not meet the thresholds set forth in Annex I to the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour, it would be in any event exempt from relevant due diligence and reporting obligations under Annex 2, Part A, of the Ordinance itself.

## OUR STANDARDS

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Kering's approach to responsibility with regard to stakeholders is shaped by the principles set out in its **Code of Ethics** and by a strong determination to implement these principles internally and externally. The Code of Ethics, which includes the Suppliers' Charter, setting out what is expected of all Kering suppliers, forms the cornerstone of the commitment made by Kering, its Houses, and its suppliers, especially with regard to human rights, fundamental freedoms, human health and safety, and the environment. Suppliers are required to abide by these principles and to extend these requirements to their own suppliers and subcontractors. The Code of Ethics and the Suppliers' Charter have been translated into the 14 most widely spoken languages within the Group and are publicly available on Kering's website.

The **Human Rights Policy**, published in 2021, aims at defining the means by which the Group can ensure its commitments on human rights and fundamental freedoms, health and safety, and the environment are fulfilled. It sets out the fundamental principles with respect to human rights and outlines the Group's policies that go together to form Kering's commitments on the matter.

As noted above, the Group 2025 **Sustainability Strategy**

sets ambitious environmental, social and innovation targets for all Houses.

The **Sustainability Principles**, established in 2015 and last updated in 2023, are applicable across all Houses and span human rights and fundamental freedoms. The Sustainability Principles are part of the agreements entered into with our suppliers and include specific commitments with respect to the sourcing of gold.

In the pursuit of its commitment and approach to human and environmental concerns, Kering has published dedicated **Standards & Guidance for Sustainable Production**, which are designed to support all suppliers working with the Kering Houses. The key factors covered by these Standards, which were last updated in December 2023, include environmental impacts, working conditions and human rights in production and extraction processes for the main raw materials it uses, be these mined or of plant or animal origin. As further discussed below, the Kering Standards cover, among others, the sourcing of gold, describing how the Houses can source responsible gold through the Kering Precious Metals Platform.

Additional information on Kering's ethical standards is publicly available on its website ([www.kering.com](http://www.kering.com)).

## GOVERNANCE

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Kering is fully aware of its duty to embrace extensive ethical responsibilities and to act at Group and House level, as well as with its suppliers and other business partners, in such a way as to promote the highest ethical standards in all circumstances, and to identify and effectively handle any situation likely to involve risk in terms of ethics or respect for human rights.

Kering takes a cross-functional approach to governance over human rights challenges throughout the supply chain. With respect to gold supply chains, day-to-day human rights governance spans various departments, including the following:

- The Group Compliance Department is in charge of coordinating the effective implementation of Kering's Human Rights Policy;
- The Sustainability Department leads Kering's efforts towards sustainable and social development throughout its operations and supply chain. Kering's Sustainability Department defines the Group's sustainability strategy and policies, and supports the Houses by operating as a resource center and sounding board, with a view to set out and build on the initiatives taken individually by each House. The Kering Sustainability Department has developed an internal network dedicated to sustainability, with dedicated resources at both the corporate and House levels; and
- The Group Procurement Department is responsible for the implementation of the Kering Precious Metals Platform throughout the Group.

## OUR COMMITMENT

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Kering and its Houses believe in the long-term benefits of sourcing gold in an ethical and responsible way. As such, within their gold supply chains, Kering and its Houses are strongly committed to:

- Complying with all applicable national and international laws, principles and regulations, notably related to human rights, fundamental freedoms, health and safety, and the environment;
- Facilitating the sourcing of responsible gold by the Houses via the Kering Precious Metals Platform;
- Purchasing recycled gold from e-waste and jewelry that is Responsible Jewellery Council (“RJC”) - Chain-of-Custody (“CoC”) certified, which guarantees legal and conflict-free sourcing;
- Supporting the social development of artisanal and small-scale miners and their communities by sourcing gold through social programs, such as Fairtrade and Fairmined schemes, and from other eligible initiatives that have been verified by Kering;
- Embedding due diligence in the supply chain, in accordance with the OECD Due Diligence Guidance; and
- Achieving full transparency within its gold supply chain.

To ensure that such commitments be fully implemented throughout the entire supply chain, Kering and its Houses require their gold suppliers to:

- Comply with its Code of Ethics, including the Suppliers’ Charter;
- Implement sourcing due diligence protocols, standards and procedures designed to ensure

compliance with applicable laws and regulations relating to conflict minerals;

- Supply the Houses with gold and finished or semifinished gold products that meet at least one of the following requirements: (i) purchased through the Kering Precious Metals Platform; (ii) Fairmined or Fairtrade certified; (iii) RJC-CoC certified recycled gold from e-waste and jewelry; or (iv) purchased through other initiatives or programs approved by Kering;
- Ensure traceability from the mining phase to any single transformation process;
- Provide, when requested and to the best of their ability, information on the origin, mining operations and transformation processes of the gold or products in gold that they supply to the Houses and their suppliers. This information may include, but is not limited to: (i) where the gold is mined and by whom; (ii) who has traded the gold and where; (iii) who has refined the gold and where; (iv) what social and environmental standards or initiatives have been applied to mining operations and to the entities that intervene in the subsequent steps of the supply chain;
- Never knowingly supply Kering or its Houses with gold or products in gold that they know have been associated with human rights abuses during their mining, trading, refining, or manufacturing phases; and
- Provide information, certifications, or other similar documents as Kering may reasonably request, to ensure compliance with relevant reporting obligations.

## THE KERING PRECIOUS METALS PLATFORM

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Kering Houses can source responsible gold in three ways:

- Through the Kering Precious Metals Platform (“PMP”), which provides a mix of recycled Chain-of-Custody gold and certified/verified artisanal sources. These sources are mixed at refiner’s level, resulting in a gold mix specific to Kering’s requirements;
- Through the Kering PMP, which also provides a list of verified refineries, with whom the Group has entered into a framework agreement, which ensure adherence with Kering standards; or
- In the exceptional event that purchasing through the PMP is not possible, Kering’s Houses and suppliers must purchase gold from refineries that fully meet Kering Standards and provide evidence of alignment.

The PMP has been developed to create an innovative way to source gold in an ethical, responsible and transparent manner. The PMP enables Kering’s Houses to source responsible gold directly from selected refiners, or indirectly when purchasing components or finished products from suppliers. Written agreements have been developed to clearly define this innovative sourcing framework for refiners and provide access to Kering’s customized responsible gold mix to suppliers of components and finished products containing gold. Kering and its Houses require gold suppliers to support the PMP and facilitate its development within their own supply chains. The types of gold allowed under the Kering PMP include:

- RJC CoC certified recycled gold from e-waste and jewelry: 100% recycled gold with RJC CoC certification, originating from both e-waste and former jewelry sources. In this respect, Kering does not accept grandfathered gold as a permissible

source of recycled gold, even when RJC CoC certified;

- 100% e-waste recycled gold, verified by Kering: Gold from verified recycled e-waste resources. This gold must be sourced through suppliers and sub-suppliers who have been assessed and vetted by Kering, ensuring their compliance with rigorous due diligence and audit standards;
- ASM Fairmined or Fairtrade gold: Gold that is extracted by an artisanal or small-scale mine or mining cooperative that is certified under the Fairmined or Fairtrade standards, or well advanced in the process of obtaining the certification; and
- Verified artisanal gold: Gold may be purchased from ASM that are aligned with robust standards, such as the CRAFT code of practice. In this case, additional verifications from Kering are required to ensure improved environmental, social impact, and integrity of the chain of custody at least from cooperative mining level.

### Kering Precious Metals Fund

The PMP directly supports ASM that are Fairmined or Fairtrade certified, or that are working towards best practices and, ultimately, certification. This is done through a “premium,” calculated on the basis of the gold price, paid by the Houses purchasing responsible gold through the PMP.

The Kering PMP is administered by the Kering PMP Steering Committee, composed of collaborators from Kering and from the Houses who meet at least once a year to support sustainable projects targeted at ASM communities. To date, the Kering PMP has supported social and environmental projects for artisanal gold miners in Peru and Colombia, projects supporting women who are part of artisanal gold mining communities in Ghana, as well as reforestation projects in French Guiana.

## RISK ASSESSMENT AND MANAGEMENT SYSTEM

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The Kering gold risk assessment and management system adds to the management system that Kering has established to assess suppliers' compliance with applicable standards, including with respect to human rights. This system, known as the Hercules management system, is intended to create and share best practices with respect to supply chain analysis, minimize relevant risks, and implement corrective actions in cases where non-compliance is identified. As noted above, the main features of the Kering suppliers' management system are detailed in the Kering Universal Registration Document, as well as in its Modern Slavery Statement.

The additional measures specifically adopted with respect to the sourcing of gold are described below.

### Risk Assessment

In 2020, the Kering Group Procurement Department conducted an analysis designed to identify the most significant direct and indirect suppliers of gold and gold salts used by the Houses or their direct suppliers.

This exercise led to the identification of four main suppliers of gold, which currently supply the entirety of the gold purchased by the Kering Houses, and three main suppliers of gold salts, which supply the vast majority of gold salts used by the Houses' suppliers. The purchase of gold salts from suppliers other than these three main suppliers is less and less significant and decreasing in favor of these suppliers.

Two of the four main gold suppliers are located in Switzerland, while the remaining two are located in France and Italy. Conversely, the three main suppliers of gold salts are located in Italy. As detailed below, Kering has implemented specific risk management measures *vis-à-vis* all such suppliers.

Moreover, the risks pertaining to the sourcing of raw materials (including gold) are assessed as part of the human rights and duty of care risk mappings that Kering conducts since 2017, and that it is currently

renewing. Relevant risk factors comprise the inclusion of the relevant sourcing country in the Conflict Affected and High-Risk Areas ("CAHRAs") list and/or in the U.S. Department of Labor lists of countries producing goods and products that are believed to be produced by child labor and/or forced labor, as well as select other country-specific indicators (such as the Human Freedom Index, the Global Peace Index, the ITUC Global Rights Index and the Environmental Performance Index). For further details, please refer to Kering's Duty of Care Plan (publicly available within Kering's Universal Registration Document).

### RJC CoC Certifications

All of the suppliers identified above are RJC CoC certified. In order to ensure that this certification be maintained throughout the entire duration of their commercial relationship with the Kering Houses (and their suppliers), the framework agreements entered into between Kering and the above suppliers provide for termination rights should they lose this certification.

One of the suppliers based in Switzerland has also obtained Fairmined and Fairtrade certifications, while two suppliers, based respectively in Italy and Switzerland, have also obtained the Fairmined certification.

### Reinforced Contractual Framework

Kering has entered into framework agreements with each of the seven suppliers identified above, on which the Houses and their suppliers can rely when purchasing gold or gold salts from such suppliers. These agreements help strengthen Kering's engagement, by ensuring that the commitments summarized above be properly formalized and enforced *vis-à-vis* these suppliers.

Among other things, these framework agreements require that the gold and gold salt supplied to the Houses and their suppliers be RJC CoC, Fairmined, or



Fairtrade certified, or sourced through another responsible source identified, verified and validated by Kering.

The Kering Sustainability Principles are expressly annexed to these agreements, which also include a clause whereby the suppliers commit to apply the Kering Code of Ethics and the Suppliers' Charter for the entire duration of the agreement, including on behalf of their employees and authorized subcontractors.

#### Audits

The above suppliers were subject to social and environmental audits by the Kering Supply Chain Audit Department at the time of the conclusion of the framework agreement with Kering (see the Kering Universal Registration Document and Modern Slavery Statement for further details on these audits).

These suppliers are also subject to regular external business ethics audits by an independent third party, DNV.

#### Purchases from Other Suppliers

As noted above, if the purchase of gold through the PMP is not possible, suppliers must purchase gold through refineries that fully meet Kering Standards and provide evidence of alignment.

#### Reporting Obligations and Traceability

The framework agreements described above also include specific reporting obligations, which require suppliers to periodically report and disclose the quantities and sources of gold and gold salts supplied to the Kering Houses and their suppliers. These reports also have to indicate whether the gold is recycled or certified, which easily allows to identify the country of origin of non-recycled gold.

## WHISTLEBLOWING SYSTEM

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Introduced in 2005, Kering's whistleblowing system (which was recently updated to satisfy the requirements set forth by French law No. 2022-401 of March 21, 2022, and which is constantly updated) is accessible to, *inter alia*, all individuals working for the Group and external and temporary personnel working for external partners or service providers under contract with the Group and/or its Houses. All employees and direct suppliers may use the system to submit reports relating to, *inter alia*, legal breaches or conduct contrary to the Group's Code of Ethics. Kering is fully committed to protecting whistleblowers who make reports in good faith and prohibits any form of reprisal against them.

A plan for reaching the employees of more than 1,500 of the Houses' direct suppliers was first rolled out in 2020. Translated into 15 languages, the campaign took two forms: a poster to be displayed in relevant locations at supplier and service provider sites, and a

flyer to be given directly to employees. Both the poster and the flyer listed the six key ethical principles: compliance with laws and regulations; prohibition of any form of corruption, fraud, money laundering, or conflict of interest; respect for human rights and fundamental freedoms; protection of the health and safety of all; respect for the integrity and dignity of all; and protection of the environment. The level of detail used in the communication was adapted depending on the recipients to provide specific examples of what was expected in each case (including, in particular, the refusal of forced labor, the refusal of recruitment fees paid by employees, special attention paid to vulnerable persons, access to suitable washroom facilities and to decent dormitory conditions, where applicable, the availability of pay and personal documentation, respect for privacy, access to appropriate personal protective equipment, etc.). This campaign is regularly updated to target newly enlisted suppliers.