

KERING STANDARDS FOR RAW MATERIALS AND MANUFACTURING PROCESSES

K E R I N G



Overview – p.04

Introduction for use by Suppliers – p.06

Standards for Raw Materials – p.09

Hides and Skins for Leather – p.10

Precious Skins – p.18

Fake Fur – p.23

Cashmere – p.26

Wool – p.31

Silk – p.36

Cotton – p.41

Paper & Wood – p.46

Plastics – p.51

Down – p.56

Cellulosic Fibers – p.60

Synthetics – p.66

Other Raw Materials – p. 72

2

Standards for Manufacturing Processes – p.74

Tanning – p.75

Textile Processing – p.83

Leather Goods and Shoes Manufacturing – p.93

Standards for Non Merchandising – p.99

Packaging – p.100

Visual Tools – p.108

Standards for Logistics – p.113

Warehousing – p.114

Transport – p.121

Standards for End-of-Life – p.128

End-of-Life – p.129



Standards for Innovation – p.136

Innovation – p.137

Appendices – p.145

Summary of Kering Chemical Management Policy – p.146

Summary of Kering Animal Welfare Policy – p.151

Social Compliance and Enforcement of the Kering Code
of Ethics in Supply Chain – p.154

Kering Alert System – p.158

Environmental Profit and Loss Account – p.159

FAQ – p.163

Glossary – p.165



OVERVIEW



“We are redesigning our business to continue to thrive and prosper sustainably into the future, while at the same time helping to transform the luxury sector and contributing to meet the significant social and environmental challenges of our generation.”

François-Henri Pinault

Kering believes that luxury can have a significant contribution to creating a more sustainable world. Kering cares about our impact on the planet and on people, and views embedding sustainability as a responsibility and an opportunity to reinvent our business and the luxury sector. Kering has been a leader in sustainable business for several years and we will continue to lead through responsibility, accountability and transparency in order to catalyse transformational change.

To achieve our vision and set the highest standards of best practices in the luxury sector, Kering announced the next phase of our sustainability strategy across the Group's brands in January 2017. The strategy includes ambitious goals for reducing Kering's environmental impacts, advocating social welfare inside and outside the Group, and creating innovative, game-changing platforms. The new strategy, 'Crafting Tomorrow's Luxury', presents clear targets to attain by 2025 under the themes Care, Collaborate and Create, such as:

- 100% traceability of key raw materials and 100% compliance with Kering Standards for Raw Materials and Manufacturing Processes (the Kering Standards)
- Reduction of environmental profit and loss (EP&L) account impact by 40% including remaining carbon emissions as well as water use, water and air pollution, waste production and land use changes
- Creation of a Kering Supplier Index of Sustainability which will ensure each supplier's sustainability performance will be visible to all Kering brands
- Contribution to a positive social impact across the entire supply chain, with a focus on raw material sourcing locations

In addition to this selection of environmental and social targets, Kering is committed to developing new business models and integrating innovative approaches around sourcing raw materials, new technological solutions for materials and contributing to the creation of a robust 'circular economy'.

We have estimated that such innovations will account for half of our EP&L reduction target (i.e., 20% of the total 40% reduction envisioned in Kering's Sustainability Strategy).

Key to meeting these goals over the next decade will be the implementation of industry leading environmental and social standards across Kering's supply chains. Outlined in detail in this document, the Kering Standards and their accompanying suite of policies set the framework for commitment and action for Kering and our brands. In addition, they provide a way of measuring progress and outcomes on traceability, social welfare, environmental protection, animal welfare and chemical use. This document is intended to give clarity and help operationalise Kering's overall long-term commitment to sustainability. The principles that underpin the Kering Standards are integrity, circularity and the application of the precautionary principles. By design, the Kering Standards are specific and requirement based. Thus, as a reflection of our commitment, Kering will assess all new suppliers for adherence to our sustainability standards and work with current suppliers who have challenges in meeting certain Kering Standards, from 2017 onward.

Kering recognizes that a collaborative relationship with our suppliers is key to achieving the long-term value and mutual benefits that sustainability can provide our businesses. And although we are committed to excellence and achieving our ambitious sustainability goals, we also recognize that this takes time and that we need to set realistic milestones to encourage and support progress and improvements. As such, while Kering and our suppliers make this transition together, we will offer suppliers technical support in the form of training and the creation of a suppliers' platform which will promote the Kering Standards and share best practices. We look forward to working with you on understanding and incorporating our Kering Standards into your business.

It is through our mutual commitment to sustainability and drive for innovation that will enable us to contribute to positive environmental and social impacts, while we also preserve successful and thriving businesses into the future.



**INTRODUCTION
FOR USE
BY SUPPLIERS**

The Kering Standards for Raw Materials and Processes (the Kering Standards) are designed to support all suppliers who work with brands within the Kering Group.

This is not a contractual document. This is an informative document providing key information and guidance that will enable suppliers to meet Kering's high sustainability standards.

These Kering Standards should be used in conjunction with other key guidance for suppliers including:

- The [Kering Code of Ethics](#), which sets out the ethical principles that should be applied everywhere and by everyone, as well as the Group's values, what it believes in and what it does not tolerate. Included in the Code of Ethics is the Suppliers' Charter which sets out in detail Kering's specific expectations of its business partners on ethics, social and environmental issues

[Kering Human Rights Policy](#) which aims to set out the key expectations in terms of human rights, fundamental freedoms and health and safety, covering both Kering employees and workers in the supply chain

- [Kering Manufacturing Restricted Substances List \(MRSL\)](#) and [Kering Luxury Product Restricted Substances List \(PRSL\)](#) covering requirements for chemical use and management for manufacturing processes

Kering's high standards of sustainability are based on the commitment to reduce the negative environmental impacts of its business across the supply chain and to support practices that create social and environmental benefits. Additionally, Kering looks to new innovations and technologies to achieve best in class sustainable solutions for its raw materials and manufacturing processes.

Specifically, any raw materials sourced and processed for Kering need to adhere to all the following principles that underpin the Kering Standards:

- Application of the precautionary principle to not use a technique until there is a scientific consensus that it is safe for society and the environment
- Compliance with all national and international laws, conventions and regulations

- Robust and verifiable traceability
- High standards of animal welfare in all aspects of handling, raising, transportation and slaughter of animals
- Avoidance of the degradation and destruction of natural ecosystems and promotion of environmentally-friendly production methods
- Commitment to reducing climate change impacts
- Guarantee of ethical treatment of people working in the supply chain as described in the Supplier's Charter of the Kering Code of Ethics and the Kering Human Rights Policy
- Incorporation, to the extent possible, of new technologies and innovative solutions in the sourcing of raw materials or in processing and manufacturing techniques

The Kering Standards aim to take a holistic and responsible approach in the making of products for Kering brands accounting for each step in the supply chain from farm or field to finishing.

The market in general is moving toward more sustainable practices. Adherence to the Kering Standards will prepare suppliers to stay ahead of the curve.

All suppliers will be evaluated on their alignment with the Kering Standards in the sustainability section of the *Kering Vendor Rating System*. Note that this rating system will also be visible to all Kering brands. This should further incentivise suppliers to implement the Kering Standards with care to potentially attract business across the Kering portfolio.



Minimum Requirements & Additional Conditions to Meet Kering Standards

Each separate Kering Standard includes a section on “Minimum Requirements”, which a supplier must fulfill in order to be compliant, as well as “Additional Conditions to Meet Kering Standards” and best practices that suppliers should work towards over the coming years.

Minimum Requirements

This section is designed to provide operational guidance to suppliers to comply with mandatory requirements to meet the Kering Standards. These are the minimum standards and practices required by Kering. To be a Kering supplier, the commitments and actions outlined in the Minimum Requirements section, and aligned with the Kering Sustainability Principles attached to supplier agreements, need to be met by suppliers immediately. Kering expects that suppliers will communicate these commitments and actions to their sub-suppliers to ensure compliance. A failure to comply might be considered as a breach of the undertaking relating to the Kering Sustainability Principles as set forth in the supplier agreement.

Additional Conditions to Meet the Kering Standards

This section provides guidance and recommendations for best practices for suppliers. These should be viewed as additional to the Minimum Requirements listed above. Suppliers to Kering brands should be prepared to engage in continuous improvement in their practices to reach the high standards required by Kering. Some of the actions listed in the Additional Conditions sections have already been moved to Minimum Requirements sections between version 1 and the current version of this document. More Additional Conditions will become Minimum Requirements for suppliers to Kering brands in the near future (1-3 years) and all will be mandatory by 2025 (the date defined in Kering’s 2025 Sustainability Strategy). Note that suppliers who already align with – at least part of – the Additional Conditions will receive a higher rating in the Kering Vendor Rating System.

The Appendices attached hereto are also of great importance and should be distributed to your suppliers when relevant to their activities. Covering chemical management, animal welfare, social compliance, the environmental profit and loss (EP&L) account, sustainable innovation and FAQ’s, the Appendices give further in-depth information for the Kering Standards.

The Kering Standards are reviewed annually and within this overall framework and timeline, the brands adapt and set their own targets. Note that the Kering Standards apply only to the production for Kering brands, not to all other production at a facility or from a supplier, unless explicitly communicated on certain aspects related to targeted Kering Standards explained within this document.



**STANDARDS
FOR
RAW MATERIALS**



HIDES AND SKINS FOR LEATHER
BOVINE, OVINE



The production of leather at the farm level can potentially have significant negative environmental and social impacts. Although leather is seen as a by-product or co-product of the meat industry, Kering is committed to ensuring that its leather is sourced in the most responsible and sustainable manner where there is accountability for the reduction in negative impacts linked to livestock production. These potential negative impacts include the direct impacts of farm production systems, such as conversion of natural habitat to pasture, use of synthetic chemicals or impacts on animal welfare. In addition, there can be “indirect impacts” such as feedstocks from unsustainable agricultural production and lethal control of native wildlife, which can impact conservation efforts. Kering believes in collaborating with its entire supply chain to ensure both traceability and sustainability over the long term. The only way that Kering can mitigate the risks associated with social and environmental impacts is to have traceability of leather in its supply chains. Kering acknowledges that traceability is a challenge, but its leather suppliers must work toward improving traceability by engaging with slaughterhouses and other parties along the supply chain. Suppliers should also be aware of the animal welfare practices in the countries of livestock production and slaughter and must strive to source from farms where production systems have been identified and verified as sustainable and aligned with this Kering Standard.

The requirements outlined below are focused on livestock production for bovine leather (beef, cow, calf, young calf) and ovine leather (sheep, lamb, mutton, goat) and shearling. They are relevant up until the slaughter of the animals. Additional Kering Standards are available for the processing of hides and tanning of leather (See [Kering Standard for tanning](#) and [Kering Standard for leather goods and shoe manufacturing](#)).

In summary, the key principles that underpin the Kering Standard for hides and skins for leather are:

- Complying with all national and international laws, principles and regulation notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the Suppliers’ Charter of the [Kering Code of Ethics](#)
- Avoiding the degradation and destruction of natural ecosystems
- Ensuring the highest standards of animal welfare
- Promoting the ecological sustainability of livestock production methods.



MINIMUM REQUIREMENTS

Ensure that leather does not come from farms involved in any form of deforestation in the Amazon biome

Kering brands will not work with suppliers that source leather from farms involved in any form of deforestation in the Amazon biome since July 2006, or farms included in [IBAMA's embargo list](#). Leather suppliers must: (1) investigate with their sub-suppliers as to where the hides come from, (2) actively check in detail for the sources of leather coming from South America and (3) terminate relations with any sub-supplier that is not compliant on these points.

Provide minimum information on origin of the hides

Kering is committed to achieving the highest levels of transparency within its leather supply chain. In this context, leather suppliers will make all reasonable efforts to provide Kering with information when requested about the origin of the hides. This information includes:

- Location and name of finishing tannery
- Location of pickling, wet-blue, crust tannery if different from the finishing tannery
- Location (country, region) of the slaughterhouse
- Country of origin (i.e. country of farming)

Use best efforts to source from a Kering “preferred country”

Kering supports ongoing research by experts to: (1) evaluate the risk of sourcing hides/leather from countries based on farming practices, environmental pollution, animal welfare, labor practices, etc. and (2) identify countries and, in some cases, farms where it is more favorable to source. Explanations and a list of preferred countries are provided in [BOX 2](#). Suppliers are encouraged to propose to Kering brands leather coming from these countries, when possible.

When not sourcing from a “preferred country”, work with Kering brands on deeper investigation on the origin of leather

When sourcing from a country that is not part of the [Indicative List of Preferred Sourcing Countries for Leather](#), suppliers will work in constructive, pragmatic and mutually-beneficial partnership with Kering to better understand the supply chain and to investigate the exact origin of the hides up to farm level and evaluate whether it meets the Kering Standards and define possible actions, where needed.

Advance the Kering Standards for Animal Welfare

Suppliers must be aware of Kering's Species-Specific Animal Welfare Standards. Suppliers are also responsible for communicating the need for Kering to monitor and verify animal welfare to their sub-suppliers. This means that suppliers need to:

- Read the [Kering Animal Welfare Standards](#) as well as the [Appendix on Animal Welfare](#). The species-specific standards are available upon request
- Share the [Kering Animal Welfare Standards](#) with their sub-suppliers and communicate the need for Kering to monitor and verify animal welfare
- Provide information on sourcing upon request so that Kering can carry out monitoring and verification of the alignment to Kering Standards of the specific slaughtering/ farming practices

Source from producers respecting human rights and social requirements as set out in the Kering Code of Ethics

Kering is committed to respect and ensure internationally recognized human rights, both in its activities and through its business relationships. Therefore, suppliers must adopt and implement sourcing practices which include high expectations regarding the social and labor conditions of the workers in the supply chain, in accordance with the principles set out in the Kering Code of Ethics and its Suppliers' Charter. See [Appendix Social Compliance and Enforcement of the Kering Code of Ethics in Supply Chain](#).



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Ensure full traceability of leather

Kering expects to have full traceability of hides up to the farm level by 2025, supported by documentation, physical traceability mechanisms and verification. This will require collaboration within the entire leather supply chain. Leather suppliers are required to support this collaboration and to provide the following information:

- Location and name of finishing tannery
- Locations and names of all the tanneries upstream of the finishing
- Location (country, region) and, if deemed necessary, name of the slaughterhouse
- Location (country, area) of the farms (from finishing farm to breeding farm)

Leather suppliers are strongly encouraged to work with existing traceability systems such as ICEC (Istituto di Certificazione della Qualità per l'Industria Conciaria), LWG traceability or CSCB (Certificação de Sustentabilidade do Couro Brasileiro). See [BOX 1: Recommended certifications for traceability](#).

There may be additional certifications in the future that will be recommended by Kering and suppliers will be notified about these. It is important to note that having a traceability certification in place doesn't mean full compliance with the Kering Standards if the other requirements listed thereafter (including animal welfare) aren't met as well.

Only source from Kering preferred countries, or from specific sources that are verified as sustainable

By 2025, all suppliers will be required to only source leather/hides for Kering from:

- Either a preferred country as listed in [BOX 2](#). Among these countries, the operations with certifications listed in [BOX 3](#) are preferred to non-certified sources. Note that the type of farm production system and the mitigation of direct impacts (e.g. planned grazing, no conversion of natural habitats and animal welfare practices) and indirect negative impacts (e.g. locally sourced, sustainable feedstock, wildlife friendly practices) is considered in the evaluation of "preferred" sources.
- In particular, Kering will be focusing on ensuring that its leather comes from farming systems that regenerate the soil and practice the highest levels of animal welfare – and this means that production of meat/leather from feedlots systems will not be part of Kering's sourcing from 2025.
- And/or from any country as long as the source of the hides/ leather (e.g. the farm and slaughterhouse) are verified as sustainable, meaning that it has one of the certifications listed in [BOX 3](#), or another certification that is approved by Kering and that meets the Kering Standards of land management, working/social conditions and animal welfare.

13

Ensure that animal welfare practices are aligned with Kering Standards

All suppliers/sub-suppliers dealing with live animals shall agree with the implementation and verification – by Kering or a third party – of Kering's Species-Specific Animal Welfare Standards. These Kering Standards outline the specific requirements for animal welfare in farms. Kering also requires proof and verification of standards of animal welfare in slaughterhouses. Both the Species-Specific Animal Welfare Standards and the recommendations for slaughterhouses are available upon request. See [Appendix: Animal Welfare](#).



BOX 1: Recommended Certifications for Traceability

	Status	Certifier	Scope
LWG	Private Standard	Leather Working Group	Applicable internationally, at present mainly spread in South America and Asia, including 3 Notes for Hide traceability (wet blue & white blue/slaughterhouse/ suppliers of split)
ICEC	Private Standard	Istituto di Certificazione della Qualita per l'Industria Conciaria	Applicable internationally, started with tanneries in Italy
CSCB	National Standard	Certificação de sustentabilidade do Couro Brasileiro	Focused on practices in Brazilian tanneries
Textile Exchange Sustainable Leather	Voluntary Standard	Textile Exchange	Under development (Environmental, Social impact, Animal welfare & Traceability. Will include practices at farm, slaughter and tannery)



BOX 2: Indicative List of Preferred Sourcing Countries for Leather

Kering supports ongoing research to evaluate the risk of sourcing from different countries. A country is considered high-risk if it includes at least one of the following:

- There is a risk of conversion of sensitive ecosystems (notably natural forests and grasslands) into grazing lands for farming.
- The farm practices are not ecologically sustainable (e.g. significant water pollution, high greenhouse gas emissions, etc).
- There is a risk of forced labor or child labor.
- Some of the cattle grazing operations occupy land disputed by indigenous groups or areas protected by federal, state or municipal legislation.
- There is no regulation on animal welfare, or local practices are incompatible with animal welfare.
- The traceability system is very limited (lack of specific food chain certification, no governmental regulation, etc.).

This table lists the sources preferred by Kering because they are lower risk with respect to the issues above. This list reflects the best knowledge available to Kering when writing this document, and this may change with additional research and information. We encourage suppliers to give Kering feedback on their knowledge of the different risk issues in sourcing countries.

Leather type	Sourcing Country
<p>Bovine Leather (including beef, cow, calf, young calf)</p>	<ul style="list-style-type: none"> • Europe: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Netherlands, Norway, Poland, Slovenia, Spain, Sweden, Switzerland, UK • New Zealand
<p>Ovine Leather (including sheep, goat, lamb, mutton)</p>	<ul style="list-style-type: none"> • Europe: France, Germany, Greece, Iceland, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland, UK • New Zealand



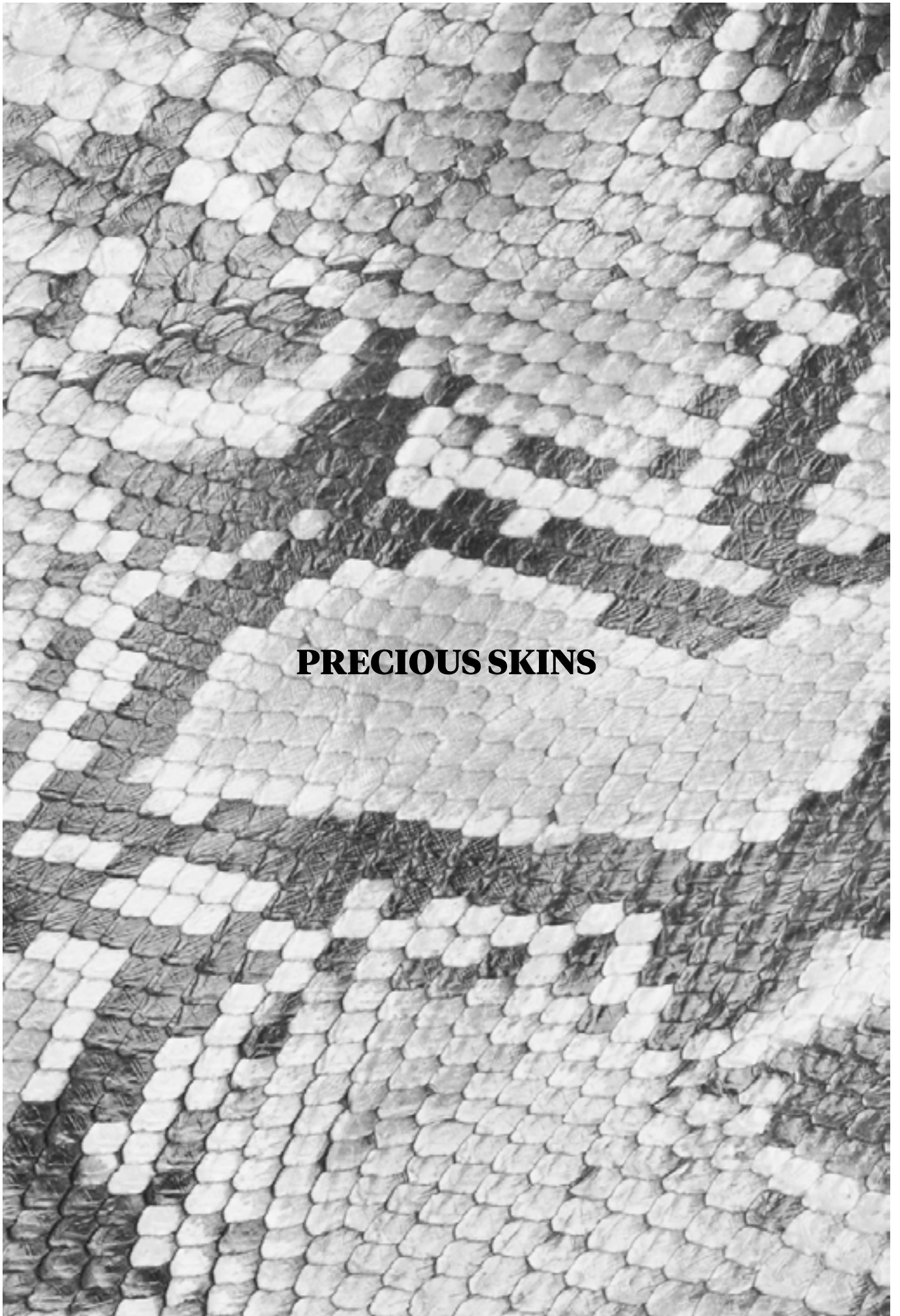
BOX 3: Recommended Certifications for Sustainability

When sourcing from one of the countries listed hereunder, Kering encourages suppliers to source skins coming from farms applying the voluntary certifications listed in the table which verify criteria for sustainable farming such as animal welfare, biodiversity conservation and ecological farming practices.

Country	Certification	Stakeholders	Type	Scope
CATTLE (BEEF, COW, CALF, VEAL, BUFFALO)				
WORLDWIDE	Organic For national Standards, please see IFOAM	National Organic Associations	third party	Ecological sustainability in farm practices, Traceability, Chemicals, Biodiversity conservation
	Ecological Outcomes Verified (EOV)	Savory Institute	second party	Traceability, Animal Welfare, Biodiversity conservation, Sustainable farming practices
FRANCE	Label Rouge	Institut National de l'Origine et de la Qualité (INAO)	third party	Breeding, Animal Welfare, Feed Management, Traceability
NETHERLANDS	Beter Leven	Dutch Society for the Protection of Animals	third party	Animal Welfare, Feed Management, Traceability
USA, CANADA, UNITED KINGDOM AND SOUTH AFRICA	Animal Welfare Approved Certified Grassfed	A Greener World	third party	Traceability, Animal Welfare and Feed Management (grassfed only)
USA, CANADA AND AUSTRALIA	Certified Humane	Humane Farm Animal Care	third party	Animal Welfare, Traceability, Feed Management
UNITED KINGDOM & IRELAND	RSPCA Assured (previously Freedom Food)	RSPCA	second party	Animal Welfare, Traceability
	Pasture for Life	Pasture Fed Livestock Association	third party	Land management practices, Animal Welfare, Traceability
USA	American Human Certified	American Humane	third party	Animal Welfare, Traceability
WORLDWIDE	Regenerative Organic Certified	Regenerative Organic Alliance	third party	Land management practices, Animal Welfare, Traceability, Social Responsibility
NEW ZEALAND	SPCA Certified	SPCA (New Zealand)	third party	Animal Welfare, Traceability

SMALL RUMINANTS (SHEEP, LAMB, GOATS)				
Country	Certification	Stakeholders	Type	Scope
WORLDWIDE	Organic; For national Standards, see IFOAM	National organic associations	third party	Ecological Sustainability, Traceability, Chemicals, Biodiversity Conservation
	Ecological Outcomes Verified	Savory Institute	second party	Traceability, Animal Welfare, Biodiversity conservation, Sustainable farming practices
FRANCE	Label Rouge	Institut National de l'Origine et de la Qualité (INAO)	third party	Breeding, Animal Welfare, Feed Management, Traceability
UNITED KINGDOM	RSPCA Assured (previously Freedom Food)	RSPCA	second party	Animal Welfare, Traceability
SOUTH AFRICA	Certified Karoo Meat Initiative	Karoo development foundation	third party	Traceability, Animal Welfare, Ecological Sustainability
USA, CANADA, NEW-ZEALAND & AUSTRALIA	Animal Welfare Certified	Global Animal Partnership	third party	Animal Welfare, Feed Management, Traceability, Sustainable Farming Practices
USA, CANADA, UNITED KINGDOM & SOUTH AFRICA	Animal Welfare Approved Certified Grassfed	A Greener World	third party	Traceability, Animal Welfare and Feed Management (grassfed only)
USA, CANADA, & AUSTRALIA	Certified Humane	Humane Farm Animal Care	third party	Animal Welfare, Traceability, Feed Management
UNITED KINGDOM & IRELAND	Pasture for Life	Pasture Fed Livestock Association	third party	Land management practices, Animal Welfare, Traceability
WORLDWIDE	Regenerative Organic Certified	Regenerative Organic Alliance	third party	Land management practices, Animal Welfare, Traceability, Social Responsibility
NEW ZEALAND	SPCA Certified	SPCA (New Zealand)	third party	Animal Welfare, Traceability





PRECIOUS SKINS



Precious skins from several species of animals are a part of some of Kering's brands' products. Kering is committed to strictly ensuring that these skins are sourced according to the highest standards of animal welfare, ecological sustainability and working conditions. In regards to animal welfare, maintaining the highest standards in the way the animals are managed, handled, harvested, transported and slaughtered is fundamental to Kering's principles and, more broadly, to the long term success of the precious skin trade. Additionally, it is imperative that these supply chains and sourcing are managed so that there is no risk of any negative impacts on wild animal populations or their habitats.

For those species listed on the CITES Appendices, suppliers need to be diligent in their careful and strict adherence to all CITES procedures. For both CITES and non-CITES species, information on the source of the animals is mandatory. Kering acknowledges that ongoing research and data collection from the supply chain will be necessary to meet the Kering Standards and ensure sustainability.

For Kering, precious skins include:

- Crocodilians (crocodiles, caiman & alligators)
- Snakes (e.g. pythons, water snakes such as ayers, cobras, rat snakes, etc.)
- Lizards (e.g. tejus, varanids, etc.)
- Birds (e.g. ostrich)
- Fish (e.g. fish, eel, etc.)
- Other (e.g. antelope, deerskin, etc.)

The Kering Standard for precious skins below is focused on the production of precious skins in farms and ranches and/or the wild harvest of animals for precious skins. Additional Kering Standards are available for the processing of hides and tanning of leather (see [Kering Standard for tanning](#), which applies to leather and precious skins).

In summary, the key principles that underpin the Kering Standard for precious skins are:

- Complying with all national and international laws, principles and regulation notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the Suppliers' Charter of the [Kering Code of Ethics](#)
- Ensuring the highest standards of animal welfare
- Ensuring that there are no detrimental impacts on wild populations and their habitat



MINIMUM REQUIREMENTS

Do not source any species that are traded/trafficked illegally for Kering or any other client

Suppliers must commit not to trade in illegal animal products or support wildlife trafficking at any time and in any way. All precious skins must be sourced and traded legally according to national and international laws and conventions.

Do not source any species that are threatened with extinction

Suppliers shall not source any legally traded species that are near threatened, vulnerable, endangered or critically endangered (as identified on the [IUCN red Data List](#)). The only exception to this is if the species is listed on the [CITES Appendices](#) according to the conditions below:

- Species listed on the CITES Appendix I must not be used.
- Species listed on CITES Appendix II and Appendix III can be used by suppliers as long as CITES procedures are strictly adhered to and as long as suppliers are willing and able to share certain information about their sourcing (see “Provide verifiable information” below).

Suppliers shall use best efforts to avoid sourcing from countries/operations where there is a risk that the operations are non-compliant with CITES (e.g. Laos).

Kering requires that extreme caution is needed if sourcing non-CITES species. If non-CITES species are being used then Kering requires suppliers to provide Kering with the following: detailed information on the location (country/region) of the source (farm or wildcaught) and on animal welfare practices in advance for verification.

Animals that are on the [US Endangered Species Act](#) and/or that are restricted by the European Union ([EU Wildlife Trade Regulations](#)) should not be sourced unless aligned with the restrictions and requirements of these regulations and, further, detailed traceability and verification by Kering. Suppliers also need to adhere to all import conditions on these species.

Suppliers must ensure that their sub-suppliers have the same commitment and can verify this commitment.

Kering and/or its brands may request a written engagement from the supplier that outlines their commitment to the above sourcing standards around species threatened by trade.

Provide verifiable information on origin of the animal

For species listed on the CITES Appendices, align with the CITES system: The mandated traceability/tagging systems for species listed on the CITES Appendices must be followed. Note that sourcing from countries that “re-export” under CITES (such as Singapore) should be avoided due to the higher risk of potential loss of integrity in the supply chain.

For non-CITES species, provide adequate and verifiable information: The exact scientific name of the animal and the origin of the animal (country and type of source: captive, ranched or wild) must be provided to Kering brands.

Advance Kering’s standards for animal welfare

Suppliers must be aware of Kering’s Species-Specific Animal Welfare Standards. Suppliers are also responsible for communicating the need for Kering to monitor and verify animal welfare to their sub-suppliers. This means that suppliers need to:

- Read the Kering Animal Welfare Standards as well as the Appendix on Animal Welfare. The species-specific standards are available upon request.
- Share the Kering Animal Welfare Standards with their sub-suppliers and communicate the need for Kering to monitor and verify animal welfare.
- Provide information on sourcing so that Kering can carry out monitoring and verification of the alignment to the Kering Standards particularly with respect to the specific farming and slaughtering welfare practices.

Source from producers respecting human rights and social requirements as set out in the Kering Code of Ethics

Kering is committed to respect and ensure internationally recognized human rights, both in its activities and through its business relationships. Therefore, suppliers must adopt and implement sourcing practices which include high expectations regarding the social and labor conditions of the workers in the supply chain, in accordance with the principles set out in the Kering Code of Ethics and its Suppliers’ Charter. See [Appendix Social Compliance and Enforcement of the Kering Code of Ethics in Supply Chain](#).



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Source from Kering preferred countries and operations

In the coming years, suppliers should only source from Kering preferred countries and operations (please see [BOX 1: Indicative list of preferred sources for precious skins](#)). Kering will provide regularly updated information on recommended countries/sources, which will also include the operations where suppliers are currently working after they have been approved by Kering. Kering preferred operations/facilities will have the appropriate management practices in place to ensure there is no detriment to wild populations and there are verifiable high standards for animal welfare.

Sourcing through Kering preferred operations/facilities will ensure that suppliers meet all of Kering's Minimum Requirements and many of the Additional Conditions to meet the Kering Standards. This means that there will be no sourcing through re-export permits or from sources that cannot identify and verify the original source of the animal.

Ensure complete traceability of all skins

Suppliers will ensure complete traceability of all skins (CITES and non-CITES) back to wild source and/or captive operations. This traceability will need to be verified through the provision of information on the source of skins as required. This information will include:

- Species scientific name
- Source country (country of wild harvest/farm/ ranch and in the case of ranching operations the source country for hatchlings and/or eggs needs to be specified)
- Processing facility
- Type of source (captive, ranched or wild)
- Location of the different tanning steps

Systems need to be put in place by suppliers that can verify the original source of the precious skins. These include some type of physical traceability (e.g. plastic tags, RFID tags, blockchain, DNA tracing, etc.) through the supply chain as well as good document management systems to back up physical traceability. Suppliers shall agree to second or third party verification of traceability and sourcing claims.

Ensure that animal welfare practices are aligned with Kering Species-Specific Animal Welfare Standards

All suppliers/sub-suppliers dealing with live animals (e.g. farm and processing facilities) will agree to the implementation and verification by Kering or a third party of Kering's Species-Specific Animal Welfare Standards, which outline the specific requirements for management practices in place to ensure there is no detriment to wild populations as well as animal welfare in farms, ranches, processing facilities and for wild harvest. For Crocodylians, this includes the new International Crocodile Farmers Association (ICFA) standards and requirements for farmed crocodiles and alligators. Examples of other certifications that are in development and that may meet Kering Standards include, for farmed ostrich, the South African Ostrich Business Chamber (SAOBC) Standards and for reptilians the Southeast Asian Reptile Conservation Alliance (SARCA) ongoing work. See [Appendix: Animal Welfare](#).

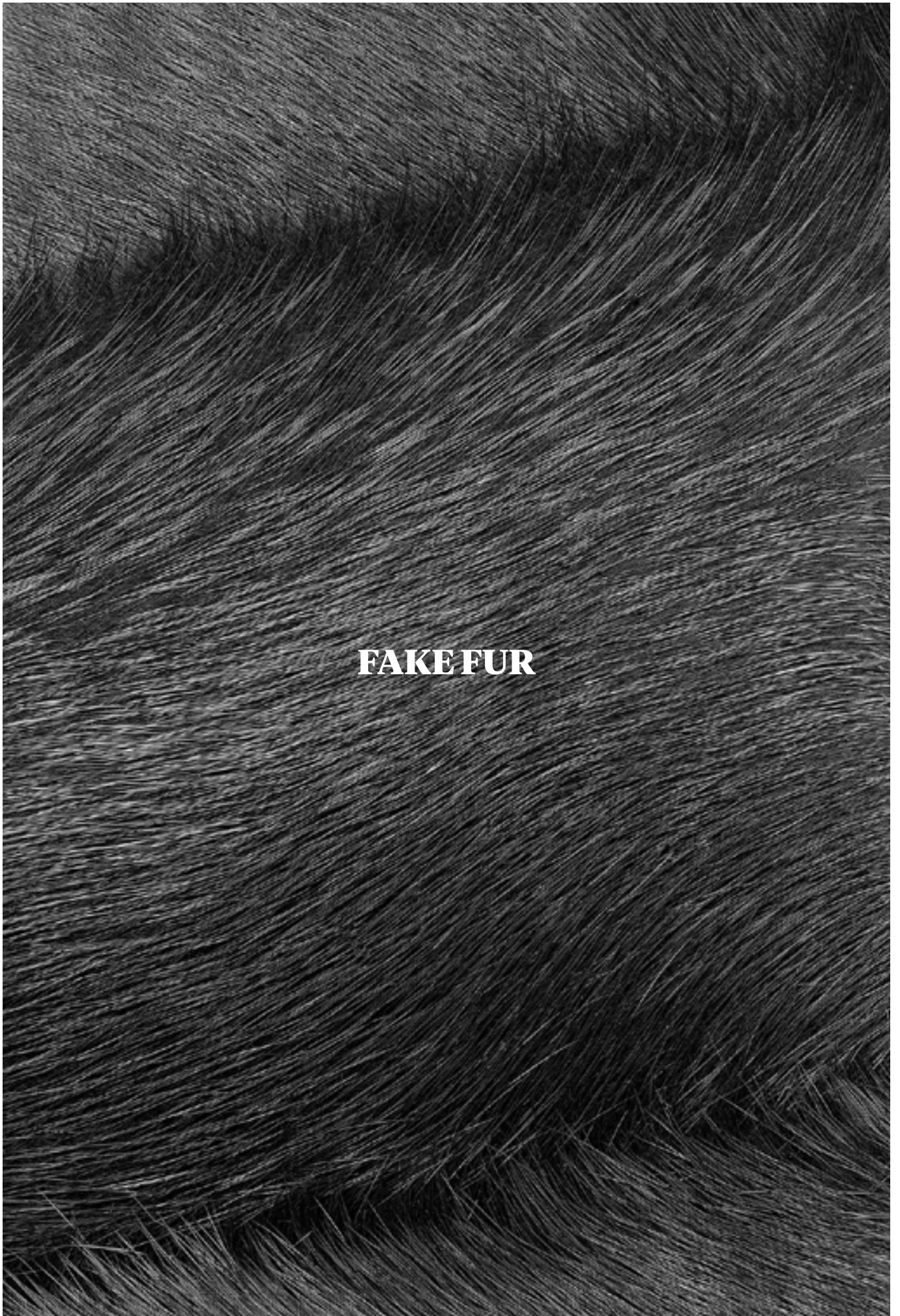


BOX 1: Indicative List of Preferred Sources for Precious Skins

This table lists the sources for key species that are preferred by Kering as they are most likely to fulfill the Minimum Requirements and Additional Conditions for precious skins. This list reflects the best knowledge available to Kering when writing this document. This list may evolve in the future based on third party auditing at farms and/or processing facilities. Every source of precious skin, whether on the list below or not, will need to be verified against the Kering Standards.

Common Name	Scientific Name	Source Location	Source Type	CITES Certificate required?
AMERICAN ALLIGATOR	Alligator mississippiensis	USA (Louisiana, Georgia)	Captive Bred	yes, Appendix II
		USA	Wild	
SPECTACLED CAIMAN	Caiman crocodilus	Venezuela	Wild	yes, Appendix II
YACARE CAIMAN	Caiman yacare	Argentina	Ranched	yes, Appendix II
		Bolivia	Captive Bred	
		Bolivia	Wild Tacana harvest program	
NILE CROCODILE	Crocodylus niloticus	Madagascar, South Africa, Zimbabwe	Ranched, Captive Bred	yes, Appendix II
YELLOW ANACONDA	Eunectes notaeus	Argentina	Wild	yes, Appendix II
BURMESE PYTHON	Python molurus	Vietnam	Captive Bred	yes, Appendix II
		Thailand	Captive Bred	
RETICULATED PYTHON	Python reticulatus	Indonesia, Malaysia	Wild	yes, Appendix II
		Thailand, Vietnam	Captive Bred	





FAKE FUR



Kering brands are no longer using fur in their collection. By “fur” we mean animal pelts where the hair is left on the animal’s processed skins, from animals being raised, trapped or hunted primarily for their pelt. It includes – without being restricted to – foxes, mustelids (e.g. mink, weasel, ermine, etc.), rodents (e.g. orylog, rabbit, beaver, nutria, etc.), kangaroo, deer, possum. Note that shearing and other fur from livestock are covered in the [Kering Standard for hides and skins for leather](#).

BOX 1: “Fake Fur” and other Fur Alternatives

Brands’ decisions and legal considerations, such as certain cities banning the sale of fur, are increasingly leading to a demand for “fake fur” or fur alternatives that do not use animal- based sources. Such fur alternatives also have sustainability considerations, since the majority of fur alternatives are composed of synthetic fibers such as acrylic, moda acrylic and polyester which are petroleum based.

Kering recommends that suppliers take a cautionary approach to sourcing fur alternatives:

Raw materials

Materials used in alternative furs shall comply with the Kering Standards:

- plant or animal fibres (cotton, linen, silk, wool, alpaca, mohair, cashmere as well as the regenerated options): see related fibre standards (Kering Standard on Cotton, Kering Standard on Wool, etc.). For other natural fibres specifically covered by the Kering Standards, suppliers should refer to the [Kering Materials Innovation Lab](#) for guidance;
- viscose and recycled viscose fibres: see Kering Standards on Viscose;
- polyester fibres: the use of recycled synthetics shall be primarily prioritized, and secondarily the use of biobased synthetics. See Kering Standard on Synthetics, section on the use of recycled and bio-based synthetics;
- acrylic and modacrylic fibres: wherever possible, they should be avoided as there is no sustainable alternative for these fibres on the market at the moment. Concerns are related their end-of-life (they cannot be recycled) and to potential risk for human health due to monomer building blocks used during fibre production process. If acrylic and modacrylic cannot be avoided, supplier shall do any reasonable effort to provide information about:
 - solvent in use to spin the fibre
 - solvent recovery and reuse
 - system in place to prevent worker exposures to toxic solvents and other hazardous

Dying/ Finishing

Sustainable options for alternative fur dying might be chosen considering the raw material to lower the environmental impact, e.g.:

- natural fibres: natural dying or no dyeing can be viable options mainly for alpaca and mohair;
- synthetic fibres: a dope dying shall be preferred wherever possible;
- Polyester fibres (virgin, recycled or bio-based): water-efficiency dying technologies.

Closed loop dying process where chemicals and water is recovered and reused in production is an option that can be adopted by manufacturers producing all types of alternative fur. GRS and GOTS certified dying and finishing are available for alternative fur like for other organic and recycled textiles.



BOX 1: “Fake Fur” and other Fur Alternatives

Brands’ decisions and legal considerations, such as certain cities banning the sale of fur, are increasingly leading to a demand for “fake fur” or fur alternatives that do not use animal- based sources. Such fur alternatives also have sustainability considerations, since the majority of fur alternatives are composed of synthetic fibers such as acrylic, moda acrylic and polyester which are petroleum based.

Processing

A number of sustainable options might be implemented at processing level and production techniques in order to lower production impact and microfiber leakage. There are two main knitting techniques, one starting from fibres (sliver knitting), one starting from yarns (yarns knitting). Sliver knitting generates more fibres leakage than yarn knitting as it makes textile construction more loose. Also at yarn level, tightly constructed yarns generate less fibre leakage.

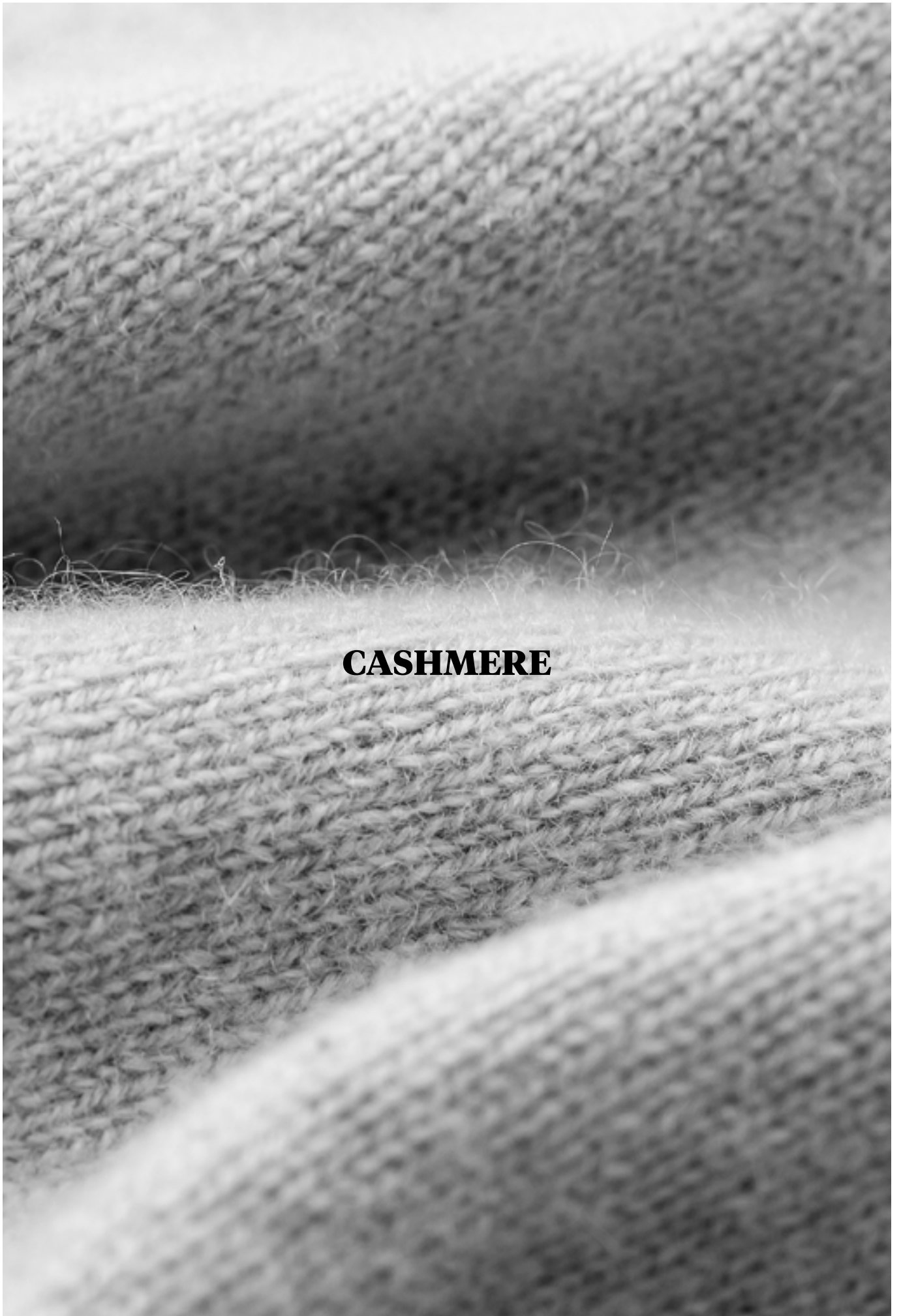
Manufacturer with in-line vacuum system for eliminating loose fibres via air filtration and exhaustion, should be preferred.

Please refer to the [Kering Standard for End-of-Life](#) for further info about microfiber leakage.

For the chemical and manufacturing processing of fur alternatives, suppliers should refer to Kering’s [MRSL](#) and [PRSL](#) and to the [Kering Standard for textile processing](#) and the [Appendix: Summary of Kering Chemical Management Policy](#).

Note that the terms “fake fur” or “eco fur” have to be carefully used, as such references are not allowed by law in several countries.





CASHMERE



Goats producing cashmere are mostly found in Central Asia, including Mongolia and Inner Mongolia, although some cashmere is also produced in India, Afghanistan and Iran. China currently produces about 75% of global cashmere, mostly in 'farming' systems. In Mongolia, by contrast, cashmere is mainly produced by small-scale, traditional nomadic herders and these herding families typically own between 100 and a few thousands goats. They need to move around the vast grasslands in order to find enough pasture for the goats, which has been a practice for many centuries. One of the most critical issues with cashmere production in Mongolia is the environmental degradation that has occurred over the last 2-3 decades. With increased access to global markets, nomadic, cashmere herders in Mongolia increased their herd size (over a 4 fold increase in total goats in the past 20 years). In turn, this has led to overgrazing and extensive degradation of the fragile grasslands, biodiversity impacts, and a reduction in productivity. Additionally, environmental consequences such as widespread dust storms fueled by significant soil erosion have had negative health and air quality impacts. Yet given the large proportion of people dependent on cashmere for their livelihoods, and the fact that it is a critical source of GDP, Mongolia is in the midst of implementing substantial measures to improve the sustainability of the industry.

The Kering Standard for cashmere is designed to promote and encourage sourcing of cashmere from production systems that respect social and cultural values, support local livelihoods and drive more sustainable grazing practices and high standards of animal welfare.

In this Kering Standard, cashmere refers to the textile fiber from goats and covers the phases from the herding to the dehaired cashmere. Additional Kering Standards are available for the processing of dehaired cashmere further down the supply chain (See [Kering Standard for textile processing](#)).

In summary, the key principles that underpin the Kering Standard for cashmere are:

- Complying with all national and international laws, principles and regulation notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the Suppliers' Charter of the [Kering Code of Ethics](#)
- Maximising ecological sustainability: support cashmere production that does not degrade natural ecosystems but rather restores and protects soil, plants and wildlife
- Ensuring the highest standards of animal welfare



MINIMUM REQUIREMENTS

Inquire about the origin of the cashmere

Suppliers shall use best efforts to provide, at the very minimum, the country of origin (i.e. country of goat production) for all cashmere utilised in Kering's brands' products.

Advance Kering's standards for animal welfare

Suppliers must be aware of Kering's Species-Specific Animal Welfare Standards for goats. Suppliers are also responsible for communicating the need for Kering to monitor and verify animal welfare to their sub-suppliers. This means that suppliers need to:

- Read the [Kering Animal Welfare Standards](#) as well as the [Appendix on Animal Welfare](#). The species-specific standards are available upon request
- Share these standards with their sub-suppliers and communicate the need for Kering to monitor and verify animal welfare
- Provide information on sourcing so that Kering can carry out monitoring and verification of the Kering Standards

Source from producers respecting human rights and social requirements as set out in the Kering Code of Ethics

Kering is committed to respect and ensure internationally recognized human rights, both in its activities and through its business relationships. Therefore, suppliers must adopt and implement sourcing practices which include high expectations regarding the social and labor conditions of the workers in the supply chain, in accordance with the principles set out in the Kering Code of Ethics and its Suppliers' Charter. See [Appendix Social Compliance and Enforcement of the Kering Code of Ethics in Supply Chain](#).



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Achieve traceability of cashmere

Kering is committed to achieving the highest level of transparency within its cashmere value chain. In this context, suppliers will make all reasonable efforts to provide Kering with the origin and the journey of the cashmere that they supply to Kering brands. This information includes:

- Where cleaning and dehairing was performed
- Information on the goats producers and/or herder cooperatives

Prioritize the use of cashmere from Kering's preferred sources

Suppliers will work with Kering to prioritize sourcing of cashmere from identified herding cooperatives and farms that are committed to more sustainable practices, in particular in terms of animal welfare, land management and grazing practices. As of today, Kering has identified the following sources as being **'best in class'**. This list can be extended and modified in new revisions of this document, and all projects may be subject to additional verification from Kering.

Mongolia

- Herding cooperatives of the Kering Sustainable Cashmere project in the Gobi Desert

China

- Farmed cashmere produced under the "Aid for Trade" Program, which carries the "Good Cashmere Standard" label

Country Agnostic

- Producers certified organic with the GOTS certification
- Producers of cashmere from farms compliant with EU Organic Certification

Kering may require its cashmere to be segregated to make sure it is fully traceable and coming from these preferred sources.

Ensure that animal welfare practices are aligned with Kering Standards

All suppliers/sub-suppliers dealing with live animals shall agree with the implementation and verification by Kering or a third party of Kering's Species-Specific Animal Welfare Standards. In particular, cashmere suppliers will agree with Kering's animal welfare standards for goats in cashmere

production. See [Appendix: Animal Welfare](#). Note that the Kering Standard for cashmere goats has some specific conditions to allow for cultural important practices in traditional herding communities.

The Sustainable Fiber Alliance certification program includes existing standards that meet some of Kering's requirements on animal welfare and are acceptable as proof of animal welfare by producers.

Ensure that land management and grazing practices are sustainable

Kering requires evidence and verification that its cashmere is sourced from producers that are engaged in 'regenerative' grazing practices (i.e. grazing practices that do not lead to overgrazing and degradation of the land). The following initiatives promote sustainable grazing, and are considered suitable for sourcing:

- The Sustainable Fiber Alliance's (SFA) grassland management protocol, which includes producers/herding cooperatives working to achieve SFA certification. This protocol is under review.
- Through targeted verification of identified programs for sustainable cashmere under the management of local, national or international agencies and NGOs.
- Herding cooperatives working with Agronomes & Vétérinaires Sans Frontières (AVSF) in the province of Bayankhongor in Mongolia.
- Other cooperatives working with experts to improve grazing practices (i.e. The Nature Conservancy in the eastern steppe, and the Mongolian Green Gold Program, sometimes referred to as 'Responsible Nomads').

Use recycled/regenerated cashmere where possible

This type of cashmere can be either pre-consumer cashmere offcuts or post-consumer, or a combination of the two. This enables the reduction of the demand for virgin cashmere and the associated environmental and social impacts. For recycled/regenerated cashmere, GRS Certification is preferred.

Please be aware and align with any national and local legislation about recycled/regenerated cashmere.



BOX 1: Cashmere from Mongolia versus Inner Mongolia

Mongolia

Cashmere is the third most valuable export from Mongolia (sometimes referred to as “Outer Mongolia”). Cashmere is primarily produced by nomadic herding communities, which graze the goats over vast tracks of Mongolia’s grasslands. With increasing concerns about ecosystem health and social wellbeing, the Government of Mongolia, herding cooperatives and a range of stakeholders are working with the UNDP to develop a ‘cashmere sustainability standard’ that will have far-reaching applicability. Kering welcomes this multi-stakeholder initiative, and will use it to inform sourcing decisions once it is released. Until that point, Kering will prioritize sourcing from the boutique, hand-selected projects that are aligned with Kering’s sustainability standards.

China

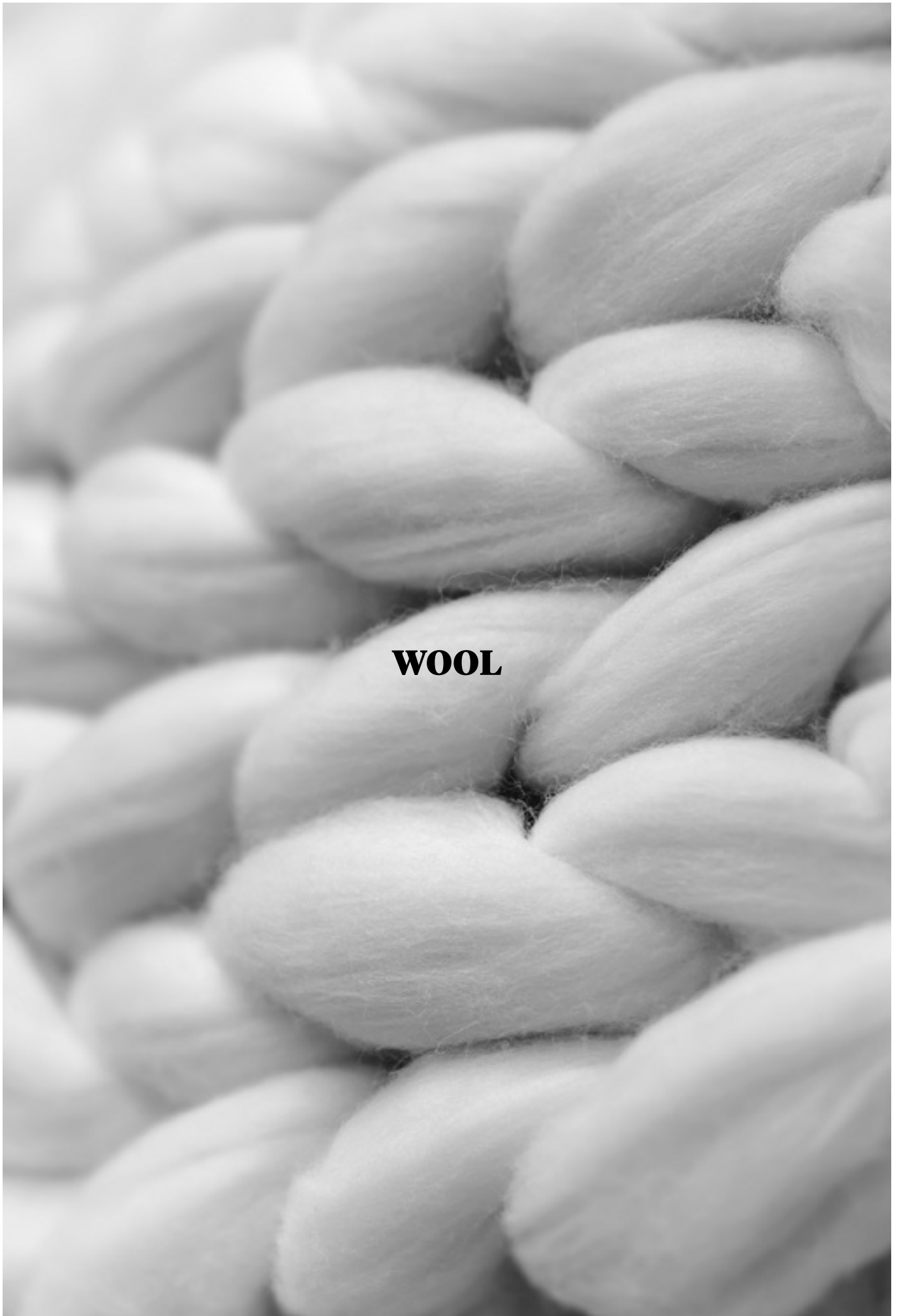
In contrast to Mongolia, most cashmere production in China takes place within enclosed or semi-enclosed farming systems in a region known as “Inner Mongolia”. China currently produces about 75% of global cashmere, with an additional 18% entering Chinese borders via trade for further processing. Cashmere produced under such farming systems should be subject to a different (but related) set of standards, as compared to cashmere produced via nomadic herding which requires access to grasslands.

30

BOX 2: The South Gobi Sustainable Cashmere Project

Since 2015, Kering has supported the South Gobi Cashmere Project in Mongolia. This innovative program works with over 120 herding families across 250,000 hectares, and is administered by The Wildlife Conservation Society. Through a unique market-based approach that links the herders to Kering, as well as environmental monitoring expertise at Stanford/NASA, this is one of the first outcome-driven cashmere projects in the world, which focuses on rangeland protection, wildlife-friendly cashmere production, animal health and improved livelihoods. At a more macro-level, the project seeks to build a ‘best-in-case’ scalable model, and is currently collaborating with stakeholders to establish a larger sustainable cashmere industry in Mongolia. Cashmere produced under this project is of top sourcing priority for Kering.





Wool is produced in extensive farming systems in over 100 countries around the world but the highest quality and quantity of wool fiber comes from Australia, New Zealand, South America and South Africa. Wool production can be judged as more or less sustainable based on the impact of the farming system and on animal welfare issues, with a particular focus on the practice of mulesing (i.e. the removal of skin from the breech and/or tail of a sheep using mulesing shears). The methods used to clean or scour the raw (greasy) wool can also be a factor in assessing the sustainability of a source. The relative impacts and significance of farming systems, animal welfare and scouring methods varies by country and region.

The factors contributing to the environmental impacts of the farming system include the conversion of land from natural ecosystems, the degradation of pastureland, and the chemical treatment of pasture and sheep. Wool production in countries such as Australia, New Zealand, UK and Europe have been carried out for a long time, sometimes centuries, and thus the conversion of land from natural ecosystems (grasslands and forests) to agricultural land in these areas is less of an issue. However, partly due to this longevity there is often increasing levels of degradation of the pasture and ecosystems in and around farms. Additionally, sheep farming is relying more and more on chemical inputs (e.g. petroleum-based fertilizers) for the maintenance of pasture condition. In addition, in some areas, wool growers also rely heavily on chemical applications to manage sheep pests like lice and blowflies. Most chemicals used to treat these external parasites bind to the wool grease rather than the fiber itself and are removed during the initial cleaning of the wool (“scouring”) resulting in contaminated scour effluent. In other countries, the issue of conversion of natural ecosystems is still a concern because sheep production is on natural grasslands that are being degraded through overgrazing. Another aspect of sheep farming that is important to consider is the way that farms live with and/or manage native animals and whether they are regarded as “pests” (e.g. some predators) or other grazing animals (e.g. kangaroos).

In this Kering Standard, wool refers to the textile fiber from sheep and covers the phases from the farm to the scoured/ combed wool. Additional Kering Standards are available for the processing of wool further down the supply chain (See [Kering Standard for Textile Processing](#)).

Wool has the potential to be a very sustainable natural raw material if the chemical inputs are limited, the scouring process is well managed and sustainable grazing practices are put in place.

In summary, the key principles that underpin the Kering Standard for wool are:

- Complying with all national and international laws, principles and regulation notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the Suppliers’ Charter of the [Kering Code of Ethics](#)
- Maximizing ecological sustainability: supporting wool production that does not degrade natural ecosystems but rather restores and protects soil plants and wildlife
- Reducing chemical inputs: wool production with limited use of toxic chemicals
- Ensuring high standards of animal welfare
- Using water efficiently and responsibly at farm level and scouring level



MINIMUM REQUIREMENTS

Inquire about the origin of the wool

Suppliers shall use best efforts to provide, at the very minimum, the country of origin (i.e. country of sheep production) for all wool utilised in Kering's brands' products.

Advance Kering's Standards for Animal Welfare

Suppliers must be aware of Kering's Species-Specific Animal Welfare Standards for sheep on farms and in transport. Suppliers are also responsible for communicating the need for Kering to monitor and verify animal welfare to their sub-suppliers. This means that suppliers need to:

- Read the [Kering Animal Welfare Standards](#) as well as the [Appendix on Animal Welfare](#). The species-specific standards are available upon request
- Share these standards with their sub-suppliers and communicate the need for Kering to monitor and verify animal welfare
- Provide information on sourcing so that Kering can carry out monitoring and verification of the Kering Standards

Source from producers respecting human rights and social requirements as set out in the Kering Code of Ethics

Kering is committed to respect and ensure internationally recognized human rights, both in its activities and through its business relationships. Therefore, suppliers must adopt and implement sourcing practices which include high expectations regarding the social and labor conditions of the workers in the supply chain, in accordance with the principles set out in the Kering Code of Ethics and its Suppliers' Charter. See [Appendix Social Compliance and Enforcement of the Kering Code of Ethics in Supply Chain](#).



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Achieve traceability of the wool

Kering is committed to achieving the highest level of transparency within its wool value chain. In this context, suppliers will make all reasonable efforts to provide Kering with the origin and the journey of the wool that they supply to Kering brands. This information includes:

- Where cleaning and scouring was performed
- Information on the farms and movement of wool through the supply chain

Prioritize the use of wool from Kering's preferred sources

Suppliers will work with Kering to prioritize sourcing of wool from identified farms that are committed to more sustainable practices, in particular in terms of traceability, animal welfare and land management. As of today, Kering has identified the following sources as being more sustainable, which can be extended in a new revision of this document:

- Farms certified to Responsible Wool Standard (RWS, see [BOX 1](#)), including ZQ Merino wool and ZQRX Merino wool.
- Fibers certified to Organic Standards (GOTS)
- Farms part of the Nativa certification program
- Producers of wool from farms compliant with EU Organic certification
- Farms in Australia may also be certified to the New Merino Standards for Responsible Wool Production in Australia
- Farms in South Africa may also be certified to the Sustainable Cape Wool Standard, or the Abelusi Wool Audit Standard

Kering may require its wool to be segregated to make sure it is fully traceable and coming from these preferred sources.

Ensure that animal welfare practices are aligned with Kering Standards

All suppliers/sub-suppliers dealing with live animals will agree with the implementation and verification by Kering or a third party of Kering's Species-Specific Animal Welfare Standards. In particular, wool suppliers will agree with Kering's welfare standards for sheep farming and transport. See

[Appendix: Animal Welfare](#). Please note that Kering's animal welfare standards for sheep cover more than mulesing.

There are some existing wool animal welfare standards that meet some of Kering's requirements and are acceptable as proof of animal welfare on farms. However, Kering may require additional verification and auditing on these farms and this will be evaluated on a case-by-case basis.

Ensure that land management and grazing practices are sustainable

Kering requires suppliers to engage in farm production practices that improve and restore ecosystem function on the farm. Proof of best practices in grazing management will need to be provided to Kering.

Kering supports the use of regenerative agricultural practices, which can bring about diverse ecological and social benefits. This includes restoring soil health, sequestering additional carbon, protecting biodiversity, and ensuring farmers receive fair payment for improved practices. Whenever possible, brands should prioritize sourcing regeneratively-farmed wool, assuming practices and outcomes are verified by a third party. This includes the Ecological Outcome Verification (EOV) program by Savory Institute, as well as ZQRX certified wool.

Use recycled/regenerated wool where possible

Kering supports the use of recycled/regenerated wool. This type of wool can be either pre-consumer wool off-cuts or post-consumer wool or a combination of the two. This enables to reduce the demand for virgin wool and the associated environmental and social impacts. For recycled/regenerated wool, GRS certification is preferred.

Please be aware and align with any national and local legislation about recycled/regenerated wool.

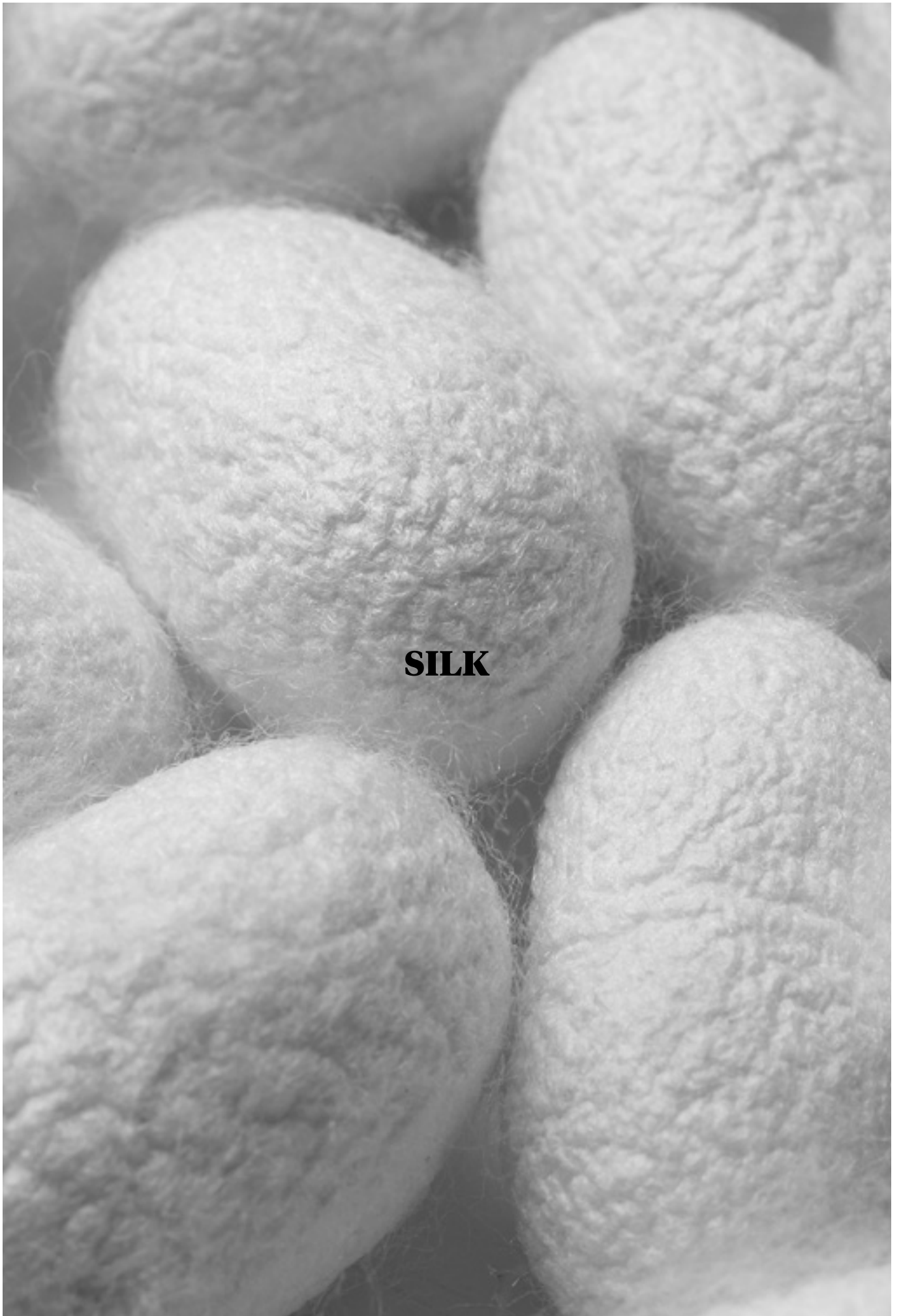


BOX 1: Responsible Wool Standard

The Responsible Wool Standard (RWS) is a voluntary global standard that addresses the welfare of sheep, land management practices, and traceability of the wool. It was launched in summer 2016 by the non-profit organization Textile Exchange and revised in March 2020. The standard was created to provide a global benchmark for animal protection and agriculture in the field of sheep farming. Other goals include helping dedicated sheep farmers worldwide by recognizing examples of best practice, protecting on-farm biodiversity, advancing social welfare as well as increasing transparency along the global value chain. The RWS is intended to be used by farms involved in the production of wool from sheep, certification bodies contracted to provide certification services to the standard and companies buying and selling wool products. This is a voluntary standard and is not intended to replace the legal or regulatory requirements of any country. The goals of the Responsible Wool Standard are to:

- Provide an industry tool to identify best farm practices
- Ensure wool is from responsibly treated sheep
- Confirm that farms follow enhanced land management methods that protect soil health, biodiversity and native species
- Advance social welfare





As a versatile and luxury fiber, silk has been widely used and cherished around the world for centuries due to its soft quality, elegant drape, lightness and comfort, warmth retention and tensile strength. Silk primarily comes from silkworms, which are the larvae or ‘caterpillars’ of moths. There are many kinds of silk with differing characteristics based on the species of moths and the ways in which the silk is produced (see below). There are over 30 countries that produce these different types of silk China is the largest producer, followed by India and Japan. Most of the silk used in the luxury sector comes from the *Bombyx mori* species of moth which are fed mulberry leaves cultivated on farms. The larvae that hatch from the eggs of the moth produce a single long filament of protein fiber (silk) of around one thousand meters in length that they use to create a cocoon to completely enclose themselves for their next stage of metamorphosis into a chrysalis. The filament is stuck together with a gum known as sericin that is also produced by the silkworm. It is important to note that *Bombyx mori* used in most sericulture has been domesticated over thousands of years and has been selected through generations of breeding programs. It is entirely dependent on farming systems for survival and could not survive in the wild. There are a number of inherent sustainable attributes of silk. Silk is a natural, biodegradable fiber and the mulberry trees used for feed grow well on land of little agricultural value and their deep roots can prevent soil erosion. In addition, compared to many other bio-based fibers less water is used in farming mulberry trees. However, in silk production there are important sustainability issues to consider including: water consumption, chemical use, which type of energy is used, how the land is treated and the resulting impacts on natural ecosystems, and, significantly, the conditions and livelihoods of the silk farmers. These are all issues in the silk supply chain that Kering is focused on and committed to ensuring best practices via the Kering Standard for silk.

The Kering Standard for Silk is focused on the commercial production of ‘mulberry silk’ from the *Bombyx mori* moths which represents around 95% of the world’s silk production (See [BOX 2](#) for some guidance on other types of silk). The production of mulberry silk is a complex and multi-step process and this Kering Standard deals with the initial steps of silk production (‘sericulture’) including:

1. Cultivation of the cocoons: rearing the silk worms from eggs, mulberry tree cultivation and the production of cocoons.
2. Filature operations: sorting cocoons, processing with steam or hot air to eliminate the larvae, de-gumming in soap solution to soften the sericin, extracting the silk threads from the cocoon and combining several filaments (‘reeling’).

Please note that the next stages in silk production including spinning/twisting, use of silk schappe, dyeing and finishing are covered in the [Kering Standard for textile processing](#).

In summary, the key principles that underpin the Kering Standard for Silk are:

- Complying with all national and international laws, principles and regulation notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the Suppliers’ Charter of the [Kering Code of Ethics](#)
- Maximizing ecological sustainability: supporting silk production that does not degrade natural ecosystems but rather restores and protects soil, plants and wildlife
- Reducing chemical inputs: silk production with no use of toxic chemicals including synthetic pesticides and fertilizers in mulberry cultivation and chemicals in the initial stages of sericulture processing
- Using water and renewable energy efficiently and responsibly at farm level and in filature processes



MINIMUM REQUIREMENTS

Inquire about the origin of the silk

Suppliers shall use best efforts to provide the country of origin (i.e. country of cultivation and the initial phases of sericulture) for all silk utilized in Kering's brands' products.

Use best efforts to include certified organic silk in your sourcing

Kering brands are encouraged to use as much certified organic silk (fiber certification) as possible in their products. This means having GOTS certification through to yarn or fabric and OCS or GOTS certification for other processes such as dyeing, finishing, etc. (See [BOX 1: Organic silk](#) for more details). Kering's Materials Innovation Lab can recommend suppliers of organic silk.

Source from producers respecting human rights and social requirements as set out in the Kering Code of Ethics

Kering is committed to respect and ensure internationally recognized human rights, both in its activities and through its business relationships.

Therefore, suppliers must adopt and implement sourcing practices which include high expectations regarding the social and labor conditions of the workers in the supply chain, in accordance with the principles set out in the Kering Code of Ethics and its Suppliers' Charter.

Sourcing silk enables the support of traditional ways of working, and in particular the work of women, as long as social and labor conditions are excellent. Therefore, suppliers need to verify that social and working conditions meet the principles set out in the Kering's Code of Ethics and the ones of the Kering Standards in the farming and reeling processes. This criteria for social excellence is detailed in [Appendix Social Compliance and Enforcement of the Kering Code of Ethics in Supply Chain](#).



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Source only organic certified silk

In order to fully align with Kering Standards, suppliers should only source certified organic silk that shows that the farming practices have been verified against organic farming practices and that there is traceability of the silk throughout the supply chain (preferred certification is GOTS, see [BOX 1: Organic silk](#) for more information).

Use recycled/regenerated silk where possible

Kering supports the use of recycled/regenerated silk. This type of silk can be either pre-consumer silk offcuts or post-consumer silk or a combination of the two. This enables to reduce the demand for virgin silk and the associated environmental and social impacts. For recycled/regenerated silk, GRS certification is preferred.

Please be aware and align with any national and local legislation about recycled/regenerated silk.

Ensure best environmental practices of the filature operations

The first phases of silk filature, in particular silk reeling, can have a significant impact on the environment mostly due to water use, energy use and chemicals. Ensure that these impacts are monitored and minimized. In particular:

- Engage with the 'Clean by Design' program at reeling level for water and energy efficiency
- At the filature operations stages, the chemicals used need to be verified against the [Kering Manufacturing Restricted Substances List \(MRSL\)](#). See [Appendix: Summary of Kering Chemical Management Policy](#) for more info on the MRSL



BOX 1: Organic silk

It is important to note the difference between “organic” and “certified organic”. There are many suppliers of silk that claim it is “organic”. Often this claim is based on the way that the silk is dyed with the use of natural dyes being equated with “organic”. In fact, truly organic silk is that which has been certified against organic standards. This means that the cultivation of mulberry trees has been done in accordance to organic standards and the sericulture process is without the use of any synthetic chemicals or growth hormones. The national laws governing organic production are EEC Organic Regulation 834/2007 in Europe, USDA NOP in the United States, NOPO in India and JAS in Japan. In addition, a certification for the product’s chain of custody needs to be in place, and would normally follow the Global Organic Textiles Standard (GOTS) or the Organic Content Standard (OCS). The GOTS is recognized as the world’s leading processing standard for textiles made from organic fibers. It defines high-level environmental criteria along the entire organic textiles supply chain and requires compliance with social criteria as well as to traditional organic farm certification.

BOX 2: Other silks

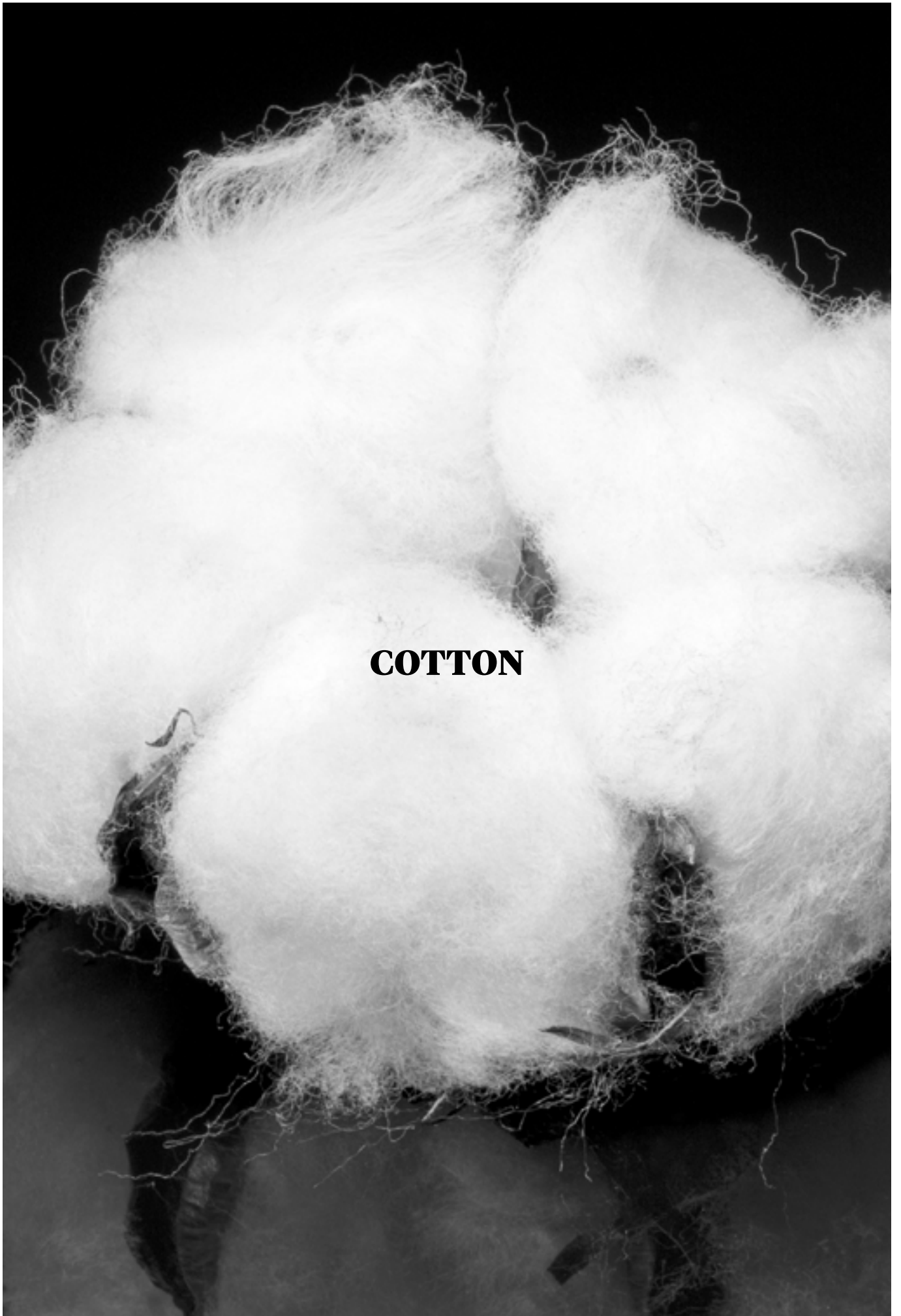
Wild silks tend to be produced in smaller production systems than mulberry silk. Many of these silks have their own unique characteristics in terms of texture, color and uptake of dye. They should be treated as unique raw materials and not as a replacement for the conventionally farmed mulberry silk. Some are produced in farming systems and some are wild whereby the moth is attracted to certain plants to lay eggs. These species of moths have not been domesticated in the same way as *Bombyx mori* and so can survive in the wild. There can be many positive aspects of harvesting wild silk, including the protection of natural ecosystems, but this along with labor conditions and processing impacts need to be verified.

Honan silk (region of China): some of the best quality wild silk is produced by silkworms from Honan, which is the only type of wild silk that can be easily dyed.

Assam silk (region of India that is especially noted for its exceptional and unique silks, instead of including:

- **Muga silk:** glossy fine texture, durability and natural golden amber glow. This is the second most costly fabric after Pashmina. The golden hue increases with time and washing and the silk is naturally stain-resistant.
- **Eri silk:** almost as white in color as the *Bombyx mori* silks. Sometimes known as “peace silk” because the moth lives a full lifecycle. The filaments are shorter and the silk has the look of wool mixed with cotton but the feel and softness of silk.
- **Tusar (‘tussah’) silk:** this has natural shine, is often a golden color and is very durable. It is produced in many countries (India, China, Japan, Africa) by different species of tussah silk moths which feed on oak leaves and other leaves rich in tannin. These tannins give the golden color to the silk.





Cotton is an important basic raw material for Kering’s brands’ products. Globally, cotton is grown in some 80 countries, on 33 million hectares (around 2.5% of global arable land) and represents 36.5% of the global fiber demand. The majority of the cotton grown in the world is grown with the use of vast quantities of pesticides and fertilizers. Compounding the obvious environmental and human health impacts of this synthetic chemical use, is the unsustainable water use for much of this cotton cultivation. Additionally, cotton supply chains represent significant sustainability challenges with examples of forced labor and child labor in cotton cultivation. A very small proportion of cotton production (less than 1%) is truly sustainable. An example of this is organic and/or Fairtrade certified production where the cultivation is done without synthetic chemicals, water use is reduced and social/labor conditions are well-managed. Kering’s Environmental Profit and Loss (EP&L) account shows clearly that organic cotton has up to 80% less environmental impact than conventional cotton. Both social and environmental considerations are driving Kering’s strong commitment to using only traceable and sustainably cultivated cotton in its supply chains.

Additional Kering Standards are available for processing fabrics and chemical management (See [Kering Standard for textile processing](#) and [Appendix: Summary of Kering Chemical Management Policy](#)). This Kering Standard for cotton and lists of preferred and high-risk countries will be reviewed annually.

In summary, the key principles that underpin the Kering Standard for cotton at the farm/cultivation level are:

- Complying with all national and international laws, principles and regulation notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the Suppliers’ Charter of the [Kering Code of Ethics](#)
- Ensuring high standards of labor and working conditions for farm workers
- Reducing the environmental and health impacts of synthetic chemicals
- Using water efficiently and responsibly
- Restoring soil biodiversity and ensuring no detriment to natural ecosystems



MINIMUM REQUIREMENTS

Inquire about origin of the fiber

Suppliers shall use best efforts to provide the country of origin (i.e. country of cultivation) for all cotton utilized in Kering's brands' products.

Do not source cotton from high risk countries

No cotton should be sourced from Uzbekistan, Syria, Turkmenistan or from other countries that are considered "high risk" for child labor or forced labor systems of cotton production. Kering will update suppliers as necessary on sourcing countries that are considered "high risk". Kering is a signatory to the [Pledge Against Forced Child Labor in Uzbekistan Cotton](#) and firmly opposes the use of forced child labor in the cotton supply chain.

Suppliers should also be prepared to show evidence of their compliance and the compliance of their sub-suppliers (i.e. show documentation of traceability to country or countries of origin).

Use best efforts to include certified organic cotton in your sourcing

Kering brands are encouraged to use as much certified organic cotton (fiber certification) as possible in their products because studies done by Kering have shown that organic cotton has up to 80% less environmental impact than conventional cotton (please see [Environmental Profit and Loss \[EP&L\] Appendix](#) for more information). Suppliers should work to source materials containing organic cotton, whether at fiber stage through IFOAM family of standards or ideally beyond during processing through GOTS certification, and proactively offer them to the brands when possible.

Moreover, Kering does not support genetically engineered (GE) fiber and food as raw materials for its brands' products and packaging. This includes genetically modified cotton, which is often present when cotton is not certified organic.

Source from producers respecting human rights and social requirements as set out in the Kering Code of Ethics

Kering is committed to respect and ensure internationally recognized human rights, both in its activities and through its business relationships. Therefore, suppliers must adopt and implement sourcing practices which include high expectations regarding the social and labor conditions of the workers in the supply chain, in accordance with the principles set out in the Kering Code of Ethics and its Suppliers' Charter.

Suppliers need to verify that social and working conditions meet the principles set out in the Kering's Code of Ethics in all the processes of cotton production. This criteria for social excellence is detailed in [Appendix Social Compliance and Enforcement of the Kering Code of Ethics](#), its Suppliers' Charter and the ones of the Kering Standards in Supply Chain.



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Source only organic-certified cotton

Suppliers should source **GOTS certified** organic cotton throughout the textile supply chain. When this is not possible, a combination of GOTS certified and Organic Content Standard (OCS) certified organic cotton is acceptable (i.e. products can have GOTS certification through to yarn or fabric and OCS certification for all other processes such as dyeing, finishing, etc.) through to final product. This will ensure the integrity of the organic cotton at each level of the supply chain.

See [BOX 1: Explanation of Sustainable Cotton Standards and Preferences of Kering](#) below for additional information on possible standards.

Prioritize cotton farmed using regenerative practices

Cotton grown using regenerative agricultural practices can bring about diverse ecological and social benefits. This includes restoring soil health, sequestering additional carbon, protecting biodiversity, and ensuring farmers receive fair payment for improved practices. Whenever possible, brands should prioritize sourcing regeneratively-farmed organic cotton, assuming practices and outcomes are verified by a third party. This includes cotton produced under the Regenerative Organic Certification (ROC).

Please be aware and align with any national and local legislation about recycled/regenerated cotton.

If sourcing organic cotton is not possible, consider other certifications for cotton

Certified recycled cotton is another acceptable certification. For recycled cotton, the GRS Certification is preferred and recycled cotton should have clear, verifiable traceability for integrity within the supply chain and verification of compliance to Kering's chemical standards (see [Appendix on Chemical Management](#)).

Other certified cotton, such as [Cotton made in Africa \(CMiA\)](#) and [Better Cotton Initiative \(BCI\)](#), are not preferred choices compared to the above mentioned certifications unless evidence of sustainability can be provided (e.g. evidence-based reports that the certification is an improvement over conventional cotton in terms of environmental impact). Additionally, as stated above, Kering does not support genetically engineered (GE) or modified (GMO) fiber and/or food for the livestock that provide raw materials for its brands' products and packaging in keeping with the precautionary principle, with respect to its environmental and social impacts. As BCI cotton allows GMO seeds, this is not a preferred certification for suppliers.

Support in-conversion / transitional organic cotton programs

Currently, less than 1% of cotton is organically grown. As Kering's objective is to use as much organic cotton as possible in its brands' products, it is important to help support programs and farmers that are making the transition from conventional to organic cotton production. This process takes approximately three years and can sometimes mean that farmers see a drop in yield in the first couple of years while their crops adjust to organic production practices. However, long-term benefits outweigh this possibility. Kering encourages suppliers and brands to source from verifiable in-conversion/transitional organic cotton programs to ensure a robust supply of organic cotton for the future. For information on potential sources, please ask the Kering Materials Innovation Lab.

Be transparent and smart

Suppliers should be prepared to provide all appropriate documentation to support certification claims (i.e. scope certificates, transaction certifications). For further detail, please see the [BOX 1: Explanation of Sustainable Cotton Standards and Preferences of Kering](#).

All certified cotton should meet Kering brands' quality criteria and sourcing certified cotton should not lead to lower quality cotton.



BOX 1: Explanation of sustainable cotton standards and preferences of Kering

What is the difference between the Global Organic Textile Standard (GOTS) and the Organic Content Standard of Textile Exchange (OCS) and the related certification systems?

While GOTS is a comprehensive standard for a “full product claim” that is setting detailed environmental and social criteria throughout the entire textile supply chain for textiles using a minimum of 70% organic fibers, OCS traces the organic fiber flow throughout the entire textile supply chain to allow a corresponding organic “fiber claim” in the final textile product without adding environmental or social criteria in processing.

Brands and retailers may use OCS as a stepping stone to GOTS (e.g. a certification to cover tracking and handling while supply chains organize themselves to comply with GOTS). Many companies in the supply chain even choose to be certified to both standards - GOTS and OCS - so that they can better meet the needs of their customers. There may be cases where a specific product cannot meet all demanding processing requirements of GOTS (e.g. because not all dyestuffs and auxiliaries used can comply with GOTS processing criteria or the minimum percentage of 70% organic fibers is not met). In that case the product could still be certified to OCS, which still allows verification and a labelling possibility for the organic fiber content. GOTS and OCS may therefore be seen as complementary rather than competing certification systems.

For more information, see the [GOTS website](#).

What is Fairtrade?

Fairtrade is about better prices, decent working conditions, local sustainability and fair terms of trade for farmers and workers in the developing world. By requiring companies to pay sustainable prices, which must never fall lower than the market price, Fairtrade addresses the injustices of conventional trade, which traditionally discriminate against the poorest, weakest producers. It enables them to improve their position and have more control over their lives.

Fairtrade standards require sustainable farming techniques and higher prices to be paid for organic products. The Fairtrade system’s environmental standards and guidelines currently forbid the use of GM seeds by farmers and encourage active monitoring in nearby fields.

For more information, see the [Fairtrade UK website](#).

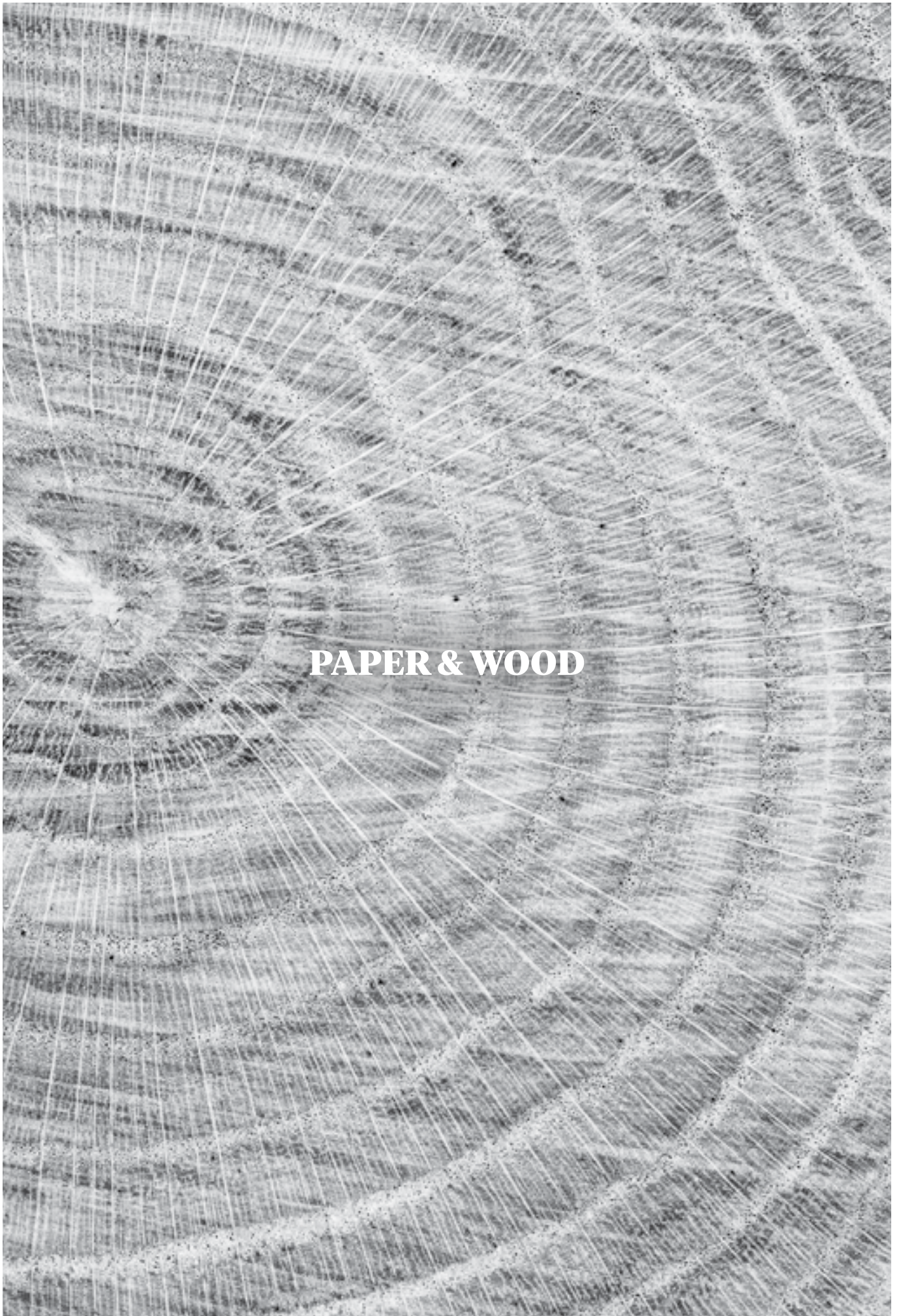
What is the Global Recycled Standard (GRS)?

The GRS was developed with the textile industry in mind but it may also be applied to products from any industry. It applies to any product made from recycled materials, including natural fibers (e.g. recycled cotton or recycled wool), synthetic materials (e.g. recycled polyester, recycled polyamide/other recycled polymer) and other products such as recycled paper, recycled glass, etc.

The standard applies to the full supply chain and addresses criteria relating to five key elements: traceability, environmental principles, social requirements, chemical inputs and labelling.

For more information, see the textileexchange.org/integrity website.





The degradation and destruction of forests leads to the significant loss of important biodiversity and eco-systems that offer a range of “services” that are essential to survival, including regulating climate. There are several drivers of deforestation including unsustainable extraction of wood for paper and pulp production, particularly in tropical countries.

Kering is committed to ensuring that its sourcing does not support the degradation or destruction of forest ecosystems and that Kering maximize the opportunities for sustainable forest management. The Kering Standard for sourcing paper and wood-based products is grounded on a commitment to source from sustainably-managed forests, as well as a commitment to reduce Kering’s need for forest-based natural resources through increasing the recycled content of paper and packaging.

The requirements for the Kering Standard for paper and wood apply to paper as a raw material for production, as well as finished paper products such as office paper, shoeboxes, shopping bags, etc.

In summary, the key principles that underpin the Kering Standard for paper and wood are:

- Complying with all national and international laws, principles and regulation notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the Suppliers’ Charter of the [Kering Code of Ethics](#)
- Reducing pressure on forest ecosystems by using recycled paper where possible
- Preferring virgin wood products that are from certified sustainably managed forests
- Ensuring no forced labor in making forestry products
- Complying with Kering chemical management policies to control dangerous substances



MINIMUM REQUIREMENTS

Have wood-based products comply with Kering Product Restricted Substances List (PRSL)

Compliance with the [PRSL](#) is requested for all wood-based products, whether a raw material, component or finished product. Compliance with the PRSL must be ensured by the supplier through product testing and each Kering supplier must guarantee PRSL compliance of its brands' products. Moreover, Kering oversees an internal testing program of the products as an additional auditing measure.

The PRSL is an appendix to your supplier agreement (contract or purchasing terms and conditions) with Kering brands. More information is available in the [Appendix: Summary of Kering Chemical Management Policy](#).

Where possible, use raw materials (paper and wood-based) with recycled content

Kering is committed to reducing its dependency on primary ("virgin") raw materials. Recycled content greater than 50% and up to 100% is recommended especially for products such as office paper, B2B packaging and hangtags and labels.

For recycled paper and wood-based products, Forest Stewardship Council (FSC) recycled and Blue Angel are the preferred certifications. See [BOX 1: Explanation of FSC Labels](#).

Choose paper and wood-based products that are certified from sustainably-managed sources

The certification that Kering recommends is from Forest Stewardship Council (FSC). An important feature of certification is that it can provide traceability of the raw material. Having confidence in the traceability of Kering's raw materials and therefore the ability to verify sustainability of the material is critical for Kering.

FSC certification is in line with Kering's commitment to sustainable management and also avoids the most destructive forestry practices: illegal logging, natural forest conversion to other land uses, liquidation of high conservation value forests, civil rights violations, local , and genetic modification of forest species. It also guarantees adequate stakeholder management principles such as the right of Indigenous People and rural communities to give or withhold their Free, Prior and Informed Consent (FPIC) before undertaking forestry management activities.[visual](#)

FSC 100% is preferred to FSC Mix. See [BOX 1: Explanation of FSC Labels](#).

The Program for the Endorsement of Forest Certification (PEFC) is not the preferred certification for Kering as it is not as strong as the FSC certification in terms of traceability.

Source from producers respecting human rights and social requirements as set out in the Kering Code of Ethics

Kering is committed to respect and ensure internationally recognized human rights, both in its activities and through its business relationships. Therefore, suppliers must adopt and implement sourcing practices which include high expectations regarding the social and labor conditions of the workers in the supply chain, in accordance with the principles set out in the Kering Code of Ethics and its Suppliers' Charter. See [Appendix Social Compliance and Enforcement of the Kering Code of Ethics in Supply Chain](#).



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Comply with Kering Manufacturing Restricted Substances List (MRSL) and in particular, make sure paper and paper products are processed without chlorine

Kering is committed to ensuring all hazardous chemicals have been phased out and eliminated from its brands' processes and products by 2020. To this end, Kering has adopted a Manufacturing Restricted Substances List (MRSL). Suppliers will be required to ensure that all chemicals listed in the Kering MRSL are not intentionally used in the various process steps of production. This is the case whether the processing is taking place under the suppliers' control or upstream in the supply chain with sub-suppliers.

In particular, when chlorine is used to bleach paper, the process can result in the formation of harmful chemicals such as dioxins and furans which are known to cause cancer in humans. It is recommended to source paper that has been produced by a bleaching process that has been verified as totally chlorine-free (TCF) or process chlorine-free (PCF).

Preferentially source FSC certified wood from small-holders

Sourcing FSC certified wood can support ecological sustainability and livelihoods but there may be opportunities to do more by supporting certified sustainable small-scale forestry operations. Where possible, Kering recommends that suppliers seek to source wood products that are from FSC certified "small and low intensity forest management systems" and/or FSC certified community-managed forestry production.



BOX 1: Explanation of FSC Labels

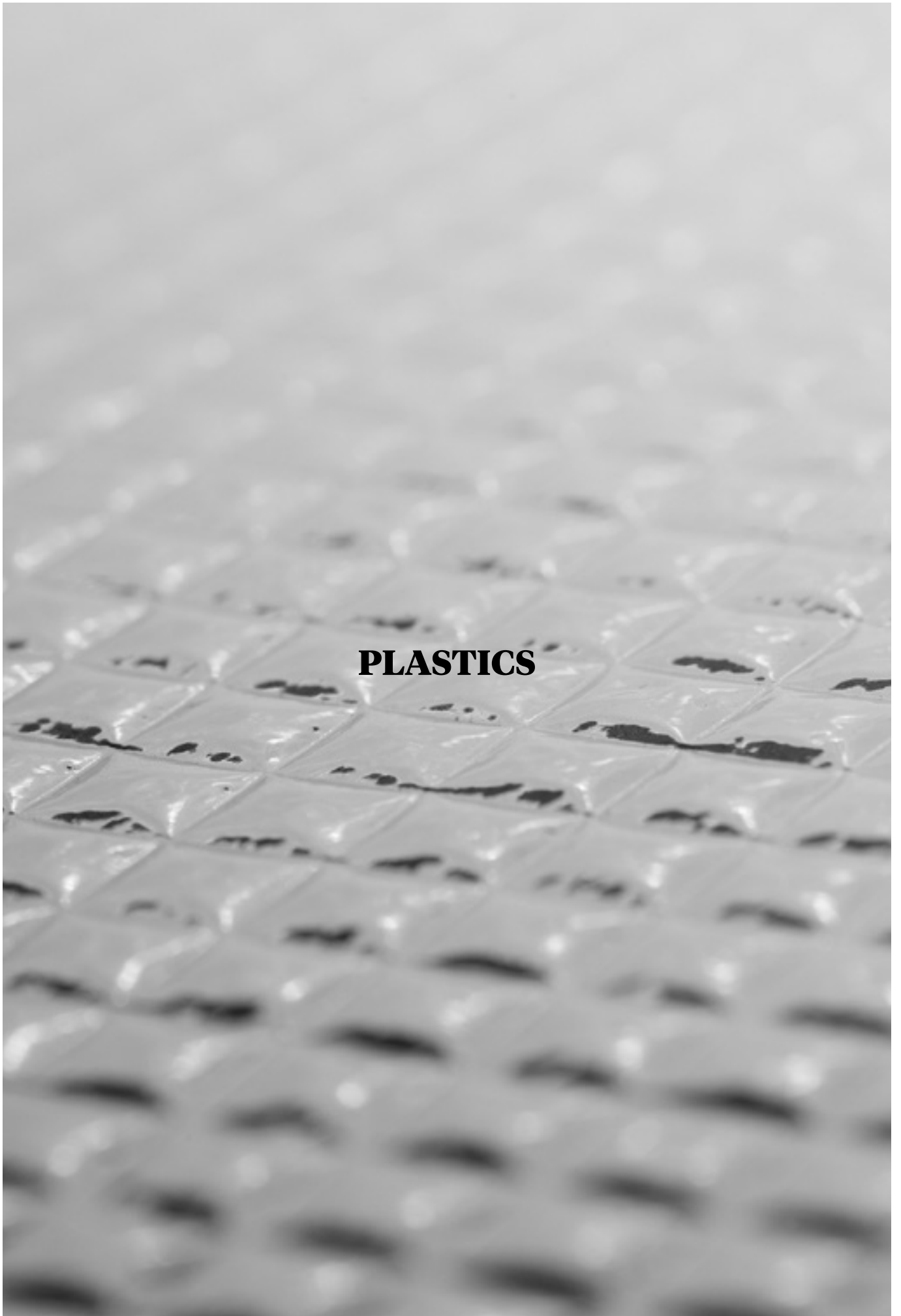
FSC 100%: Containing nothing but fiber from FSC certified forests. FSC certified forests have been independently audited to meet FSC's 10 Principles and Criteria for Forest Management.

FSC Mix: The timber or fiber in the product is a mixture of some/all of the following:

- Timber or fiber from an FSC-certified forest
- Reclaimed timber or fiber
- Timber or fiber from other controlled sources

FSC Recycled: All the timber or fiber in the product is reclaimed material. This represents both pre and post-consumer recycled material.





Plastic is a versatile and important material that may be irreplaceable for some purposes. However, plastic presents sustainability challenges across its lifecycle. Plastic is mainly made from non-renewable fossil fuel resources, whose extraction can have major environmental impacts. Production of plastic can also cause environmental and health impacts through the release of toxic chemicals during manufacturing. Perhaps most importantly, plastic has a very short lifespan and over half of plastic products are thrown away after a single use even though plastic is permanent and does not biodegrade. About 10% of plastic ends up in the ocean where it forms large “islands” or is eaten by marine life with devastating impacts and eventually ends up in the human food chain.

Kering is focused on reducing its use of plastic and moving to more sustainable, bio-based materials. The Kering Standard for plastic is grounded in the commitment to minimize use and release of toxic substances during manufacturing and to entirely avoid the most hazardous types of plastic (i.e. ban of PVC). Kering supports efforts to understand the life cycle impacts of different sustainable plastic options.

The Kering Standard for Plastic applies to all plastic types used in products, packaging and visual merchandising.

In summary, the key principles that underpin the Kering Standard for Plastic are:

- Complying with all national and international laws, principles and regulation notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the Suppliers’ Charter of the [Kering Code of Ethics](#)
- Avoiding PVC entirely
- Avoiding the most damaging substances in product use and manufacture through a [Product Restricted Substances List \(PRSL\)](#) and [Manufacturing Restricted Substances List \(MRSL\)](#)
- Encouraging the use of recycled content plastics and bio-based plastics
- Address the end-of-life of plastics



MINIMUM REQUIREMENTS

Do not use PVC in products or packaging

PVC poses potential environmental and health threats because of the chlorine containing by products (e.g. dioxins) that are produced during the manufacturing of PVC and burning of products that contain PVC. Chlorine by products are carcinogenic and extremely dangerous to human health and the environment, and to wildlife more broadly. Because of these risks, Kering has had a public target since 2012 for eliminating PVC from collections and products.

Comply with Kering Restricted Substances List (PRSL)

Compliance with the [PRSL](#) is requested for all plastic products, be this a raw material, component or finished product. Compliance with the PRSL must be ensured by the supplier through product testing and each Kering supplier must guarantee PRSL compliance of its products. Moreover, Kering oversees an internal testing program of the products as an additional auditing measure.

The PRSL is an appendix to your supplier agreement (contract or purchasing terms and conditions) with Kering brands. More information is available in the [Appendix: Summary of Kering Chemical Management Policy](#).

Apply the precautionary principle for nanotechnologies

Kering follows the precautionary principle and will not use any nanotechnology applications unless such applications are analyzed and proved to have no potential impact on human health and the environment, including an evaluation of end-of-life impacts. Suppliers are requested to proactively share information on nanotechnology uses in their manufacturing. More information is available in [Appendix: Summary of Kering Chemical Management Policy](#).

Comply with Kering Manufacturing Restricted Substances List (MRSL)

Kering is committed to ensuring all hazardous chemicals have been phased out and eliminated from its production. To this end Kering has adopted a Manufacturing Restricted Substances List (MRSL). As of January 1st 2020, suppliers must make sure that the chemicals listed in the MRSL are not intentionally used in the different process steps of the production, should this process step be taking place at the supplier's location or upstream in the supply chain. In particular for plastics, chemical categories of concern include: aromatic and aliphatic VOCs, azo dyes, ortho-phthalates, PAH, heavy metals, flame retardants, alkylphenols and organotins.

Furthermore, the supplier should work towards conformance to new releases of the MRSL, in order to meet new MRSL requirements by the communicated transition period. This is of particular relevance for plastics since restrictions on substances related to certain polymers (Rubber, Foam and Adhesives) have been introduced through latest release of the MRSL, MRSL V.2.0. Please refer to [Appendix: Summary of Kering Chemical Management Policy](#) for details.

This requirement is not applicable for packaging suppliers.

Source from producers respecting human rights and social requirements as set out in the Kering Code of Ethics

Kering is committed to respect and ensure internationally recognized human rights, both in its activities and through its business relationships. Therefore, suppliers must adopt and implement sourcing practices which include high expectations regarding the social and labor conditions of the workers in the supply chain, in accordance with the principles set out in the Kering Code of Ethics and its Suppliers' Charter. See [Appendix Social Compliance and Enforcement of the Kering Code of Ethics in Supply Chain](#).



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Prioritize the use of bio-based plastics and recycled plastics

Suppliers should prefer recycled plastics and bio-based plastics over conventional fossil-based plastics. These alternative plastics can have different features (e.g. bio-content, recycled content). These features are listed hereunder with a decreasing level of importance for Kering.

- Prefer plastics that are made with recycled content and certified (GRS is the preferred certification).
- If not possible, source plastics with bio-content, i.e. without any fossil/petrol content, and certified (OK Biobased).

Plastics with bio-content in today's market are composed of a mix of fossil content and bio-content. When sourcing this type of plastic, suppliers should maximize the percentage of non-fossil content and inquire about the feedstock that goes into producing the biological component of the plastic (crops, organic wastes, proteins, etc.).

Prefer second-generation plastics (using feedstock that is not a food source but is rather from non-edible parts of the plant, resources from forestry, proteins from discarded sources, etc) or third-generation plastics (using feedstocks from non-land based crops such as biomass derived from algae, fungi and bacteria). See [Kering Standard for Sustainable Innovation for Materials and Processes](#) for more information on feedstock generations.

Ask your supplier of plastics for information on the bio-content of their products.

Make all efforts to ensure that the feedstock is not a genetically modified organism (GMO). Kering does not support GMO in this context.

Suppliers should use an official test method to assess the percentage of bio-content (i.e. method ASTM D8666) and should be able to provide test results that assess the percentage of bio-content.

Minimize amount of critical ingredients

Prefer plastics with minimal amount of Plasticizers and Chlorine.

Minimize plastic leakage

Every year in Europe, 41,000 tonnes of unprocessed plastic granules, beads or flakes end up in the environment. To avoid this, the processes of plastics producers, processors and transporters need to be adapted, with equipment and procedures in place to prevent loss and leakage of this material that can poison living organisms. The installation of filters or systems to contain and collect granules on the ground are some examples of actions that would prevent the risk of dispersion.

Operation Clean Sweep® (OCS), a project initiated in 2015, aims to disseminate and systematise good practices during production, transport and processing operations.

Address the end-of-life of plastics

Prefer plastics that are recyclable.

Ban oxo-fragmentable plastics. Oxo-fragmentable plastics are not proven to biodegrade and the fragments could increase the level of microplastics in the oceans and hence their environmental benefits are questionable.

See [Kering Standard for End-of-Life](#).



BOX 1: Plastics and bio-plastics, definitions

Bio-plastics refer to two types of plastics:

- Plastics with **bio-content**, also called bio-based polymer, are made from renewable biomass such as corn starch, woodchips, vegetable oil, food waste, etc. The resulting polymer can be starch-based, cellulose-based, protein-based, etc.
- Biodegradable plastics

Some plastics can be both bio-based and biodegradable.

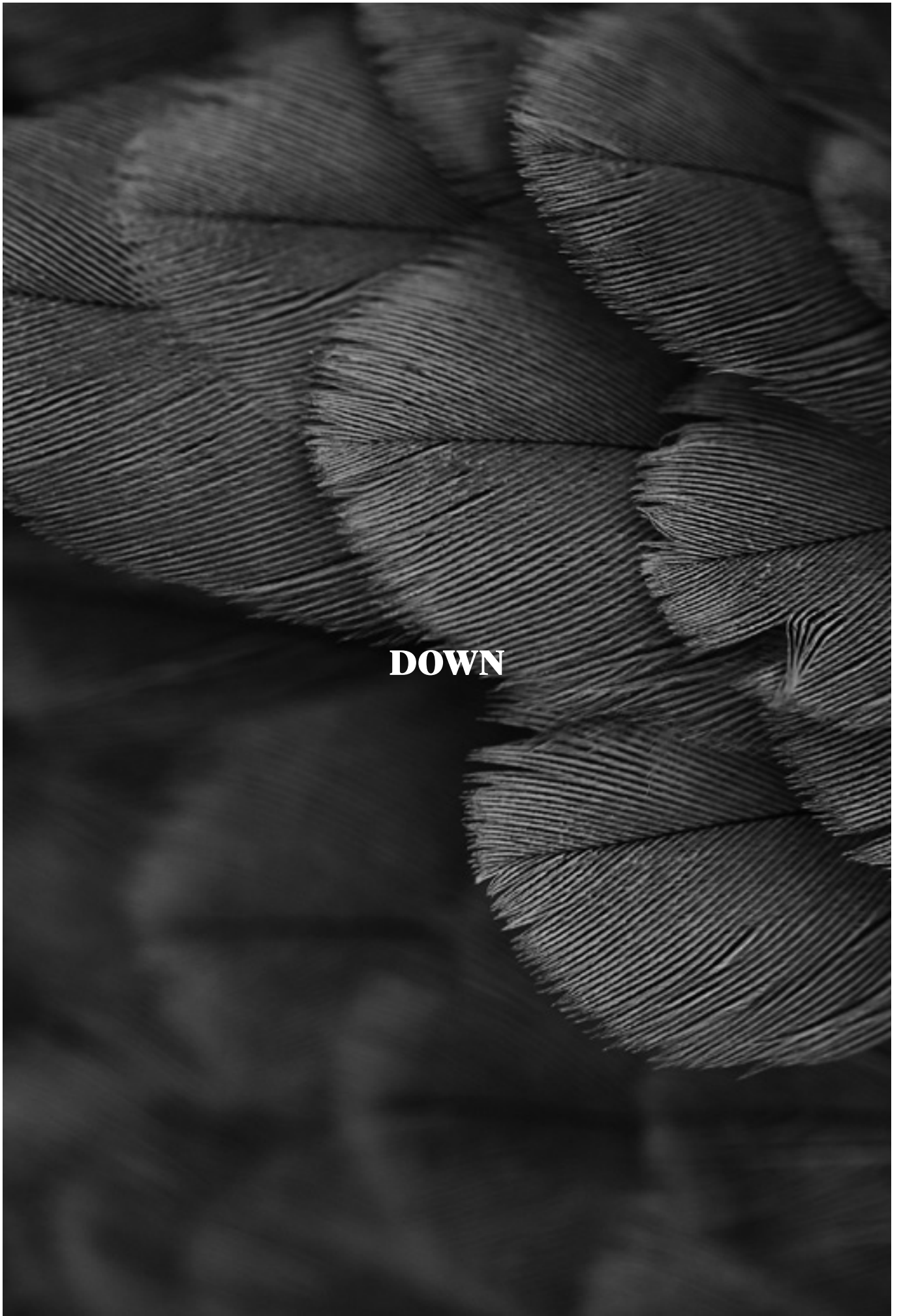
A **biodegradable** plastic is a plastic that can be broken down by microorganisms (bacteria or fungi) into water, gases (carbon dioxide and methane) and biomass. Biodegradability depends strongly on the environmental conditions such as temperature, presence of microorganisms, presence of oxygen and water.

A **recyclable** plastic is a plastic that can potentially be reprocessed after the initial use phase into new materials and objects. Nearly all types of plastics are in theory recyclable, but in reality only a few types are recycled as the extent of recycling in different regions depends on economic, logistics and technical factors.

A **compostable** plastic is a plastic that can break down in composting conditions. The disintegration of the plastic must take place in a composting process for organic waste within a certain time period. The result of the decomposition must be indistinguishable in the compost and cannot leave any toxic material behind. Composting is a specific form of recycling, sometimes referred to as organic recycling.

All bio-based plastics are not biodegradable. Some petrol-based plastics are biodegradable. All compostable plastics are biodegradable, but not all biodegradable plastics are compostable.





Down comes from different species of farmed geese and ducks and is most often a by-product of the food industry. The major consideration when sourcing down is the animal welfare, from the parent birds through to the down/feather producing birds. While all aspects of animal welfare need to be at the highest standards (including housing, handling, nutrition, etc.), the key issues are to ensure that there is no force-feeding of the animals and that there is no live plucking. Kering is wholly against these practices and committed to ensure they are not occurring in its supply chain.

This Kering Standard for down covers down from geese and ducks used in any product. Kering only accepts down that is from certified and verified sources. See the [Appendix: Animal Welfare](#) for more information.

In summary, the key principles that underpin the Kering Standard for down are:

- Complying with all national and international laws, principles and regulation notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the Suppliers' Charter of the [Kering Code of Ethics](#)
- Understanding origin of down and working towards full traceability
- Preferring down that is certified to meet [Kering's animal welfare standards](#)



MINIMUM REQUIREMENTS

Provide information on the origin of the down

Kering is committed to achieving the highest level of transparency when sourcing down because of the animal welfare risks associated with down production. In this context, suppliers using down are required to provide information on the origin of the down up to the farm and/or processing facility level.

Wherever possible, use recycled down with GRS certification

Recycled down is a sustainable alternative preferred by Kering when there is a certification on chain of custody. In particular, GRS certified recycled down is an excellent option.

For new down, only use down that has been certified according to the Responsible Down Standard (RDS) or Traceable Down Standard (TDS)

From 2020 onwards, Kering brands will only source from suppliers with certified chain of custody to the standards of RDS and/or TDS. Suppliers claiming this certification need to show evidence with the appropriate certificates, document traceability and demonstrate proof of recent audits.

The certification “Downpass” currently is not preferred and does not meet the Kering Standards because there is no third party verification and it does not cover the entire supply chain. If this should change, suppliers will be notified. See [BOX 1](#).

Source from producers respecting human rights and social requirements as set out in the Kering Code of Ethics

Kering is committed to respect and ensure internationally recognized human rights, both in its activities and through its business relationships. Therefore, suppliers must adopt and implement sourcing practices which include high expectations regarding the social and labor conditions of the workers in the supply chain, in accordance with the principles set out in the Kering Code of Ethics and its Suppliers' Charter. See [Appendix Social Compliance and Enforcement of the Kering Code of Ethics in Supply Chain](#).



BOX 1: Explanation of Down Certifications

The **Responsible Down Standard** ensures that down and feathers come from ducks and geese that have been treated well. This means enabling them to live healthy lives, express innate behaviors, and not suffer from pain, fear or distress. The standard also follows the chain of custody from farm to product, so consumers can be confident that the down and feathers in the products they choose are truly RDS.

More information available on [Responsible Down's website](#).

The **Traceable Down Standard** was developed by the brand Patagonia with the goal of providing their customers with the highest assurance that the down in their garments comes from a responsible source that respects animal welfare. The only way to achieve this is to evaluate every link in the supply chain from the parent farm to the garment factory for: 1) animal welfare including non-force feeding and non-live plucking and 2) traceability management systems including documents showing an unbroken chain of custody of the down.

More information available on [Patagonia's Down Standard on their website](#).

The first version of the **Downpass Standard** was completed in June 2016. As part of a continuous improvement process, a new version of the standard is valid from 01 January 2017 and 132 stands for the exclusion of feathers and down from live animals, material from foie gras production as well as rearing control. Although the revised standard is an improvement, Downpass is not third-party verified and still allows certain practices that are not accepted by Kering (e.g. de-beaking), and therefore is not a preferred certification for Kering brands.



CELLULOSIC FIBERS



The Kering Standard for cellulosic fibers covers man-made cellulosic fibers from forestry sources, including viscose or rayon, lyocell, modal, acetate and other trademarked brands of these fibers. These fibers can sometimes come from other sources such as bamboo or recycled materials, but a wide majority of the cellulose used to create them comes from forests. This is where the risks are the highest in terms of environmental and social aspects. One of the main issues in using these fibers is that the wood pulp may be sourced from endangered forests such as the Canadian and Russian Boreal Forests, Coastal Temperate Rainforests of British Columbia, Alaska and Chile, and the tropical forests and peat lands of Indonesia, the Amazon and West Africa. Kering is supporting the approaches and systems that do not use ancient and endangered forests in man-made cellulosic fibers. Another main issue of cellulosic fibers arises from the production process during which the cellulose of the wood pulp is turned into a liquid from which the fiber is then extruded. A lot of chemicals are used to dissolve the pulp and to obtain a finished filament and the chemical substances and gases produced during this process can potentially harm the environment and the workers.

This Kering Standard for cellulosic fibers is aligned with and builds on the work of not-for-profit organization Canopy, which collaborates with brands and retailers to ensure that their supply chains are free of ancient and endangered forests as part of the CanopyStyle Initiative.

Kering is aware that both the wood feedstock for cellulosic fibers and chemicals used to turn that feedstock into fiber must be addressed to improve the total sustainability of cellulosic fibers including viscose. By design, Kering has split these issues across two Standards: 1) the Kering Standard for Cellulosic Fibers, which focuses on sourcing wood pulp from sustainably managed forests investigating new feedstocks that may have an even better sustainability profile and extrusion of the fiber, and 2) the [Kering Standard for textile processing](#), which focuses on minimizing hazardous chemicals in production and in wastewater by requiring Kering suppliers to conform to its [Manufacturing Restricted Substances List \(MRSL\)](#) and [Product Restricted Substances List \(PRSL\)](#). Kering will continue to work collaboratively to improve the sustainability of the cellulosic supply chain and will proactively respond to human rights or environmental concerns in this sector. Non-wood cellulosic fibers (i.e. cupro) are not covered under this Standard because of the differences in supply chain and impacts. The greatest concern surrounding most of these fibers is related to chemicals so please refer to Kering's MRSL and PRSL when analyzing the sustainability of non-wood cellulose. For non-wood cellulosic fibers, which can be derived from cotton, for instance acetate from cotton (eyewear) or cupro, please also refer to the [Kering Standard for cotton](#). Bamboo can also have significant biodiversity and land use impacts, which should be taken into consideration.

Additional Standards are available for the processing of fabrics and chemical management (See [Kering Standard for textile processing](#) and [Appendix: Summary of Kering Chemical Management Policy](#)).

In summary, the key principles that underpin the Kering Standard for cellulosic fibers are:

- Complying with all national and international laws, principles and regulation notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the Suppliers' Charter of the [Kering Code of Ethics](#)
- Eliminating controversial supply chains that may negatively impact forest resources or endangered species habitats
- Ensuring that the processes used during fiber production do not have negative impacts on the environment or on the health of factory workers
- Relying on third-party methodologies to select the best managed forest resources
- Exploring alternate raw materials (i.e. recycled content, agricultural residues)



MINIMUM REQUIREMENTS

Inquire about cellulosic fiber origin

Kering is committed to achieving the highest level of transparency within its cellulose supply chain. In this context, suppliers are required to make all reasonable efforts to provide Kering with information about the origin of these fibers to evaluate the associated sourcing risk. This information includes:

- Name and address of the viscose/cellulosics producer
- Name, address and list of sourcing countries of dissolving pulp producer

Put in place a sourcing policy

Suppliers must put in place sourcing policies committing to not source cellulosic fibers from ancient and endangered forests or controversial sources. Suppliers will work with their supply chain to eliminate viscose/cellulosics coming from controversial supply chains that are not complying with national and international laws on legal trade, human rights and the protection of endangered forests.

In accordance with Kering's commitment to ensure that it does not source from endangered forests, suppliers of viscose or rayon and other cellulose will use best efforts to eliminate sourcing fiber made with dissolving pulp from:

- Companies that are logging forests illegally, from tree plantations established after 1994 through the conversion or simplification of natural forests, from areas being logged in contravention of indigenous peoples' rights, or from other controversial suppliers. Kering requests that its suppliers acknowledge the right of Indigenous People and rural communities to give or withhold their Free, Prior and Informed Consent (FPIC) before new logging rights are allocated or plantations are developed. Kering requests that its suppliers resolve complaints and conflicts, and remediate human rights violations through a transparent, accountable, and agreeable dispute resolution process.
- Endangered species habitats and ancient and endangered forests areas such as the Canadian and Russian Boreal Forests, Coastal Temperate Rainforests, tropical forests and peatlands of Indonesia, the Amazon and West Africa.

Evaluate your supply chain vis-à-vis the CanopyStyle methodology

Kering strongly encourages its suppliers to evaluate their own supply chain vis-à-vis the CanopyStyle methodology and to aim for continuous improvement. This means sourcing from the highest-ranked producers and/or supporting the current producers to improve their practices. See [BOX 1: The Work of CanopyStyle on improving the cellulosic supply chain](#).

Source from producers who can provide verified sustainable feedstock

Producers meeting CanopyStyle Audit expectations have demonstrated a higher performance level on sustainability aspects. Kering expects suppliers using cellulose from wood pulp to source from producers who can provide verified sustainable feedstock, such as those meeting the CanopyStyle Audit expectations. Currently, approximately 60% of the market fulfills this requirement.

See [BOX 1: The Work of CanopyStyle on improving the cellulosic supply chain](#).

Producers sourcing from EU plantation forests will need to show verification of this supply chain and sustainable management of plantation forest feedstocks.

Use best efforts to source from producers that have a closed-loop chemical management system

Suppliers are expected to propose cellulosic fibers made from a closed-loop chemical management system so that the chemicals that are used and produced during the transformation of wood pulp to cellulosic filament do not escape into the environment and also potentially harm workers. A closed-loop chemical management system means preventing and reducing chemical air emissions, decreasing water consumption, minimizing chemical impacts and phasing out and eliminating hazardous waste, with the goal to achieve a complete closed-loop production system.

Once the above conditions have been met and Kering is certain no sourcing is coming from ancient and endangered forests, endangered species or controversial sources Kering will look for the following additional conditions.



MINIMUM REQUIREMENTS

Source from producers respecting human rights and social requirements as set out in the Kering Code of Ethics

Kering is committed to respect and ensure internationally recognized human rights, both in its activities and through its business relationships. Therefore, suppliers must adopt and implement sourcing practices which include high expectations regarding the social and labor conditions of the workers in the supply chain, in accordance with the principles set out in the Kering Code of Ethics and its Suppliers' Charter. See [Appendix Social Compliance and Enforcement of the Kering Code of Ethics in Supply Chain](#).



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

For virgin fibers only use fibers sourced from certified sustainably managed forests

Forest Stewardship Council's (FSC) forest management certification is in line with Kering's commitment to sustainable management and avoiding destructive forestry practices such as illegal logging, natural forest conversion to other land uses, liquidation of high conservation value forests, civil rights violations, and genetic modification of forest species standards. Suppliers should request fibers sourced from forests that are certified to FSC standards when sourcing virgin cellulosic fibers. Please note that this recommended standard is different from the FSC chain-of-custody certification, which applies to businesses that manufacture or sell forest products and confirms that FSC-certified material is handled and tracked correctly throughout the entire supply chain.

As an example, products from the suppliers Lenzing, Enka, Eastman and Mitsubishi come from certified forests.

As suppliers move towards FSC Certified sourcing, please refer to the Kering Materials Innovation Lab for updated information.

Propose alternative fibers made from recycled materials or agricultural residues

Suppliers should work toward developing sources of cellulosic fibers with lower environmental impacts, such as recycled materials and agricultural residues to reduce dependence on natural resources. Cellulosic fabrics certified to Global Recycled Standards (GRS) are also acceptable although cannot guarantee wood pulp source.

Ask producers if they have conservation solutions in place

Suppliers should demonstrate further commitment to ensure that producers and pulp suppliers are working to prevent further forest destruction by asking them whether they have meaningful conservation planning in place based on independent science for long-term sustainability of ancient and endangered forests.

Kering is committed to playing an active role in advocating conservation solutions for the world's ancient and endangered forests through its partnership with Canopy.



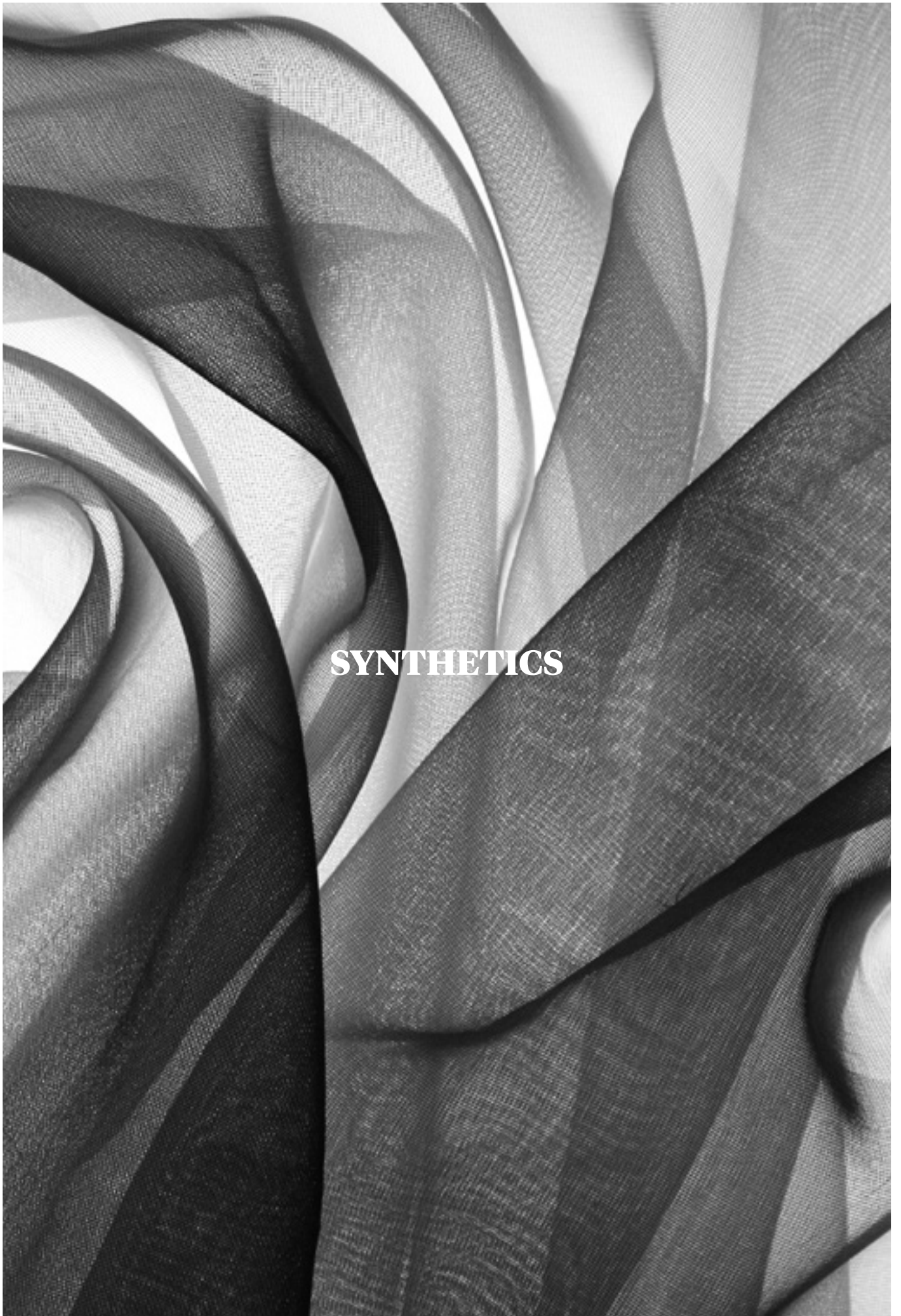
BOX 1: The Work of CanopyStyle on Improving the Cellulosic Supply Chain

Canopy is a non-profit environmental organization created in 1999, which is dedicated to protecting forests, species and the climate. Since 2013, Canopy has been working with brands and suppliers to improve the viscose (and other cellulose) supply chain and halt their impact on ancient and endangered forests through a collaborative initiative called CanopyStyle. To further this goal, CanopyStyle has developed a methodology to assess viscose/cellulose producers and has policies in place with nine out of the top ten largest producers representing approximately 70% of the global market share of these fiber types.

The methodology of CanopyStyle and the corresponding ranking of viscose producers performance released in December 2020 is available at:

<https://hotbutton.canopyplanet.org/>





Unlike natural fibers, such as cotton, wool and silk, which are cultivated from plant or animal resources, synthetic fibers are man-made. They are created through polymerization, which is the process of chemically combining monomers, or building block molecules, that can bind together to create polymer chains. Conventional synthetics such as nylon, acrylic, polyester and elastane are produced using by-products of petroleum and/or natural gas. The manufacturing process of synthetic yarns includes chemical polymerization, drying into chips, and the liquification of the chips prior to a melt spinning process. Synthetic yarns developed from petrochemicals were commercially introduced in the early to mid 20th century and created new alternatives to natural fiber-based fabrics with different performance attributes. Synthetic fibers currently account for approximately 65% of the total worldwide fiber use and polyester accounts for over 70% of all synthetic fibers used. Synthetic fibers provide valuable performance attributes such as strength, abrasion resistance, stretch and recovery, as well as other important characteristics like flame resistance. There are a number of sustainability issues associated with conventional synthetic fibers, including the use of fossil fuels as their raw material feedstock (a non-renewable resource), the amount of carbon emissions released during production, as well as chemical, energy and water use. Furthermore, synthetic fibers shed microplastics and there are end-of-life issues, as they do not biodegrade.

In acknowledgement of these issues, the Kering Standard for Synthetics is supporting the use of recycled synthetic fibers and also bio-derived feedstock to avoid the dependency on virgin fossil fuel feedstock. Recycled materials include both pre and post-consumer waste and bio-derived synthetic fibers include those from sugars, starches and lipids, which are becoming more available and can be indistinguishable from conventional synthetic fibers from a performance and processing perspective.

The Kering Standard for Synthetics covers synthetic fibers from petroleum (fossil fuels), recycled materials and bio-based feedstock. The fibers covered in the Kering Standard for Synthetics include polyester, polyamide (nylon), acrylic, modacrylic, elastane (spandex), polyurethane, metallic yarns (i.e. Lurex) and other trademarked brands associated with these fabrics. Kering is aware that synthetic feedstocks and chemicals used to turn those feedstocks into fabrics must be addressed to improve the total sustainability of its synthetic fabrics. By design, Kering has split these issues across two Kering Standards: 1) the Kering Standard for Synthetics, which focuses on sourcing feedstock from recycled or bio-based materials and extrusion of the fiber and 2) the Kering Standard for Textile Processing, which focuses on minimizing hazardous chemicals in production and in wastewater through requiring Kering suppliers to conform to its [Manufacturing Restricted Substances List \(MRSL\)](#) and [Product Restricted Substances List \(PRSL\)](#) and by meeting the ZDHC wastewater standards. Kering will continue to work collaboratively in the industry to improve the sustainability of the synthetic fabric supply chain, including any issues around human rights and environmental concerns in this sector. Additional Kering Standards are available for the processing of fabrics and chemical management (See [Kering Standard for textile processing](#) and [Appendix: Summary of Kering Chemical Management Policy](#)).

In summary, the key principles that underpin the Kering Standard for Synthetics are:

- Complying with all national and international laws, principles and regulation notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the Suppliers' Charter of the [Kering Code of Ethics](#)
- Phasing out hazardous substances in product use and manufacturing through a [Product Restricted Substances List \(PRSL\)](#) and [Manufacturing Restricted Substances List \(MRSL\)](#)
- Advocating the use of recycled content and bio-based materials
- Addressing the end-of-life for synthetic fibers



MINIMUM REQUIREMENTS

Provide information about synthetic fabric origin

Kering is committed to achieving the highest level of transparency within its synthetic supply chain. In this context, suppliers are required to make all reasonable efforts to provide Kering with information about the origin of these fabrics to evaluate the associated sourcing risk. This information includes:

- Name and address of the synthetic fabric producer.
- Name and address of the synthetic yarn producer.

Comply with Kering Manufacturing Restricted Substances List (MRSL)

Kering is committed to ensuring all hazardous chemicals have been phased out and eliminated from its production by 2020. To this end, Kering has adopted a [Manufacturing Restricted Substances List \(MRSL\)](#). By 2020, suppliers must make sure that the chemicals listed in the MRSL are not intentionally used in the different process steps of the production, should this processing be taking place at the supplier's location or upstream in the supply chain. In particular for plastics, chemical categories of concern include aromatic and aliphatic VOCs, azo dyes, ortho-phthalates, PAH, heavy metals, flame retardants, alkylphenols and organotins.

Comply with Kering Product Restricted Substances List (PRSL)

Compliance with the Kering Product Restricted Substances List (PRSL) is required for all synthetic fibers. Compliance with the PRSL must be ensured by the supplier through product testing and each Kering supplier must guarantee PRSL compliance of its products. Moreover, Kering will oversee an internal testing program of the products as an additional auditing measure.

The PRSL is an appendix to the supplier agreement (contract or purchasing terms and conditions) with Kering brands. More information is available in the [Appendix: Summary of Kering Chemical Management Policy](#).

Source from producers respecting human rights and social requirements as set out in the Kering Code of Ethics

Kering is committed to respect and ensure internationally recognized human rights, both in its activities and through its business relationships. Therefore, suppliers must adopt and implement sourcing practices which include high expectations regarding the social and labor conditions of the workers in the supply chain, in accordance with the principles set out in the Kering Code of Ethics and its Suppliers' Charter. See [Appendix Social Compliance and Enforcement of the Kering Code of Ethics in Supply Chain](#).



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Prioritize the use of recycled and bio-based synthetics

Suppliers should propose recycled and bio-based synthetics, with the highest possible percentage over conventional fossil-based synthetic fabrics. These alternative synthetics can have different features (i.e. bio-content, recycled content, etc.) and they are listed below with a decreasing level of importance for Kering:

- Prefer synthetics that are made with recycled content certified to the Global Recycled Standards (GRS). If not possible, source synthetics with biobased content (non-fossil/petrol content).
- Prefer synthetics that are recyclable.

Synthetics with bio-content in today's market are often composed of a mix of fossil content and bio-content. When sourcing these types of synthetics, suppliers should maximize non-fossil content in yarns and fabrics and inquire about the origin of the feedstock that goes into producing the biological component of the synthetics (i.e. crops, organic wastes, proteins, etc.).

- Prefer second-generation or third-generation synthetics using feedstock that is not a food source but is rather from non-edible parts of the plant, resources from forestry, proteins from discarded sources, biomass derived from algae, fungi and bacteria, etc. Ask the supplier of synthetics for information about the bio-content of their products.
- Make all efforts to ensure that the feedstock is not from genetically modified organisms (GMO). Kering does not support GMO.

Suppliers should use an official test method to assess the percentage of bio-content, such as ASTM D8666 method (American Society of Testing and Materials) or EN 16785- 1:2015, and should be able to provide test results that assess the percentage of bio-content.

Whenever possible, suppliers should provide Kering brands with life cycle analysis of the synthetic material used in the product to scientifically show how it compares to its conventional equivalent.

More information on terminology for synthetics is available in the [Glossary](#).

Preferably source synthetics that have been certified

Suppliers should preferably source synthetics that have been certified according to:

- The Global Recycled Standard (GRS), which is a voluntary standard from Textile Exchange. It is applicable internationally for recycled content, chain-of-custody, social and environmental practices and chemical restrictions.
- One or more of the following certifications for bio-based fabrics:
 - Bio-based content certification as specified by EN 16785-1:2015
 - OK Bio-based TUV
 - DIN CERTCO Biobased

Minimize plastic leakage

Every year in Europe, 41,000 tonnes of unprocessed plastic granules, beads or flakes end up in the environment. To avoid this, the processes of plastics producers, processors and transporters need to be adapted, with equipment and procedures in place to prevent loss and leakage of this material that can poison living organisms. The installation of filters or systems to contain and collect granules on the ground are some examples of actions that would prevent the risk of dispersion.

Operation Clean Sweep® (OCS), a project initiated in 2015, aims to disseminate and systematise good practices during production, transport and processing operations.



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Address microfiber leakage pollution

Suppliers will also stay up to date on various test methods for microfiber shedding. Test methods are currently being developed by The ASTM (American Society for Testing and Materials), The AATCC (American Association of Textile Chemists and Colorists) and The University of Leeds.

Please note that oxo-fragmentable fibers should not be used as the micro fragments released could increase the level of microplastics in the oceans.

Biodegradable/compostable fibres cannot be seen as a potential solution to the microfibre leakage pollution because both biodegradation and compostability depend on very specific environmental conditions in terms of temperature and moisture profiles, which may not be found in all environmental locations that microfibres end up. As such, while a fibre may be regarded as 'biodegradeable' or 'compostable' this might not occur easily in certain environmental locations eg deep sea, extreme cold etc.

Address end-of-life issues

Suppliers should move to recycling technologies which have the ability to deliver virgin-equivalent fibers in quality and in order to promote the circular economy.

In the future, when there are viable options and technology to recycle synthetics back into synthetics, suppliers should prefer synthetics that are able to be recycled (i.e. not blended or with minimum blend).

See [Kering Standard for End-of-Life](#).



BOX 1: Recommended Bio-based Certifications

	Status	Certifier	Scope
DIN CERTCO Biobased	Voluntary Standard	DIN	Mainly Europe but recognized worldwide Determination of Biobased carbon content Based on ASTM D6866 / EN 17228 / ISO 16620 standards Delivered by DIN CERTCO 3 levels of performance: 20-50%; 50-85%; sup. 85%
OK Biobased	Voluntary Standard	TUV	Mainly Europe but recognized worldwide Determination of Biobased carbon content Based on EN 16640 standard Delivered by TUV AUSTRIA Belgium 4 levels of performance: 20-40%; 40-60%; 60-80%; sup. 80%
Biobased Content Certification	Voluntary Standard	Biobased	EU scheme to demonstrate the bio-based content in a product and labeled with this claim based on European standard EN 16785-1

71

BOX 2: Bioplastics vs Biodegradability

	Fossil Based	Bio-based
Not Biodegradable	Polyester (PET) Polyamide (PA) Polypropylene (PP)	Bio-PET Bio-PA Bio-PP
Biodegradable	Non textile	Polylactic Acid (PLA) (only in industrial compost)

This area is in a state of flux as more biodegradable products are being developed from both types of feedstock.





OTHER RAW MATERIALS



Although the following materials are sometimes used in the Kering supply chain, they are used in small quantities, and are therefore not included as individual 'stand-alone' standards. Nevertheless, Kering expects adherence to the following principles and requirements.

NOTE: Kering has a strict ban on sourcing any wild species that appear on the IUCN Red List, and are listed as near-threatened, vulnerable, endangered or critically endangered.

Animal-based Materials

Mohair

- Preference for mohair that carries the RMS certification (Responsible Mohair Standard).
- Alignment with [Kering Animal Welfare Standards for Goats](#).

Alpaca

- Preference for alpaca that carries the RAS certification (Responsible Alpaca Standard).
- Alignment with [Kering Animal Welfare Standards](#).

All other animal-based materials

- Alignment with the fundamental principles for Animal Welfare as outlined in the [Kering Animal Welfare Standards](#), throughout all the different phases of an animal's life (catching, maintaining, breeding, raising, transporting, handling, and slaughtering).
- Kering will require information about the origin of the material such as: name of farms or herding cooperative, name of abattoir (if applicable), name of processing facility (if applicable).
- Kering will evaluate particular certifications or standards if available and as needed.
- Horns from farmed animals (cattle, goats, etc) should only originate from sources that are aligned with the Kering Animal Welfare Standards.

Plant-based Materials

Rubber/Latex

- Whenever possible, natural rubber shall follow the same sourcing principles described in the Kering Standard for Paper and Wood. More specifically Kering will prefer suppliers actively engaged with the Global Platform for Sustainable Natural Rubber (GPSNR) and the Forest Stewardship Council (FSC).
- Synthetic rubber shall follow the same guidelines as outlined in the [Kering Standard for Synthetics](#).

Bamboo and Cork

- Bamboo and Cork shall strictly follow the same requirements as outlined in the Kering Standard for paper and wood regarding chemical management, use of recycled materials and commitment to sustainable management through FSC certified products. Although bamboo is a plant and not a tree, it can follow the exact same recommendations as the wood and paper standard. Recycled bamboo exists, and FSC certification applies to bamboo (and is quite common). Thus, Kering expects bamboo to follow the same requirements as in the [Kering Standard for Paper and Wood](#).

Pearls and Mother of Pearl

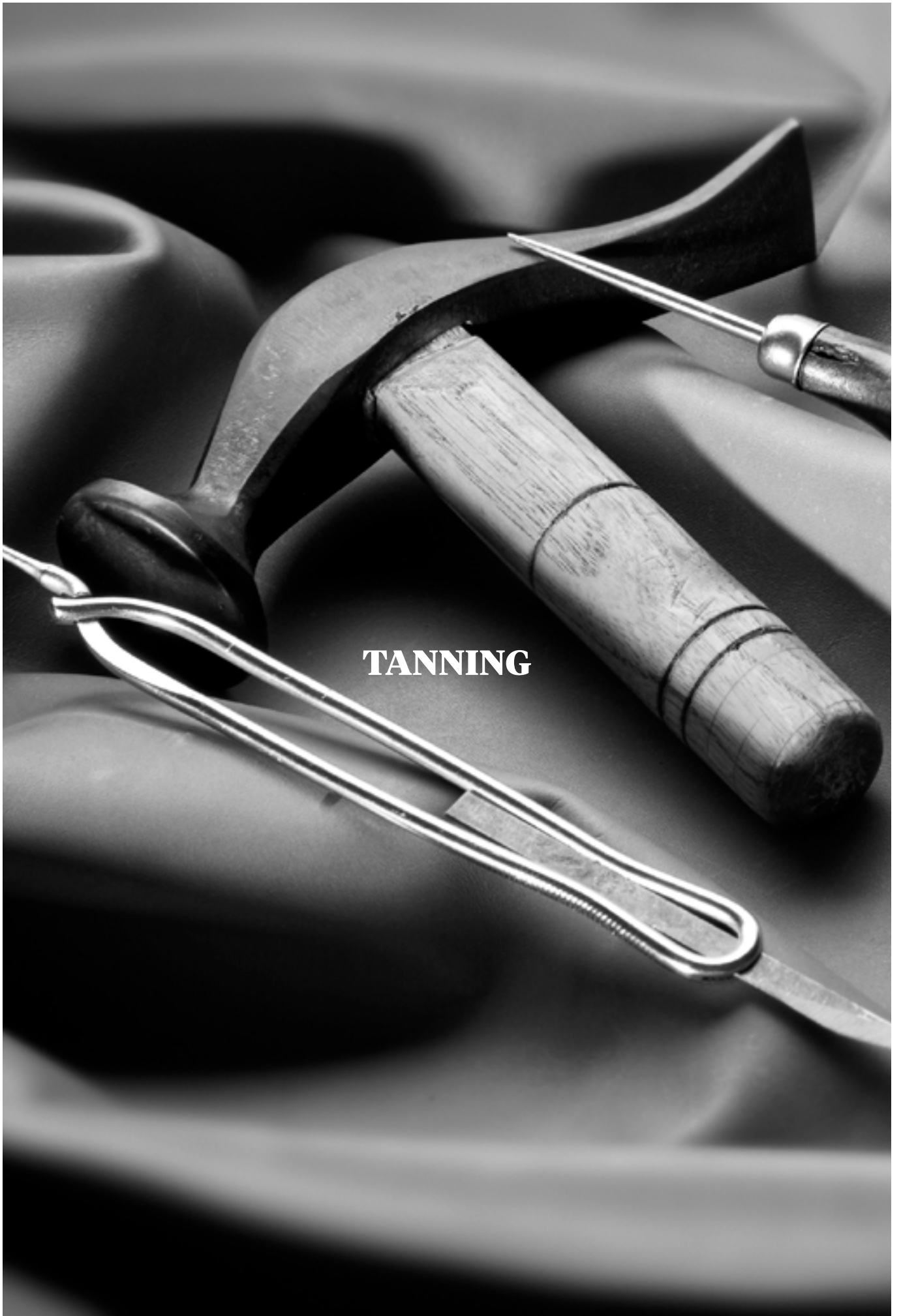
- When sourcing pearls, suppliers may be required to provide information on the pearl farm to ensure the farms (a) respect local regulations, (b) manage water flows (and potential effluent) sustainably, (c) manage potential disease risk in a manner that does not damage surrounding ecosystems. For farms that harvest and 'seed' wild oysters, there must be strict attention paid to maximum sustainable yield of the oyster fishery.
- Suppliers might also be requested to provide information on how the farms stimulate the pearl-formation process, and whether the pearls are treated with any bleach or chemicals.
- Suppliers must ensure that pearl farms adhere to safe working conditions and provide fair wages to regular and seasonal employees.
- Kering has a preference for pearl producers that have attained MSC (or ASC) certification, such as the Pearl Producers Association of Australian South Sea Pearls.

Other marine and freshwater products

- Preference for products that carry Marine Stewardship Council (MSC) or Aquaculture Stewardship Council (ASC) certification.
- Given the precarious status of corals around the world, and their critical role in ensuring proper marine ecosystem functioning, Kering has a ban on the use of coral.



STANDARDS FOR MANUFACTURING PROCESSES



Although leather is often considered a natural product since it is derived from animal hides, the chemicals used in tanning can add potentially hazardous substances to the natural hides. These substances are accompanied by wastewater and waste streams that must be properly managed in order to avoid environmental and health impacts. A study conducted by Kering in Italy in 2016 showed that 6% of the chemical products used in tanneries contain hazardous substances that can be toxic, carcinogenic, or disrupt hormonal systems in people/animals; whereas, there are potential existing greener alternatives for tanning. Additionally, tanning is a process that uses large amounts of water and energy, and often in larger quantities as compared to optimally managed tanning process requirements. Kering is tackling this issue by encouraging suppliers to adopt best available technologies in process equipment and management and by requesting that suppliers provide environmental Key Performance Indicators (e-KPIs) for their production processes. Waste produced during tanning is another issue and Kering expects suppliers to ensure proper waste management, to recycle as much waste as possible, and to properly segregate and treat chrome containing waste and hazardous wastes. Furthermore, the tanning process has a high potential for health and safety risks that can exist in all steps of the tanning process from raw material storage to finishing and effluent treatment. Risks related to chemicals, machinery, workplace conditions and general emergencies must be reduced. Kering works with suppliers to audit all facilities to assess adherence to the Kering Standards.

The requirements outlined below for the Kering Standard for Tanning are focused on the different tanning steps leading to wet-blue/wet-white, crust and finished leather. Additional Kering Standards are available for the sourcing of hides (See [Kering Standard for Hides and Skins for Leather](#) and [Kering Standard for Precious Skins](#)).

In summary, the key principles that underpin the Kering Standard for tanning are:

- Complying with all national and international laws, principles and regulation notably related to human rights, fundamental freedom, health and safety and the environment as set out in the Suppliers' Charter of the [Kering Code of Ethics](#)
- Avoiding the use of potentially hazardous chemicals
- Adopting best practices for occupational health and safety for employees
- Improving energy and water efficiency levels, and being able to measure them throughout the process
- Properly treating waste and wastewater
- Promoting recycling and upcycling of waste and residues
- Adopting environmental and social certification schemes



MINIMUM REQUIREMENTS

Comply with national legislation

It is legally mandated that tanneries strictly comply with national and local legislation, in particular with regard to the environment as well as health, safety and welfare of permanent and occasional workers at the facility.

Comply with human rights and social expectations as set out in the Kering Code of Ethics

Kering is committed to respect and ensure internationally recognized human rights, both in its activities and through its business relationships.

To this end:

- Kering is making available its Alert System to external and occasional employees working for any service-provider/supplier or external partner with whom the Group and/or its Houses maintain contractual relationships. Kering expects therefore its direct suppliers to refer to the Group Ethics Committees (by mail or through an external hotline) when in doubt or in the event of any malfunction related to the principles set out in the Kering Code of Ethics and its Suppliers' Charter. See [Appendix Kering Alert System](#);
- Kering requires its brands' suppliers to be audited for compliance with the Kering Suppliers' Charter which covers key ethical, social, environmental and security aspects in line with International Standards. The audits are conducted by the Kering Supply Chain Audit Team (KSCA) at Kering brands' suppliers. These audits in addition to supplier engagement activities are intended to provide a risk management framework to address key sustainability concerns in the supply chain. The suppliers are required to pass the audit or address non-compliances in a reasonable timeframe. More information is available in [Appendix Social Compliance and Enforcement of the Kering Code of Ethics in Supply Chain](#).

Comply with Kering Product Restricted Substances List (PRSL)

Compliance with Kering's [PRSL](#) is requested for all finished leather from the supplier who has the full responsibility of the product, as well as for possible contaminations occurring upstream in the production process. Each Kering supplier must guarantee PRSL compliance of its products and ensure this through supplier product testing. Moreover, Kering oversees an internal testing program of the products as an additional auditing measure.

The PRSL is an appendix to your supplier agreement (contract or purchasing terms and conditions) with Kering brands. More information is available in [Appendix: Summary of Kering Chemical Management Policy](#).

Do not use leather coming from unknown tanneries

Kering aims at having full visibility of its leather supply chain to minimize risks related to environmental and social aspects like water pollution, improperly managed waste, and forced labor. Kering is working with its suppliers to progress step by step towards more transparency. For this reason, Kering brands shall not purchase finished leather and skins from traders unable or unwilling to disclose where the hides and skins are sourced (upstream traceability as far as the country of origin). In case the trader/tannery manages skins from different origins and does not keep internal traceability, the very minimum requirement is to have a balance of the origins (e.g. 70% Country A, 20% Country B, 10% Country C).



MINIMUM REQUIREMENTS

Apply the precautionary principle for nanotechnologies

Kering follows the precautionary principle and will not use any nanotechnology applications unless such applications are analyzed and proved to have no potential impact on human health and the environment, including an evaluation of end-of-life impacts. Suppliers are requested to proactively share information on nanotechnology uses in their manufacturing. More information is available in [Appendix: Summary of Kering Chemical Management Policy](#).

Use best efforts to propose metal-free or chrome-free tanned products

Kering is pushing towards a decrease of metal tanning in an increasingly broad variety of products. Kering supports using alternative tanning techniques that:

- Enable products to be considered as “metal-free” or “chrome-free” according to EN 15987:2015
- Have a lower environmental impact on the whole life cycle than conventional chrome tanning. Having a product considered “biodegradable” according EN ISO 20136:2017 is recommended.

Suppliers shall use best efforts to propose to Kering brands alternative tanning techniques fulfilling the above expectations with no compromise to the technical, aesthetic and economic performance of the final product. Kering can support this process by carrying out a life-cycle assessment (LCA) of the alternative tanning technique in case the LCA is not yet available.

Comply with Kering Manufacturing Restricted Substances List (MRSL)

Kering is committed to ensuring all hazardous chemicals have been phased out and eliminated from its production. To this end, Kering has adopted a Manufacturing Restricted Substances List (MRSL). By January 1st 2020, the supplier must make sure that the chemicals listed in the MRSL are not intentionally used in the different process steps of production, should this process step be taking place at the supplier’s location or upstream in the supply chain.

To this extent, suppliers shall implement a chemical management system and investigate their supply chain to ensure compliance.

Furthermore, the supplier should work towards conformance to new releases of the MRSL, in order to meet new MRSL requirements by the communicated transition period. Please, refer to the [Appendix: Summary of Kering Chemical Management Policy](#).

For tanneries in particular the main recommendations are:

- Implement a strong chemical management program in order to identify and substitute potential chemical products containing MRSL substances
- Identify finishing products containing intentional use of MRSL VOCs and substitute them with MRSL compliant alternatives if necessary, cooperate with chemical suppliers to identify or implement effective alternatives that do not contain VOCs included in the Kering MRSL
- Identify or implement alternatives for tetrachoroethylene based degreasers
- Through good chemical management routinely screen dyes and replace any dyes identified as non-MRSL compliant with dyes that conform to the Kering MRSL
- Substitute all chemical products containing PFC’s



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Expand the offer of metal-free tanned products

Kering is committed to having all leather products metal-free by 2025, and suppliers for Kering brands shall work in this direction.

Please refer to the Minimum Requirements on metal-free tanning for acceptable criteria for products to be considered “metal-free”.

Provide Environmental Key Performance Indicators (e-KPIs)

Kering is monitoring its environmental impact across its supply chain. For that reason, suppliers shall provide Kering with e-KPIs specific to their production. This means working on measuring and monitoring the environmental impacts of their tannery, including energy and water consumption, water quality and waste production. These e-KPIs shall be more and more specific; initially they will be for average production but eventually they will be requested on an article-by-article basis. Ideally, these e-KPIs are verified by a third party. In the future, thresholds on e-KPIs will be used to qualify suppliers.

Ensure traceability through the tanning process

Traceability must be ensured upstream of the tannery (see [Kering Standard for hides and skins for leather](#)) and through the whole tanning process. Tanneries shall ensure full traceability from the rawhide or skin to the finished leather, should all the processes occur onsite or should some manufacturing steps be externalised. From the minimum current requirements traceability should be pursued, from the lowest level to the highest one:

- By lot, even for lots containing different origins by mass-balance
- By skin, when considered particularly at risk, including split leather

Externally verified traceability procedures are preferred to self-declaration. Among the available certification schemes on traceability, ICEC and the Leather working Group traceability schemes are the preferred ones and see [BOX 2](#). For recommended schemes on traceability upstream of the tannery, see [Kering Standard for hides and skins for leather](#).



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Aim for the best certification schemes

Tanneries in high-risk regions shall be Leather Working Group (LWG) assessed. Tanneries producing wet-blue, pickled and/or finished leather that are in Asia, South America or Africa need to have some verification of their environmental performance. Such tanneries will need to be Leather Working Group (LWG) assessed or show evidence of environmental performance in line with the LWG protocol if the tannery is not yet LWG assessed in order to be a supplier or sub-supplier of Kering brands.

All tanneries are encouraged to have a third party verified environmental management system with ISO 14001 certification, an energy management system with ISO 50001 certification, a health and safety management system with ISO 45001 certification and SA8000 certification for social responsibility.

Set a Science Based Target

Suppliers are invited to adhere to the Science Based Targets initiative (SBTi) initiative a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). Through this initiative, companies willing to do their part on contrasting the Climate Change commit to a path of reduction of their Scope 1 and Scope 2 emissions, with clear intermediate and final targets aimed at reducing their greenhouse gases emissions. The SBTi recently developed a streamlined pathway for Small and Medium Enterprises that fits well with the size of Kering suppliers, and provides external recognition to the efforts done by suppliers.

Implement best available techniques for tanning

Environmental performance is key for more sustainable tannery operations. At the European level, the Best Available Techniques (BAT) Reference Document for the Tanning of Hides and Skins gives a benchmark for tanneries' environmental performance. It also explains how to integrate the control of air, water and soil pollution caused by the tanning of hides and skins.

To optimize their environmental performance, tanneries shall:

- Measure and monitor environmental impacts through e-KPIs
- Evaluate environmental performance against the BAT framework and take corrective actions if performance levels are low compared to BAT Standards
- For all new equipment, ensure installations comply with BAT Standards
- Use grey water or rainwater sources (rainwater, civil waste water, etc.) to limit the use of blue water when possible

Minimize wastewater and align with highest wastewater quality standards

Suppliers shall be able to provide Kering with information on the quality of their wastewater. In all cases, wastewater quality shall align with local regulation and with the standard set by Zero Discharge of Hazardous Chemicals (ZDHC) in their [ZDHC Wastewater Guidelines](#). Please, refer to the [Appendix: Summary of Kering Chemical Management Policy](#).

Kering encourages suppliers in improving wastewater management on these three directions by:

1. Reducing the amount of water and chemicals used through the process and integrating measures indicated above
2. Improving the effectiveness of wastewater treatment in cleaning water from the pollutant load
3. Improving the reuse and recycle of water, towards a fully circular loop of industrial water and, where possible, also of additives



BOX 1: Best available technologies and best practices in tanning

Kering encourages suppliers to continue optimizing technologies and techniques they use in order to improve the process both from an environmental and from a financial point of view, as indicated in the BREFs (Best Available Technologies Reference Documents) on tanning and energy efficiency and proven by specific best practices. To this aim, several practices and techniques are proposed and Kering encourages tanneries, where possible, to:

- Implement an environmental management system
- Install automated dosing systems for chemicals and water, and monitoring systems for water and energy
- Use short floats, reducing water use per batch
- Source fresh hides rather than salt-preserved ones when possible,
- Conduct fleshing operation in “green” after soaking rather than on limed hides,
- Apply hair-save dehairing process rather than the standard hair-burn process,
- Split hides at the limed stage rather than after tanning,
- Use CO₂ in deliming to substitute, partially or totally, the use of ammonium salts
- Optimize water consumption in washing phases,
- Optimize processes through improved control to minimize energy, water and chemicals use
- Phase out steam use in favor of hot water
- Optimize waste management with waste streams recovery as by-products for other industries
- Convert solvent-based finishing formulations into water emulsions ones,
- Use HVLP spraying equipment as well as roller coating when applicable to reduce bounce-back waste and improve transfer efficiency in finishing.



BOX 2: Leather Working Group audit protocol

The **Leather Working Group** (LWG) auditing protocol evaluates the environmental performance of tannery operations and rates the level of raw material traceability. Guidelines for the environmental performance of leather manufacturers give four levels of performance using a medal-tiered approach: Gold (85%), Silver (75%), Bronze (65%), and Audited (50%).

LWG audits and certification is conducted by authorised auditors for the **LWG environmental / Leather manufacturer audit protocol**.

The LWG Protocol has been developed and reviewed by a multi-stakeholder group including footwear leather manufacturers, brands and industry experts. It is peer reviewed by NGO's including Greenpeace, NWF, WWF (US) and sustainability and academic institutions. The objective of this multi-stakeholder group is to develop and maintain a protocol that assesses the environmental compliance and performance capabilities of tanners, and promotes sustainable and appropriate environmental business practices within the leather industry.

The LWG Protocol is based on a two-day audit by an approved auditor. The audited leather manufacturer receives a summary report plus the detailed audit notes. In addition, the leather manufacturer becomes a member once audited and can give input to the LWG. Key items of the audit include:

- Subcontracted operations
- Social audits
- Operating permits
- Environmental management systems
- Traceability (incoming, outgoing)
- Restricted substances, Compliance, CrVI management
- Chemical management
- Energy consumption
- Water usage
- Air & noise emissions
- Waste management
- Effluent treatment
- H&S, Emergency plans





TEXTILE PROCESSING

SPINNING, WEAVING, DYEING, PRINTING AND FINISHING

83



Despite being considered a “light” industry, the textile industry is a huge consumer of water, energy and chemicals. It is currently considered the second most polluting industrial sector in the world, after oil and gas.

The main environmental issues in the textile sector are largely concentrated in dyeing and printing, where the largest consumption of water, energy, and chemicals use occur. Spinning and weaving require significant amounts of energy, like electricity, and may include the use of chemicals that require special care and can give rise to significant waste streams.

The program “Clean by Design,” implemented by Kering and the NGO Natural Resources Defense Council (NRDC) at textile mills in Italy, shows that there are opportunities for reducing consumption of energy and water in an economically viable way (12% reduction, with a return on investment in less than three years). Rather than imposing specific technological solutions, Kering encourages suppliers to improve their process knowledge and control through environmental Key Performance Indicators (e-KPIs) and certifications.

Safety and health issues in the textile industry are extensive and require constant monitoring and management. These issues can include exposure to chemicals, noise, pollution, dangerous substances and dangerous machinery. Each stage of the process from production of materials to finishing, coloring and packaging contains hazards and impacts must be mitigated to meet Kering’s expectations.

The Kering Standard for Textile Processing outlined below is focused on the main textile processing steps. Additional Kering Standards are available for the sourcing of [Cotton](#), [Cellulosic Fibers](#), [Cashmere](#), [Wool](#), [Silk](#) and [Synthetics](#).

In summary, the key principles that underpin the Kering Standard for textile processing are:

- Complying with all national and international laws, principles and regulation notably related to human rights, fundamental freedom, health and safety and the environment as set out in the Suppliers’ Charter of the [Kering Code of Ethics](#)
- Adopting occupational health and safety best practices for employees
- Improving energy and water efficiency levels, and measuring them throughout the process
- Properly treating waste and wastewater
- Promoting recycling and upcycling of waste and residues
- Adopting environmental and social certification schemes



MINIMUM REQUIREMENTS

Comply with national legislation

It is legally mandated that Kering's suppliers strictly comply with national and local legislation, in particular with regard to environmental issues, as well as health, safety and welfare of permanent and occasional workers at the facility.

Comply with human rights and social expectations as set out in the Kering Code of Ethics

Kering is committed to respect and ensure internationally recognized human rights, both in its activities and through its business relationships.

To this end:

- Kering is making available its Alert System to external and occasional employees working for any service-provider/supplier or external partner with whom the Group and/or its Houses maintain contractual relationships. Kering expects therefore its direct suppliers to refer to the Group Ethics Committees (by mail or through an external hotline) when in doubt or in the event of any malfunction related to the principles set out in the Kering Code of Ethics and its Suppliers' Charter. See [Appendix Kering Alert System](#);
- Kering requires its brands' suppliers to be audited for compliance with the Kering Suppliers' Charter which covers key ethical, social, environmental and security aspects in line with International Standards. The audits are conducted by the Kering Supply Chain Audit Team (KSCA) at Kering brands' suppliers. These audits in addition to supplier engagement activities are intended to provide a risk management framework to address key sustainability concerns in the supply chain. The suppliers are required to pass the audit or address non-compliances in a reasonable timeframe. More information is available in [Appendix Social Compliance and Enforcement of the Kering Code of Ethics in Supply Chain](#).

Do not use PVC in Kering's brands' products or packaging

PVC poses potential environmental and health threats because of the chlorine containing by-products (e.g. dioxins) that are produced during the manufacturing of PVC and burning of products that contain PVC. Chlorine by-products are carcinogenic and extremely dangerous to human health and the environment, and to wildlife more broadly. Because of these risks, Kering has had a public target since 2012 of eliminating PVC from collections and products.

Comply with Kering Manufacturing Restricted Substances List (MRSL)

Kering is committed to ensuring all hazardous chemicals have been phased out and eliminated from its production by 2020. To this end, Kering has adopted a [Manufacturing Restricted Substances List \(MRSL\)](#). As of January 1st 2020, the supplier must make sure that the chemicals listed in the MRSL V.1.0 are not intentionally used in the different process steps of production, should these process steps be taking place at the supplier's location or upstream in the supply chain.

To this extent, suppliers shall implement a chemical management system and investigate the supply chain to ensure compliance.

Furthermore, the supplier should work towards conformance to new releases of the MRSL in order to meet new MRSL requirements by the communicated transition period. The latest release of the MRSL, MRSL V.2.0, introduces restrictions on substances related to certain polymers (Rubber, Foam and Adhesives) Please refer to [Appendix: Summary of Kering Chemical Management Policy](#) for details.



MINIMUM REQUIREMENTS

Comply with Kering Product Restricted Substances List (PRSL)

Compliance with Kering's PRSL is requested from the supplier who has the full responsibility of the product, as well as for possible contamination occurring upstream in the production process. Each Kering supplier must guarantee PRSL compliance of its products and ensure this through supplier product testing. Moreover, Kering oversees an internal testing program of the products as an additional auditing measure.

The PRSL is an appendix to your supplier agreement (contract or purchasing terms and conditions) with Kering brands. More information is available in [Appendix: Summary of Kering Chemical Management Policy](#).

Apply the precautionary principle for nanotechnologies

Nanotechnology refers generally to the engineering or manipulation of atoms or molecules for the production of microscale products or materials. Currently and in general, nanotechnologies can be used in some coatings on fabrics. However, little is currently known on the environmental and health impacts of nanotechnology and associated nanomaterials.

Kering follows the precautionary principle and will not use any nanotechnology applications unless such applications are analyzed and proved to have no potential impact on human health and the environment, including an evaluation of end-of-life impacts. Suppliers are requested to proactively share information on nanotechnology used in their manufacturing.



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Provide Environmental Key Performance Indicators (e-KPIs)

Kering is monitoring its environmental impact across its entire supply chain. For that reason, suppliers shall provide Kering with e-KPIs on their production. This means working on measuring and monitoring the environmental impacts of their textile production, including energy and water consumption, water quality and waste production. These e-KPIs shall be more and more specific, starting as a facility average and moving to an article-by-article level before 2025. Ideally, these e-KPIs are verified by a third party. In the future, thresholds on e-KPIs will be used to qualify suppliers.

Aim for the best certification schemes

Suppliers are encouraged to have a certification of their processes. Assessment by a third party of the supplier and/or the product is preferred to self-assessments or self-declarations.

Suppliers are encouraged to get certification at their products and/or processes levels, meaning recognized certification at global, regional or national level regarding sustainability and social responsibility. Certifications regarding the sourcing of the materials such as GOTS or Fairtrade are detailed in the Kering Standards for raw materials (cotton, viscose, etc.). In regards to the process only, the preferred schemes are BlueSign™ and OEKO TEX STeP™, followed by OEKO TEX Standard100™, Nordic Swan, Blue Angel and EU Ecolabel. Note that the Kering Materials Innovation Lab (see BOX 4) can help suppliers in understanding the benefits of a certification.

Mills are encouraged to obtain and maintain the following certifications:

- ISO 14001 certification for their environmental management system
- ISO 50001 certification for their energy management
- ISO 45001 certification for HSE (Health, Safety and Environment)
- SA8000 certification for social responsibility

Implement best available techniques of textile processing

Environmental performance is key to a more sustainable textile industry. At the European level, the Best Available Techniques (BAT) Reference Document for the Textile Industry gives a benchmark for environmental performance.

To optimize their environmental performance, textile mills shall:

- Measure and monitor environmental impacts through e-KPIs
- Evaluate environmental performance against the BAT framework and take corrective actions if performance levels are low compared to BAT Standards (see [BOX 1](#))
- For all new equipment ensure that new installations comply with BAT Standards

Kering also promotes the development of innovative, disruptive techniques allowing large reductions in the use of energy, water and chemicals. In particular including:

- Use of biodegradable or bioeliminable lubricants and additives, and of enzyme catalysed finishing processes
- In bleaching processes use the preferential ozone process and, if not feasible, hydrogen peroxide with limited use of stabilisers (or of sodium chlorite for flax and bast fibers) towards the phase out of sodium hypochlorite
- Advanced water and energy efficient water-based techniques such as cold-pad batch dyeing and spun dyeing for cellulosic fibers, low liquor ratio dyeing, etc.
- Use ultrasonic treatments to improve the dispersion of dyestuffs and auxiliaries
- Use of plasma technologies
- Develop waterless dyeing, using supercritical CO₂ as a solvent, and experiment its use for other processes currently involving the use of perchloroethylene or other solvents



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Implement best available techniques in auxiliary systems

A large part of the energy and, to a lesser extent, of the water used in the textile industry depends more on auxiliary systems rather than on the core processes.

At the European level, the Best Available Techniques (BAT) Reference Document for Energy Efficiency gives a set of benchmarks and good practices for auxiliary equipment. Kering encourages mills to enter the Clean by Design program (see [BOX 2](#)).

Kering encourages suppliers in installing innovative, disruptive technologies also in auxiliary systems, such as:

- Installing reverse osmosis systems for process and steam water
- Using innovative, energy efficient heat pumps instead of boilers
- Installing innovative heat recovery systems on waste gas and water flows

Minimize wastewater and align with highest wastewater quality standards

Suppliers shall be able to provide Kering with information on the quality of their wastewater. In all cases, wastewater quality shall align with local regulation and with the standard set by Zero Discharge of Hazardous Chemicals (ZDHC) in their [ZDHC Wastewater Guidelines](#). Please, refer to the [Appendix: Summary of Kering Chemical Management Policy](#).

Kering encourages suppliers in improving wastewater management on these three directions by:

4. Reducing the amount of water and chemicals used through the process and integrating measures indicated above
5. Improving the effectiveness of wastewater treatment in cleaning water from the pollutant load
6. Improving the reuse and recycle of water, towards a fully circular loop of industrial water and, where possible, also of additives (see [BOX 3](#)).

Aim for closed loop in textile use: minimize waste in the production, use recycled materials and avoid blended fabrics where possible

Kering encourages all efforts to make the continual recycling of textiles a sustainable reality. This includes:

- Decreasing the amount of textile materials wasted during the different processes of textile production and divert the waste from landfill
- Segregating and reusing the pre-consumer waste as raw materials for textile products or other product categories such as fluff, thermal insulating materials, etc.
- Using recycled raw materials such as recycled cashmere, recycled cotton, etc.
- Discouraging the use of blended fabrics if they are difficult to recycle
- Developing innovative techniques to enable “recapturing” post-consumer textiles, to then turn them into yarn again to be spun into new fabric creating a “circular resource model” for textiles

Kering expects its suppliers to be part of the transition of the textile industry towards a circular resource model.

Minimize the microfiber leakage

Implement mitigation measures to reduce microfiber leakage at the manufacturing phases, such as:

- prefer continuous and/or reinforced fibers
- use dyeing, finishing and cutting process that preserve fiber yarn strength and reduce fiber irregularities
- choose washing process that allow to reduce microfiber leakage (close-loop or microfiber filters)
- increase pre-washing and filtering of finished product in the manufacturing plant

Set a Science Based Target

Suppliers are invited to adhere to the Science Based Targets initiative (SBTi) initiative a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). Through this initiative, companies willing to do their part on contrasting the Climate Change commit to a path of reduction of their scope 1 and scope 2 emissions, with clear intermediate and final targets aimed at reducing their greenhouse gases emissions. The SBTi recently developed a streamlined pathway for Small and Medium Enterprises that fits well with the size of Kering suppliers, and provides external recognition to the efforts done by suppliers.



BOX 1: Best Available Technologies in textile plants

Kering encourages suppliers to continue optimizing technologies and techniques they use in order to improve the process both from an environmental and from the financial point of view, as indicated in the BAT Standards. In particular the key areas of improvements are:

- Management, knowledge and training of personnel
- Quality and purity of process water, chemicals used and incoming textile fibers
- Chemicals: automatic dosing selection and substitution, reduction of the number of products used
- Phase out overflow washing and selection of water efficient washing equipment
- Reduce flow rate of cooling water in the dyeing batches in order to reduce water use and increase its final temperature for more convenient reuse

BOX 2: Clean by Design

The specific aim of Clean by Design (Cbd) is to optimize the auxiliary systems at the premises of Kering's suppliers. Results of the program in Italy were excellent: average savings in the mills involved in terms of CO₂ emissions were 12%, with some of them saving up to 25%.

Kering started running the Clean by Design program in Italy in cooperation with the US-based NGO National Resources Defense Council (NRDC) in 2013. The program evolved with time, it was handed over by NRDC to the Apparel Impact Institute (Aii) and from 2021 it will be run also in Italy as a sector initiative, with other brands participating like Burberry and Stella McCartney together with Kering, and the coordination of Aii and the Italian NGO Legambiente as the local partner.

Clean by Design is based on an easy to implement, zero or low cost interventions with short pay-back time. The program is based on the following 10 best practices, valid worldwide:

- 1.** Measuring energy and water consumption and finding leaks
- 2.** Recovering and reusing steam condensates
- 3.** Reusing cooling water
- 4.** Reusing process and grey water streams
- 5.** Recovering heat from hot wastewater
- 6.** Improving boilers' efficiency
- 7.** Maintaining steam traps and the steam system
- 8.** Improving thermal insulation
- 9.** Recovering heat from stacks and thermal oil
- 10.** Optimizing the compressed air system

In the work done by Kering on its Italian suppliers, some further measures were found to be implementable such as direct production heat where it is used, improvement of lighting efficiency, electric motors and HVAC systems optimization and self-production of energy.



BOX 3: Toward closed-loop water use and zero wastewater discharge

Several water streams can already be reused and recycled (see [BOX 2](#)) and the degradability of specific wastewater streams can be improved by keeping them separated before the dedicated cleaning processes are applied. This helps to abate their particular polluting load.

The big step forward for the reduction of water needs is the installation of a reverse osmosis system at the end of the wastewater treatment plant. This transforms most of the wastewater flow into high quality water, re-feeding the plant to pursue a circular water management scheme. This intervention, together with the needed accessory technological and management changes in the plant to make such a system economically and technically viable, allows the reuse of about 90% of the process water. Further additional steps may include systems to recover sodium chloride and sodium sulphate, as well as a large part of the remaining water. The result for the plant will be a huge reduction of its water needs, a sensible decrease in the use of salts and the virtual elimination of a liquid discharge, the final effluent resulting in a solid mix of salts and additives used.

BOX 4: The Kering Materials Innovation Lab

The Kering Materials Innovation Lab (MIL) was established in 2013 in Novara, Italy, to be an operational support to all Kering brands. In 2019 its offices moved to Milan, at the Italian Kering headquarters.

The MIL's goal is to provide support to promote the integration of more sustainable materials into the brands' supply chains, including providing sustainable material options and also information and technical support to help the brands and key suppliers understand how to make more sustainable choices in their products' development.

The MIL is now providing assistance in coordinating the effective management of sustainable raw materials across the brand's supply chain, achieving verification tracking of documents, mapping suppliers, negotiating cost and switching conventional materials into sustainable.

The MIL focus either externally by communicating the Kering Sustainability strategy to partner suppliers and internally by partnering closely with counterparts of each of the brand's teams to provide direction and technical support in integrating innovative and sustainable materials/technologies.

In addition, the MIL has created and is carrying on a continuously updated library of sustainable and innovative solutions (textiles, trims, non-wovens, technologies, etc.) . All fabrics have been evaluated against both internal and external sustainability standards.



BOX 5: Coated fabrics

Coated fabrics are an increasingly important category of materials for Kering, as they are increasingly used material especially in accessories and shoes. The correct application of the Kering Standards for these materials see both important current requirements and additional expectations. The fabric component shall satisfy the current requirements and possibly the additional expectations for the fiber(s) it is made of in terms of materials, and what is written in this section for the processing and the fabric itself. As regards the coating component, the most common materials on the market are either Polyvinylchloride (PVC) or Polyurethane (PU) based. The current requirements involve that:

1. The coating material must be PVC-free
2. Coated fabrics must meet PRSL requirements
3. Used chemical products must meet MRSL requirements;
4. *Manufacturing process must have a closed-loop chemical management system, whereby the used chemicals/solvents are recovered and reused in the production process and are not released in the environment and potentially harm workers.*

Beside these mandatory requirements, the general indications provided within the additional expectations translate into these additional recommendations:

1. Prefer products having a high percentage of bio-based components (see Standard for Sustainable Innovation for Materials and Processes for more information about biobased feedstock)
2. Seek suitable safer alternatives to hazardous chemicals.



BOX 6: Denim fabrics

Denim is quite important for Kering, and as the denim industry often anticipates trends in technological development of dyeing and finishing it is strategic to provide some indications, especially as regards additional expectations.

In terms of materials, Kering recommends to choose:

- GOTS organic cotton an/or GRS recycled cotton
- Recycled or biodegradable elastomer fiber
- Blends of cotton with low impact fibers as hemp, linen, tencel, kapok

As regards yarn dyeing, Kering recommends to choose fabrics dyed through highly water-efficient technologies, which are able to reduce water use by 90% compared to traditional indigo dyeing, also providing significant reduction of energy use, waste and wastewater and eliminating the problem of residues of aniline and other chemicals from the fabric.

As regards finishing, Kering recommends the adoption of emerging techniques able to reduce energy, water and chemicals use. These include:

- 1.** Laser use for producing color effects and wear effects. These machines allow avoiding the use of permanganate, of stone wash and the use of large water quantities substituting traditional techniques
- 2.** Ozone use for discoloration. This allows the attainment of interesting wear and color effects decreasing water use and avoiding permanganate and other bleaching agents
- 3.** Spray dyeing. This technique allows reducing by 90-95% the use of water for dyeing finished garments, with subsequent large savings of energy (water used in conventionally dyeing is hot)

Kering is aware that these emerging techniques cannot reproduce every possible effect attainable with traditional techniques, but they can reproduce several of them and can also be used to obtain completely new effects and features.





**LEATHER GOODS
& SHOE MANUFACTURING**



Kering brands' production of leather goods and shoes requires highly specialized craftsmanship and manufacturing is largely concentrated in Italy. The majority of the environmental impact of leather production is at the sourcing and tanning steps, and the production of shoes and leather goods can give rise to waste streams. The management of these waste streams, especially in regards to chrome tanned leather, can significantly impact the environment. Other challenges regarding the use of chemicals are glues and paints in particular, as some components within them may be hazardous and solvents can cause Volatile Organic Compound (VOC) emissions. Energy and water use in leather goods and shoe manufacturing is not as much of a challenge as compared to other industry segments. However, since energy is mostly used for lighting and heating, ventilation, and air conditioning (HVAC) systems, inefficiencies and improvement margins are often significant. To this end, Kering encourages its suppliers to improve their practices in building construction, renovation and operations and provide Kering with e-KPIs. Also, at the final processing step, Kering promotes traceability, compliance and sustainability certification schemes of products, processes and suppliers.

Safety and health issues in the shoe industry can be extensive and require consistent management of risks to ensure the safety of workers in the supply chain. The number of steps and machines involved in the manufacturing of shoes increase the likelihood of exposure to chemicals and excessive noise as well dangerous substances.

The Kering Standard for Leather Goods and Shoe Manufacturing outlined below focuses on the main manufacturing steps. Additional Kering Standards are available for the sourcing of [hides and skins](#) and for [tanning](#).

In summary, the key principles that underpin the Kering Standard for leather goods and shoe manufacturing are:

- Complying with all national and international laws, principles and regulation notably related to human rights, fundamental freedom, health and safety and the environment as set out in the Suppliers' Charter of the [Kering Code of Ethics](#)
- Reducing the use of potentially hazardous chemicals and avoiding hazardous chemicals for which alternatives have been identified
- Adopting occupational health and safety best practices for employees
- Improving energy and water efficiency levels, and being able to measure them throughout the process
- Promoting recycling and upcycling of waste and residues
- Implementing certifications



MINIMUM REQUIREMENTS

Comply with national legislation

It is legally mandated that Kering's suppliers strictly comply with national and local legislation, in particular regarding the environment, as well as health, safety and welfare of permanent and occasional workers at the facility.

Comply with human rights and social expectations as set out in the Kering Code of Ethics

Kering is committed to respect and ensure internationally recognized human rights, both in its activities and through its business relationships.

To this end:

- Kering is making available its Alert System to external and occasional employees working for any service-provider/supplier or external partner with whom the Group and/or its Houses maintain contractual relationships. Kering expects therefore its direct suppliers to refer to the Group Ethics Committees (by mail or through an external hotline) when in doubt or in the event of any malfunction related to the principles set out in the Kering Code of Ethics and its Suppliers' Charter. See [Appendix Kering Alert System](#);
- Kering requires its brands' suppliers to be audited for compliance with the Kering Suppliers' Charter which covers key ethical, social, environmental and security aspects in line with International Standards. The audits are conducted by the Kering Supply Chain Audit Team (KSCA) at Kering brands' suppliers. These audits in addition to supplier engagement activities are intended to provide a risk management framework to address key sustainability concerns in the supply chain. The suppliers are required to pass the audit or address non-compliances in a reasonable timeframe. More information is available in [Appendix Social Compliance and Enforcement of the Kering Code of Ethics in Supply Chain](#).

Comply with Kering Product Restricted Substances List (PRSL)

Compliance with Kering's [PRSL](#) is requested for all finished leather from the supplier who has the full responsibility of the product, as well as for possible contamination occurring upstream in the production process. Each Kering supplier must guarantee PRSL compliance of its products and ensure this through supplier product testing. Moreover, Kering oversees an internal testing program of the products as an additional auditing measure.

The PRSL is an appendix to your supplier agreement (contract or purchasing terms and conditions) with Kering brands. More information is available in [Appendix: Summary of Kering Chemical Management Policy](#).

Comply with Kering Manufacturing Restricted Substances List (MRSL)

Kering is committed to ensuring all hazardous chemicals have been phased out and eliminated from its production by 2020. To this end, Kering has adopted a [Manufacturing Restricted Substances List \(MRSL\)](#). By January 2020, the supplier shall make sure that the chemicals listed in the MRSL are not intentionally used in the different process steps of the production, should this process step be taking place at the supplier's location or upstream in the supply chain.

In particular for leather goods and shoe manufacturers the main recommendations are:

- Making sure the MRSL is respected upwards in the supply chain
- Implementing strong chemical management in order to identify and substitute chemical products containing MRSL substances (Kering can provide additional guidance on specific risks)
- Identifying products containing intentional use of MRSL VOCs and substituting them with MRSL compliant alternatives and, if necessary, cooperating with chemical suppliers to identify or implement effective alternatives that do not contain VOCs included in the Kering MRSL
- Through good chemical management routinely screen glues, paints and finishing products to make sure that they comply with the Kering MRSL



MINIMUM REQUIREMENTS

Do not use leather coming from unknown tanneries

Kering aims at having full visibility of its leather supply chain to minimize risks related to environmental and social aspects (water pollution, improperly managed waste, forced labor, etc.). Kering is working with its suppliers to progress step by step towards more transparency. For that reason, Kering brands shall not purchase tanned skins from traders unable or unwilling to disclose where the skins are sourced. In case the trader/tannery manages skins from different origins and does not keep internal traceability, the very minimum requirement is to have a balance of the origins (i.e. 70% Country A, 20% Country B, 10% Country C).

Do not use PVC in Kering's brands' products or packaging

PVC poses potential environmental and health threats because of the chlorine containing by-products (e.g. dioxins) that are produced during the manufacturing of PVC and burning of products that contain PVC. Chlorine by-products are carcinogenic and extremely dangerous to human health and the environment, and to wildlife more broadly. Because of these risks, Kering has had a public target since 2012 of eliminating PVC from collections and products.



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Provide Environmental Key Performance Indicators (e-KPIs)

Kering is monitoring its environmental impact across its supply chain. For this reason, suppliers shall provide Kering with e-KPIs on their production. This means measuring and monitoring the environmental impacts of their facilities, including energy and water consumption, water quality and waste production. These e-KPIs shall be more and more specific, starting as a facility average and moving to an article-by-article level before 2025. Ideally, these e-KPIs are verified by a third party. In the future, thresholds on e-KPIs will be used to qualify suppliers.

Implement best practices

The most important environmental impact in leather goods and shoe making is related to waste production. Energy use that is typical of domestic activities where heating, cooling, ventilation and lighting are used is more impactful than process machinery energy use. Water use is also very limited, and limited to non-manufacturing uses.

Thus, the highest care shall be put into waste management as the production of leather goods and shoes can pose environmental concerns when not properly managed. The largest amount of waste are materials that can be segregated and recycled. In particular, clean leather scrap (unpolluted by glues and uncoupled from other materials) should be collected separately and recycled for bonded leather production; whereas, pure textile, plastic or rubber waste streams should be recycled in the same supply chain. Several other waste streams can be used as fuels in specific applications (metal processing, cement production, etc.) Suppliers with high qualitative and quantitative recycling rates will be preferred. See [BOX 1: Leather Scrap Recycling](#).

At the European level, the Best Available Techniques (BAT) Reference Document for Energy Efficiency provides a benchmark for environmental performance.

Aim for best certification schemes

All suppliers are encouraged to have a third party verified environmental management system with ISO 14001 certification, an energy management system with ISO 50001 certification, a health and safety management system with ISO 45001 certification and SA8000 certification for social responsibility.

Set a Science Based Target

Suppliers are invited to adhere to the Science Based Targets initiative (SBTi) initiative a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). Through this initiative, companies willing to do their part on contrasting the Climate Change commit to a path of reduction of their scope 1 and scope 2 emissions, with clear intermediate and final targets aimed at reducing their greenhouse gases emissions. The SBTi recently developed a streamlined pathway for Small and Medium Enterprises that fits well with the size of Kering suppliers, and provides external recognition to the efforts done by suppliers.



BOX 1: Recovery of leather scraps

- Sent to municipal, urban waste landfills
- Sent to industrial landfills
- Recycled for fertilizer production
- Recycled for regenerated bonded leather (salpa) production

The use of municipal landfills should be avoided, since uncontrolled pH changes may give rise to Chromium VI. The transformation of leather scraps for fertilizer production is preferable to landfilling leather scrap, since the waste material becomes a resource. However, there are some concerns about the long-term effect of the accumulation of chrome in soils. At present, the use of scrap for producing a new material, such as regenerated leather, appears to be the best solution in environmental terms. This solution has some limits since it cannot be applied for all types of scraps, but it allows the conversion of waste into a product that already has a market and use. Thus, Kering encourages leather cutting centers, leather goods makers and shoe factories to implement this solution preferentially. Note that chromefree tanning makes leather waste easier to deal with because in most cases it allows the management of this waste as an ordinary organic material.



**STANDARDS
FOR NON-
MERCHANTISING**

PACKAGING



Packaging, which is largely single use, seriously contributes to global waste. This pollution can be visible, like the plastic that washes up on ocean shores, or it can be invisible, for example airborne microplastics. Additionally, the majority of packaging is not recycled even if it is technically recyclable. This can cause detrimental impacts, not only in its disposal but also in its production and the extraction of natural resources used to make packaging.

Through the Fashion Pact, Kering committed to significantly reducing the negative impacts that it has on the ocean environment, in collaboration with other existing leading initiatives. These impacts can be linked to packaging and, accordingly, Kering committed to targets: (i) eliminate single use plastic in B2C packaging by 2025 and in B2B packaging by 2030 and (ii) to ensure that at least 50% of all plastic packing we use in B2C and B2B packaging is 100% recycled content by 2025 and 2030 respectively.

The Kering Standard for packaging encompasses all materials used for packaging and labeling along a product's entire lifecycle. It includes shipping packaging, storage packaging, hang tags, hangers, garment bags and basically anything that protects, holds or travels with the product.

The Kering Standard for Packaging refers to B2C packaging as the packaging that is offered to the final client with the product, and B2B packaging for all other types of intermediary packaging used during the preparation and logistics.

The Standard covers primary, secondary and tertiary packaging as defined in [BOX 1: Types of packaging](#).

It is focused on the design and use of packaging. It should be read in conjunction with Kering's standards for raw materials which provide comprehensive details on packaging (see [Kering Standard for Plastics](#), [Kering Standard for Wood and Paper](#), [Kering Standard for Cotton](#), etc.)

In summary, the key principles that underpin the Kering Standards for packaging are:

- Complying with all applicable laws, conventions and regulations
- Reducing unnecessary packaging
- Optimising volumes of packaging to product volume
- Designing for reuse or repurpose, and consider recycling as a last option
- Avoiding plastics and preferring more natural materials, such as certified paper/cardboard or organic cotton
- Phasing out single-use plastics



MINIMUM REQUIREMENTS

Comply with Kering Product Restricted Substances List (PRSL)

Compliance with the PRSL is requested for packaging. Compliance with the PRSL must be ensured by the supplier through product testing and each Kering supplier must guarantee PRSL compliance of its brands' products. Moreover, Kering oversees an internal testing program of the products as an additional auditing measure.

The PRSL is an appendix to the supplier agreement (contract or purchasing terms and conditions) with Kering brands. More information is available in the [Appendix: Summary of Kering Chemical Management Policy](#).

Do not use PVC in packaging

PVC poses potential environmental and health threats because of the chlorine containing by-products (e.g. dioxins) that are produced during the manufacturing of PVC and burning of products that contain PVC. Chlorine by-products are carcinogenic and extremely dangerous to human health and the environment, and to wildlife more broadly. Because of these risks, Kering has eliminated PVC from collections and products.

Review the packaging flow

Most efficient packaging reduction is usually achieved by reviewing the use of packaging alongside the product life, from production to distribution and reducing the number of intermediary packaging.

In particular, Kering brands shall review the process of the quality check (for make and buy production) in order to reduce the amount of waste generated with unpacking and repacking activities.

Use less packaging and improve saturation of cartons

Kering brands are encouraged to discuss with print vendors to develop more efficient designs, including reducing or even eliminating constituents of components. Together they shall assess to what extent packaging is necessary for product protection, and measure and manage the package-to-product ratio and the carton efficiency.

When designing primary packaging, make best efforts to optimize the saturation and avoid oversized boxes to reduce useless voids, thus enabling more efficient packing operations for shipping. See [BOX 2: Design tips for more sustainable packaging](#) for recommendations on how to optimize packaging.

Design for reuse or repurposing and consider recycling as a last option

Packaging must be designed while taking into account its end-of-life. Preference is given first to reuse (use again for the same purpose) and repurpose (use again for a different purpose). If these two options are not possible, the last option can be designing for recycling (converting waste into reusable material). Recyclability depends on packaging characteristics, which may include shape, dimensions, color, weight, and finishing treatment.

See [BOX 2: Design tips for more sustainable packaging](#) for recommendations on these topics.

Where possible, use natural materials instead of plastics

Plastic is a versatile and important material that may be irreplaceable for some purposes. However, plastic presents sustainability challenges across its lifecycle as described in the Kering Standard for plastics. As a whole, packaging uses plastics too much and by default. This is increasing awareness that this must change and as companies are unable to monitor where plastic packaging may end up, and as it takes a very long time to degrade and decompose, there is also a risk that discarded plastic packaging pollutes soil or oceans.

For these reasons, use natural materials such as certified cardboards, paper or organic cotton instead of plastics wherever possible. For these materials, refer to the section [Kering Standards for Raw Materials](#).



MINIMUM REQUIREMENTS

For paper and cardboard, only use recycled or certified content

Whether it is for B2B packaging (logistic boxes, velinas, ...) or B2C packaging (retail bags), all cardboard and paper used shall follow the minimum requirements of the [Kering Standard for Paper and Wood](#) with the exception of B2B packaging for e-commerce with external courier who have until 2025 to adhere to this requirement.

Ensure proper packaging waste sorting and recycling at all stages of logistics

At all points of product logistics, from supplier production, through warehouse and including the store, there shall be in place a sorting system for packaging. Additionally, all sorted packaging shall be directed to reuse or recycling stream.

Use only recycled plastics for B2B plastic hanger, garment covers and polybags

B2B hangers are used during transport and warehousing of the garment. Recycled B2B hangers can be easily found more and more in the market and Kering requires that they are used in every region of the world where it is possible. Furthermore, avoid using hangers that are covered with velvet, as these prevent easy recycling.

Similarly, garment covers and polybags are used during transport and warehousing of the garment and Kering requires that they are made of recycled plastics in every region of the world where it is possible.



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Phasing out single-use plastics in packaging

Within the framework of the Fashion Pact, Kering committed to eliminate single-use plastic in B2C packaging by 2025 and in B2B packaging by 2030.

In 2020 and 2021, the Fashion Pact will provide more details about this commitment and find collaborative solutions for the fashion industry.

Change packaging flow for single end-to-end packaging system

By 2025, Kering expects to find a solution for a single end-to-end packaging system. From manufacturer to warehouse, to distribution, to collectors, packaging shall be reduced to a single end-to-end packaging system, thus drastically reducing the amount of packaging needed along the way.



BOX 1: Types of packaging

A glossary of wording used for different categories of packaging.

B2B packaging and B2C packaging

- B2B packaging: this is the transport packaging, or logistics packaging. It includes cardboard transport boxes, plastic films, polybags, hangers, and any protective items
- B2C packaging: this is the customer/client packaging. It includes shopping bags, luxury boxes, suit covers, watch boxes, shoe boxes, etc.

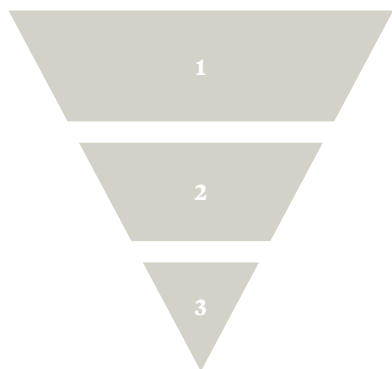
Primary, secondary and tertiary packaging

- Primary packaging: this is the container that closely holds the products, in direct contact with the product itself, often referred to as “retail packaging.” Its main goals are to protect the product and inform or attract a customer
- Secondary packaging: this is the outer wrapping used to group a certain number of products to create a stock-keeping unit (SKU) and to ship products already in primary packaging. This packaging also assists in displaying, storing, protecting products and providing branding during shipping. Primary and secondary packaging sometimes overlap
- Tertiary packaging: this is the combining of products used most often by warehouses for shipping, storing and hauling secondary packaging, often also referred to as bulk or transit packaging. This type of packaging makes it easier to transport large and/or heavy loads safely and securely. An example of tertiary packaging is a stretch-wrapped pallet containing a quantity of cardboard boxes (secondary packaging). Secondary packaging can overlap with tertiary packaging

When creating a packaging strategy, remember that all three levels of packaging will affect the product’s environmental footprint. Changing primary packaging can heavily impact on secondary and tertiary packaging and lower saturation level. The complete system of primary, secondary and tertiary packaging must be considered holistically so that reductions to one component are not overcompensated for by an increase in another component.



BOX 2: Packaging Circular Design – 4R



Reduce



Eliminate PVC, unnecessary packaging, single-use plastics packaging (B2C by 2025, B2B by 2030)
Prefer the use of natural materials

Reuse



Design for reuse or repurposing

Recycle



Design for recycling
Ensure packaging waste sorting and recycling at all stages

Close the loop

Re-integrate



100% of recycled, or certified, biobased content
For B2B plastic hangers/garment covers/polybags, only use recycled plastics

Post consumer

Generated by households or by commercial, industrial and institutional facilities in their role as end users of the product, where that material can no longer be used for its intended purpose.

In most cases, post-consumer material is of lower quality than pre-consumer material.



Pre consumer

External - Production scrap from another industrial facility

Internal - Production scrap from our own facilities. In this case, it is not possible to claim about a recycled content because it is excluded from ISO 14021.



BOX 3: Design tips for more sustainable packaging

Design tips for hangers

- Use hangers made of recycled plastic
- Avoid, if possible, the use of logo or iconic patterns to make reuse or recycling easier
- Avoid “seasonality”: customers won’t see these hangers, so try to design them neutral and keep using them for several seasons
- Avoid the use of velvet to help recyclability. Encourage monomaterial solutions, through checkering or friction surface on shoulders
- Prefer suppliers with a widespread collection system of used hangers for reuse or recycling

Design tips for paper/cardboard

- Reuse corrugated cartons several times
- Use recycled or certified content (FSC, Blue Angel)
- Avoid colored paper packaging in pulp as this significantly reduces the chance of recycling due to the very low quality of the secondary raw material that has no request on the market
- Prefer light colors that allow higher quality secondary raw material when recycled
- Exploit monomaterial solutions and try to avoid mixing paper with other materials, (e.g. avoid textile handles for shoppers, especially if synthetic)
- Do not laminate paper packaging, this will prevent any chance to recycle

Design tips for plastic packaging

- Reduce the quantity of plastic in terms of both dimensions and thickness
- Increase recycled content
- Think about the end-of-life when designing, prefer recyclable plastics and be sure that proper local collection schemes are widely spread and available
- Promote recyclability through mono-material packaging
- Limit inks and stickers at minimum to grant a high quality secondary raw material when recycling
- If there is a desire to introduce bio-based content, prefer Biomass or Waste Based or Biotech Based, or any food-non competitive material
- Keep updated with innovations, startups and new market opportunities that are quickly developing to discover alternative materials and phase out plastics

Other design tips

- Default to paper tape for sealing boxes, use vinyl tape only when necessary. Prefer machineries that enable box sealing with paper tape
- Prefer size of packaging adapted to the outside boxes to ensure a perfect fit and to avoid unnecessary fillers to stabilize the branded box during the transport. In particular, design primary packaging optimizing the saturation, not oversized, to reduce useless voids and optimize the packing during shipping
- Prefer water-based or vegetal-based inks, as opposed to petroleum-based or metallic inks as they emit less VOCs and contain less controversial substance

More design tips can be found here: <https://www.rei.com/stewardship/rei-sustainable-packaging-guidelines.pdf>





VISUAL TOOLS



Visual tools, also referred to as “visual merchandising”, are important components for brand identity and also for the customer in-store. They are often temporary decorations available to display products, as well used during one or several seasons before being replaced by new ones. In this regard, the disposability of visual tools is not fundamentally sustainable. Visual tools can also encompass advertising banners and canvas that are displayed in different locations around a city and they can also include retail store windows, showcasing items for sale or otherwise designed to attract. While Kering recognizes the need for visual tools to reinforce brand platforms and store identities, the focus of the Kering Standard for visual tools is to implement best practices and limit the end-of-life of visual tools.

For Kering, visual tools include:

- Window displays
- Movable store decorations
- Mannequins
- Retail hangers
- Point of purchase display
- Seasonal displays
- Event decorations
- Advertising banners/canvas
- Etc.

The Kering Standard for Visual Tools is focused on the design and use of visual tools. It should be read in conjunction with Kering’s standards for raw materials that cover the details for materials used to make visual tools (see [Kering Standard for Plastics](#), [Kering Standard for Wood and Paper](#), [Kering Standard for Cotton](#), etc.).

In summary, the key principles that underpin the Kering Standards for visual tools are:

- Complying with all applicable laws, conventions and regulations
- Rethinking visual merchandising to improve disposability and enhance circularity
- Promote circular design by designing for reuse or repurpose and consider recycling as a last option



MINIMUM REQUIREMENTS

Review visual merchandising approach

Most efficient reduction of the environmental impact of visual tools can be achieved by reviewing the visual merchandising approach and questioning the necessity for temporary / disposable items.

In particular, brands shall work with store/event designers on these questions and consider:

- Favoring rented equipment that can be restored and reused afterwards as opposed to creating single-use equipment or decoration
- Reusing / repurposing existing visual tools
- Using recycled materials whenever possible (recycled metal, wood, plastics, etc.)
- Reducing, when possible, the weight of the visual tools,

Use best effort to give a second life to old visual tools in good conditions by selling or donating

Disposal of visual tools that are still in good conditions shall be avoided by all means.

By order of preference, Kering encourages brands to:

1. Include them in private sales for employees
2. Donate them to associations such as the ones described in [BOX 1: Giving a second life to Visual Tools](#)
3. Dismantle and recycle the parts

Follow Kering minimum requirements on raw materials used for visual tools

When choosing materials for visual tools, refer to the relevant sections of the Kering Standards (ex: plastics, wood, cotton) and follow the minimum requirements.

Design for dismantling and anonymizing

Visual tools that can be easily dismantled and anonymized (i.e. where it is not possible anymore to recognize the brand) can be more likely given a second life.

Therefore, brands are encouraged to do so by:

- Having removable logos on visual tools
- Thinking through the dismantling of the item right from the design phase

Use best efforts to avoid PVC

PVC poses potential environmental and health threats because of the chlorine containing by-products (e.g. dioxins) that are produced during the manufacturing of PVC and burning of products that contain PVC. Chlorine by-products are carcinogenic and dangerous to human health and the environment, and to wildlife more broadly. Because of these risks, Kering banned PVC from collections and products.

Kering aims at phasing out PVC from visual tools by 2025 and is willing to work with partners on finding alternative materials.



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Follow Kering additional conditions on raw materials used for visual tools

When choosing materials for visual tools, refer to the relevant sections of the Kering Standards (ex: [Plastics](#), [Wood](#), [Cotton](#)) and follow the minimum requirements and the additional conditions.

Do not use PVC in visual tools

As explained in the “minimum requirements” section of the Standard, Kering aims at phasing out PVC from visual tools by 2025. In particular, Kering expects suppliers of advertising banners/canvas to work on innovative solutions for replacement of PVC.

Give a second life to all visual tools

Disposal of visual tools will not be accepted by 2025. All visual tools should be given a second life or should be easily disassembled and redirected to recycling channels of materials. Kering will take great care to enable second life of visual tools without encouraging the grey market.

Consider single-material additive manufacturing for producing visual tools

Additive manufacturing provides excellent opportunities for producing small batches of items, such as for many visual tools, moreover production happens with a single material, potentially for recycled plastics and very often easily recyclable after the item is no longer needed. The use of 3D printing is therefore recommended.



BOX 1: Giving a second life to Visual Tools

Kering is keen to ensure that its brands' visual tools have a second life, with a focus on reuse first and then by selling/donating to internal private sales. A third possibility for their second life is through donating to partners, such as to organizations specializing in the circular economy. Outlined below are examples of partners as such:

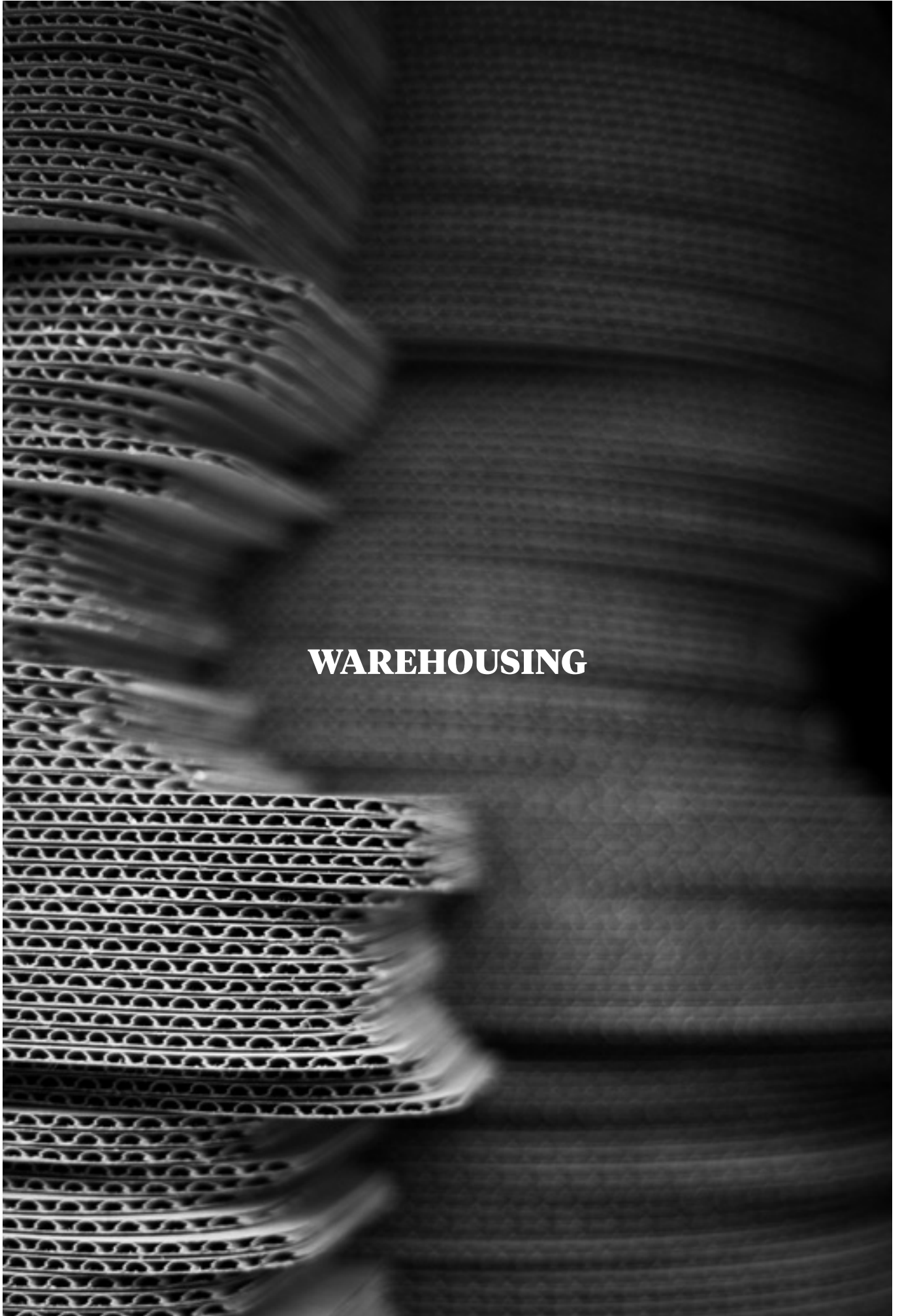
- [La Reserve des Arts](#): located in Paris and Marseille, France
- [Artstock](#): located in Blajan (near Toulouse), France
- [Co-recyclage](#): located in Paris, France
- [Matériuum](#): located in Geneva, Switzerland
- [EcoSet](#): located in Los Angeles, California
- [Remidia](#): located in Reggio Emilia, Italy
- [Materials for the Arts](#): located in New York, USA
- [Miniwizz](#): located in Taipei, Taiwan and in Milan, Italy

Social cooperatives and local associations could also be interested in non-merchandising elements (benches, chairs, shelves).



STANDARDS FOR LOGISTICS





The Kering Standard for warehousing applies to warehouses and warehousing activities directly managed by Kering, Kering brands and also by Kering's direct suppliers, which includes third party logistics partners (3PL), forwarders, or other direct suppliers managing these activities and their sub-suppliers working at the sites associated with Kering. Under the standard, warehousing activities include the reception, storage and shipping of goods, as well as packing/unpacking activities and, often, quality checks. Furthermore, it incorporates the common situation of road vehicles stopping for several hours in the yards surrounding warehouses, which occupy significant urbanized areas.

There are a number of environmental impacts related to these activities. The main environmental footprint of warehousing is linked to packaging and waste management. At the Group level, logistics are directly responsible for more than 86% of the waste produced at Kering sites, and indirectly responsible for the majority of the waste generated at stores. This waste is largely related to packaging, with another minor, but important, stream related to not yet sold products, which are typically stored in warehouses before being moved to their final destination. Greenhouse gas emissions and air pollution from warehouses are significant, especially at the local level where logistic centers are primary generators of road traffic. Although when compared to transportation this is relatively small, there are various opportunities to minimize these impacts through eco design, installation of solar photovoltaic systems and electrification of all energy uses. Water and wastewater management at logistic centers are also relatively limited but they can be significantly reduced as well.

The Kering Standard for Warehousing applies to all warehousing activities directly operated by Kering, by any direct supplier of Kering and any of their sub-suppliers working at sites associated with Kering.

This includes:

- Reception, storage and shipping of goods
- Packing/unpacking activities
- Quality checks
- Design and physical features of logistic sites
- Operation activities at logistic sites

In summary, the key principles that underpin the Kering Standard for Warehousing are:

- Complying with all national and international laws, principles and regulation notably related to human rights, fundamental freedom, health and safety and the environment
- Properly managing waste, promoting reduction, recycling and reuse aiming at zero logistic waste
- Optimizing packaging
- Promoting energy efficiency and self-production aiming at net positive buildings
- Promoting electrification in warehousing and transportation



MINIMUM REQUIREMENTS

Comply with national legislation

It is legally mandated that logistic companies working with Kering strictly comply with national and local legislation, in particular with regard to the environment as well as health, safety and welfare of permanent and occasional workers at the facility.

Comply with human rights and social expectations as set out in the Kering Code of Ethics

Kering is committed to respect and ensure internationally recognized human rights, both in its activities and through its business relationships.

To this end:

- Kering is making available its Alert System to external and occasional employees working for any service-provider/supplier or external partner with whom the Group and/or its Houses maintain contractual relationships. Kering expects its direct suppliers to therefore refer to the Group Ethics Committees (by mail or through an external hotline) when in doubt or in the event of any malfunction related to the principles set out in the Kering Code of Ethics and its Suppliers' Charter. See [Appendix Kering Alert System](#);
- Kering requires its brands' suppliers to comply with the Kering Suppliers' Charter which covers key ethical, social, environmental and security aspects in line with International Standards.

Ensure appropriate conditions and well-being for workers

Kering is committed to respect and ensure good working conditions for workers in its supply chains. This applies for warehousing activities, too, where suppliers are requested to ensure high standards of well-being at work in terms of ergonomics, proper shift duration, appropriate number of breaks and a safe and healthy working environment. Certification frameworks regarding organizations and sites, such as ISO 45001 for Health, Safety and Environment (HSE), SA8000 for Corporate Social Responsibility and WELL for well-being at work in new buildings are not considered as a minimum requirement but provide a solid reference framework for ensuring workers' wellbeing.

Contribute proactively in the realization of the Group sustainability strategy, defining clear objectives for warehousing activities

The requirements for the Kering Standard for Warehouses apply to all suppliers related to both B2B and B2C distribution (see [BOX 1](#)).

As a prerequisite for collaboration, any 3PL partner or Kering supplier is expected to be able to engage in challenging waste production reductions, recycling and reuse targets and is requested to contribute proactively in the building of the sustainability strategy, proposing an effective waste management plan.

Providers are also requested to contribute to the Group's annual environmental reporting, sharing a periodical carbon footprint report according to international standards and in line with its local and international regulations, or the data on fuels and energy use that enable Kering to calculate the carbon footprint.

Phase out single-use plastics

Following to Kering's public commitment to the Fashion Pact around eliminating single-use plastics, the Group is working to eliminate any unnecessary single-use plastics in its B2B packaging by 2030, and B2C packaging by 2025. Additionally, Kering is committed to using and increasing the recycled content for plastics as much as possible (at least 50% of all plastic packaging is 100% recycled content in B2C by 2025 and in B2B by 2030). A phase-out plan should be put in place by suppliers.

Suppliers are therefore required to avoid single-use plastic packaging during the handling of Kering brands' associated transportation of products and to prefer multiuse solutions or non-plastic, which facilitates recycled materials easier.



MINIMUM REQUIREMENTS

Implement a circular waste management system

The circular economy is the basis of the development model that Kering is aiming for. Suppliers are therefore requested to implement a proper waste management system in order to enable separate collections of all the different materials that are disposed and to divert them to the correct recycling channels, according to suppliers' local regulations and the infrastructure set up for recycling. Non-recyclable materials shall be avoided or substituted with recyclable ones with a detailed substitution plan.

Utmost care shall be taken in reconditioning areas and quality control stations when handling plastic packaging waste, in particular for polybags and covers. Several solutions can be implemented to eliminate unnecessary and problematic/single-use plastic packaging:

- Challenge the functionality of the packaging, and eliminate if unnecessary
- Develop a closed-loop recycling model that involves both recycling companies and suppliers. For the time being, the target of 80% waste diverted to recycling is the minimum requirement
- Introduction of multi-use solutions

Adopt sustainable cleaning initiatives for obsolete items

Obsolete items of both merchandise and non-merchandise stocked in warehouses must be carefully taken under control and specific cleaning initiatives implemented in order to virtuously manage their end-of-life. Actions shall be put in place in accordance to a hierarchy that prioritizes reuse first (internal sales, resale platforms, sales to stock lists, donations) and then recycling. As far as recycling is concerned, processes must keep the value of the material as much as possible. Upcycling/remaking are therefore to be preferred to recycling, and downcycling must be considered as the last option. When recycling or downcycling, closed loop or semi-closed loop approaches are to be considered.

(See [Kering Standard for End-of-Life](#))

Comply with the Kering Standard for packaging

Suppliers are recommended to consider a life cycle approach for packaging and, at the same time, to preserve the mandatory mechanical and technical characteristics that can grant both security and a standard of quality for the operations. The Kering Standard for packaging must always be the reference when engineering or purchasing tertiary, secondary or primary packaging. With reference to consumables and packaging, suppliers are expected to act in accordance with the 5R hierarchy:

- Remove what is unnecessary
- Reduce the exceeding quantity, weight, thickness or volume
- Reuse what is already available and promote the adoption of reusable items
- Recycle through an appropriate separate collection system and choose materials that can be easily recycled
- Reintegrate incrementing recycled content, aiming to close the loop and make waste become a resource

See the [Kering Standard for Packaging](#).

Design and operate sustainable logistic sites

In 2021, Kering will issue detailed guidelines to be followed for new logistic projects directly managed and operated by the Group. This will build on the experience gained on the realization of the new Wayne and Trecate logistic hubs of the Group.

Aside from optimized packaging and waste reduction, reuse and recycling, it is recommended that all warehouses make their best efforts in reducing energy and water use, as well in reducing the environmental footprint of the site's design, construction and operation. This means:

- Undergo a sustainability certification like LEED or equivalent for new developments or renovations, targeting a high rating
- Implement energy efficient equipment and management practices
- Use solar energy, covering roofs and parking lots with PV systems
- Develop new sites on brownfield areas
- Phase out boilers, switching to heat pumps
- Design and implement zero irrigation green areas
- Use green, permeable solutions for parking areas
- Promote the use of soft mobility and public transportation for employees



MINIMUM REQUIREMENTS

Ban idling

Internal combustion engine use is the main source of both air pollution and greenhouse gas emissions in logistic operations. Logistic centers are the source and/or destination of logistic flows and are a concentration of vehicles, and thus pollution. Banning idling and leaving vehicles with the engine running during stops, is a simple and effective way to avoid pollution in logistic centers. This practice shall thus be banned at logistic centers managed by Kering and its logistic suppliers with a specific awareness (including posts) and control program on the site.

Develop solutions for sustainable e-commerce

Kering is always striving to implement innovations in its supply chain, and this extends to warehousing as well. In particular, as the share of online sales is set to increase in the future and will become a more prominent part of distribution channels, sustainable solutions for e-commerce operations are to be continuously sought and developed. Kering and its brands' suppliers need to keep a flexible and open mindset with regards to disruptive activities in logistics, such as reverse logistics and reusable packaging.

Provide Environmental Key Performance Indicators (e-KPIs)

Kering closely monitors its environmental impacts across its supply chain on an annual basis. For this reason, suppliers shall provide Kering with e-KPIs specific to their activities including periodical environmental reporting to comply with and contribute to the Group's legal requirements of non-financial accounting (see BOX 1: Environmental Reporting List of KPIs).



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Achieve zero waste production in logistics

Implement a circular waste management system with the aim to become zero-waste and achieving medium term targets of 95% by 2025 and 100% by 2030 for zero waste production in logistic activities.

Net energy positive logistic sites

The requirements for sustainable logistic sites will be gradually increased including:

- Producing renewable energy onsite that equals or surpasses the warehouse energy needs
- Achieving 100% zero emission fleets of vehicles used within the logistic site
- Substituting diesel gensets with batteries
- Providing docks and parking lots with vehicle charging plugs

Aim for best certification schemes

Suppliers are encouraged to have a recognized certification for their processes at global, regional or national levels regarding sustainability and social responsibility. Assessment by a third party of the supplier and/or of the product is preferred to self-assessments or self-declarations. The ISO 14001 certification scheme is recognized as a clear added value and guarantees the implementation of an appropriate environmental management system. Beyond the environmental aspects, the ISO 9001 certification for quality management systems, ISO 45001 certification for HSE (Health, Safety and Environment) and SA8000 certification for social responsibility are highly recommended. In regard to buildings, it is encouraged to achieve LEED Certification with a Gold or Platinum rating.

Be single-use plastic free

By 2030, Kering aims to have phased-out single-use plastics from its own operations and supply chains wherever possible. Kering is currently developing definitions, KPIs and roadmaps for this.



BOX 1: Environmental Reporting List of KPIs

General data

Site surface - Warehouses [m2]

Opening months in the year [xx/12]

Full Time Equivalent - Warehouses [Fte]

Managed pieces

Does your site have any sustainability certification? If so, please specify

Paper consumption

Office paper consumption from sustainably managed forest sources [T]

Office paper consumption, recycled [T]

Office paper consumption, other [T]

Waste Production

Non-hazardous waste:

Recycled or reused paper and cardboard [T]

Recycled or reused pallet and other wooden waste [T]

Recycled or reused plastic [T]

Other non-harmful waste recycled or reused [T]

Non-harmful waste used for thermal recovery [T]

Non-harmful waste, neither recycled or reused nor used for thermal recovery [T]

Hazardous waste:

Reused or recycled electric or electronic waste (WEEE) [T]

Reused or recycled batteries [T]

Recycled or reused ink cartridges [T]

Recycled or reused neon lights and bulbs [T]

Other harmful waste recycled or reused [T]

Harmful waste used for thermal recovery [T]

Harmful waste, neither recycled or reused nor used for thermal recovery [T]

Energy consumption

Do you have any LED lighting? Please indicate a percentage

Conventional energy consumption - Warehouses [kWh]

Purchase costs for energy, VAT and taxes excluded [EUR]

Purchased green certificates (REC, iREC, GO)

Renewable energy consumption [kWh]

Renewable energy produced and used onsite [kWh]

Renewable energy produced onsite and resold to the energy net [kWh]

Light fuel consumption - Warehouses [m3 light fuel]

Purchase costs for light fuel - VAT and taxes excluded [EUR converted by the tool from local value]

Natural gas consumption - Warehouses [kWh]

Purchase costs for natural gas - VAT and taxes excluded [EUR converted by the tool from local value]

Steam consumption - Warehouses [kWh]

Purchase costs for steam [EUR converted by the tool from local value]

Is the conditioning of the site fed by an urban cool water system?

Water consumption

Domestic water consumption [m3]

Purchase costs for domestic and/or industrial water, VAT and taxes excluded [EUR converted by the tool from local value]

People transport

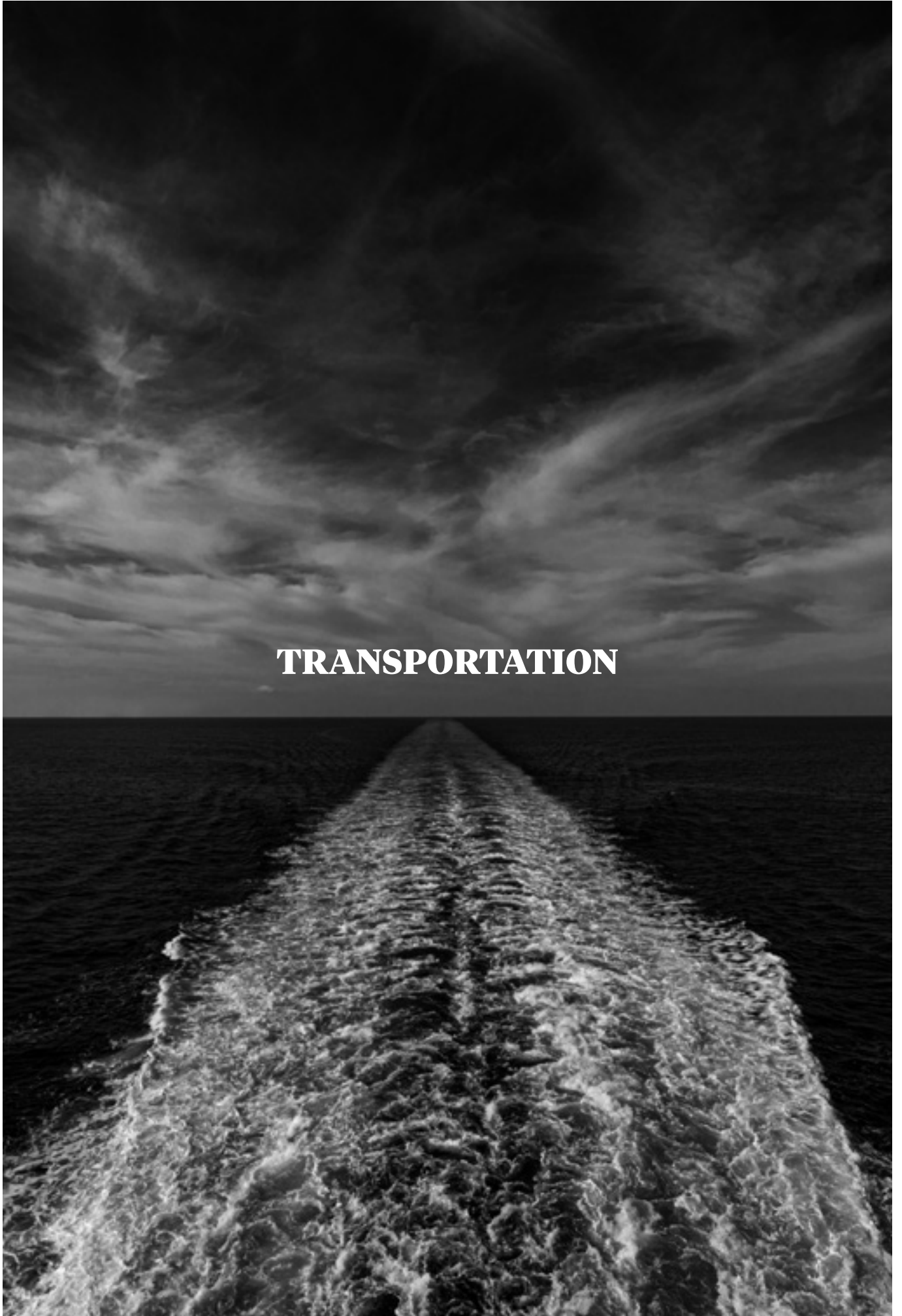
Is the fuel consumption of the pool cars available?

Average emission factor of the pool cars [g CO₂e/T.km]

Gasoline consumption of the pool cars [l]

Diesel fuel consumption of the pool cars [l]





The Kering Standard for transportation applies to the transportation of goods, either B2B or B2C, directly managed or contracted by Kering. Due to the typical speed requirements for delivery in the Luxury sector, the majority of transportation activities are carried out by flight, which is the most significant fuel and CO₂ intensive means of transportation, and thus contributes to the largest share of greenhouse gas (GHG) emissions associated with Kering's activities. As an example, in 2020, 81% of the emissions generated by the Group's operations were due to transportation activities, including emissions directly or indirectly from the Group's direct operations and related to energy consumption from the Group's sites and from B2B and B2C transportation. In order to comply with the European Non-Financial Reporting Directive (NFRD), Kering reports its annual GHG emissions associated with transport in its Universal Registration Document.

The types of transportation used for the Group's activities include mainly air (majority in Europe) and road freight (Europe) and marginally related to rail and sea freight, due to geographical and timing constraints. Around 60% of Kering's volumes are distributed by road freight, however approximately 95% of the emissions linked to transportation are related to air freight distribution and, consequently, this is where Kering is focusing its main efforts. However, even though the Group's emissions caused by road freight are limited, it is important to highlight that this is mainly concentrated in city centers. As a rule of thumb, the last mile in deliveries requires particular care as this is linked to negative externalities, such as air pollution, noise, accidents and congestion, as well as respiratory issues that can impact people's health and everyday lives.

Kering's ambitious climate strategy includes a science-based target around reducing its GHG emissions in alignment with a 1.5° pathway and in line with the Paris Agreement. The Group committed to reduce scope 3 of its GHG emissions (including not only transportation but mainly associated with the production of raw materials, their transformation into products and the related processes) by 70% per unit of value added by 2030, from a 2015 base year. Particular attention must be dedicated to Kering's transportation strategy whereby synergy with Kering's suppliers is key. Adequate emissions reduction planning is necessary and the implementation of actions to make distribution more and more sustainable is essential.

122

The Kering Standard for Transportation outlined below applies to transportation including: all Kering related shipments from various consolidation centres to central distribution centres; the distribution from central to regional warehouses; the last mile deliveries to stores and to final customers; and the intercompany and reverse flows related to returns for both B2B and B2C, including e-commerce.

In summary, the key principles that underpin the Kering Standard for Transportation are:

- Complying with all national and international laws, principles and regulation notably related to human rights, fundamental freedom, health and safety and the environment as set out in the Suppliers' Charter of the [Kering Code of Ethics](#)
- Developing and sharing a sustainability strategy and a GHG emissions reduction roadmap by suppliers
- Precisely reporting GHG emissions generated from transportation activities
- Optimizing routes
- Reducing the carbon intensity of transportation used by selecting the most efficient transportation means and promoting model shifts
- Developing sustainable initiatives



MINIMUM REQUIREMENTS

Comply with national legislation

It is legally mandated that transportation companies working with Kering strictly comply with national and local legislation, in particular with regard to the environment as well as health, safety and welfare of permanent and occasional workers at the facility.

Comply with human rights and social expectations as set out in the Kering Code of Ethics

Kering is committed to respect and ensure internationally recognized human rights, both in its activities and through its business relationships. To this end:

- Kering is making available its Alert System to external and occasional employees working for any service-provider/supplier or external partner with whom the Group and/or its brands maintain contractual relationships. Kering expects therefore that its direct suppliers refer to the Group Ethics Committees (by mail or through an external hotline) when in doubt or in the event of any malfunction related to the principles set out in the Kering Code of Ethics and its Suppliers' Charter. See [Appendix Kering Alert System](#);
- Kering requires its brands' suppliers to comply with the Kering Suppliers' Charter, which covers key ethical, social, environmental and security aspects in line with International Standards. Kering requires that resting break times are strictly respected for drivers and that workers for urban deliveries are permanently employed by contractors or benefit from the same social rights and benefits as permanent employees in the same country.

Contribute proactively to the realization of the Group sustainability strategy, defining a clear roadmap for GHG reductions related to transportation

As a prerequisite for collaboration, any forwarder is expected to be able to engage in challenging emissions reduction targets according to the Group's commitments and is requested to contribute proactively to the building of the sustainability strategy. This includes: proposing an effective CO₂e reduction plan; adopting initiatives aimed at increasing optimization and efficiency; shifting to more sustainable fuels; and using electric vehicles and means of transportation. Suppliers are also requested to contribute to the Group's annual environmental reporting, sharing a periodical greenhouse gas emission report as per the international standard EN16258, or in line with the regulations.

The requirements for the Kering Standard for Transportation applies to all couriers and forwarders in charge of all Kering shipments related to both B2B and B2C distribution (see [BOX 1](#)), except for outbound or reverse shipments for indirect customers with ex-works delivery terms.

Phase out single-use plastics

Following Kering's public commitment to the Fashion Pact around eliminating single-use plastics, the Group is working to eliminate any unnecessary single-use plastics in its B2B packaging by 2030 and B2C packaging by 2025. Additionally, Kering is committed to using and increasing the recycled content for plastics as much as possible (at least 50% of all plastic packaging is 100% recycled content in B2C by 2025 and in B2B by 2030). A phase-out plan should be put in place by suppliers.

Suppliers are therefore required to avoid single-use plastic packaging during the handling of Kering brands' associated transportation of products and to prefer multiuse solutions or non-plastic, which facilitates recycled materials easier.

Lower GHG emissions selecting best options in daily activities

Couriers and forwarders are requested to identify and select the best solutions available on the market. In particular, they are asked to choose the best performing means of transportation with the lowest emissions generated (threshold for airplanes: 600 gCO₂/t.km; threshold for trucks and vans: EURO 6 or equivalent) and to reduce the distances for each delivery as much as possible to limit CO₂e emissions.

The suppliers are expected to periodically re-assess together with Kering their environmental performance in terms of their selection of their means of transportation, identification of the best available routing and average emissions generated, with particular attention to airfreight.



MINIMUM REQUIREMENTS

Review distribution model approach

An effective way to reduce CO₂e emissions from transportation can be achieved with the Kering brands by reviewing the distribution model and highlighting the environmental impacts to the individuals driving the decision-making process.

In particular, Kering brands shall prefer greener solutions for items for which the delivery time is not critical, preferring sea and rail freight distribution when possible. The same approach is highly recommended for reverse logistics and should be taken into consideration for slow movers and/or carry-over items.

Offer green last mile deliveries

The last mile deliveries to stores for B2B or to the final customer for B2C can often be affected by constraints and restrictions (e.g. extra traffic in densely populated areas, limited traffic zones) relevant to the urban areas where they take place. In order to contribute to improve the conditions of urban areas and communities, reduce negative externalities and overcome restrictions that can limit the quality and the timeliness of the service, the suppliers are highly recommended to put in place a green delivery service with electric vehicles and other greener alternatives whenever it is possible.

Provide Environmental Key Performance Indicators (e-KPIs)

Kering requests that suppliers provide a periodic carbon footprint report as per international standard EN16258 and in line with the regulation (see [BOX 2](#)) in order to monitor and analyze the CO₂e emissions related to the distribution flows and to take relevant actions when trends are not in line with Kering's set targets. On an annual basis, this data will feed into the Group's environmental reporting and contribute to the fulfillment of the Group's legal requirements for non-financial accounting.



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Achieve measurable emissions reductions and compensation

Whereas defining a roadmap for GHG accounting and reductions is a minimum requirement for all Kering's transportation activities and services, achieving measurable reductions or properly compensating for emissions will be an additional condition that will be gradually targeted, with the below order of priority:

1. Avoiding and reducing emissions, through optimization of routes, electrification of transportation, model shifts, increase of fuel efficiency for trucks and airplanes
2. Innovation around ways of avoiding and reducing emissions, such as rolling out Sustainable Aviation Fuels programmes
3. Compensating "hard to abate" emissions through robust initiatives to be reviewed by Kering to evaluate if they align with its standards.

Propose new technologies and business models aimed at reducing environmental impacts

Suppliers are requested not only to implement the best available options for traditional logistics services but are asked to be more disruptive and identify alternative transport solutions and business models. Innovation is a key lever, in particular for the Group's omnichannel strategy. Couriers and forwarders are expected to manage an agile business able to satisfy the needs of customers particularly attentive to the environment. The proposal of a customized sustainable service, especially for e-commerce, offering full visibility for the different green options, such as deliveries with bikes, drones or self-driving delivery robots, eco-delivery options on longer hauls alternative to one-day service, packaging collection from the final customer, and so on, is hugely added-value. Additionally, business intelligence technologies and digital infrastructures, such as electronic proof of delivery and intelligent consolidation of orders to reduce the number of deliveries or route optimization, are fundamental to quickly respond to the opportunities of the digital market and to provide the Group with updated, transparent and reliable data.

Kering expects suppliers to propose technical innovation solutions (e.g. SAF, last mile deliveries) to test and eventually implement at larger scale.

Aim for best certification schemes

Suppliers are encouraged to have a recognized certification of their processes at global, regional or national level regarding sustainability and social responsibility. Assessment by a third party of the supplier and/or of the product is preferred to self-assessments or self-declarations. The ISO 14001 certification scheme is recognized as a clear added value and guarantees the implementation of an appropriate environmental management system. Beyond the environmental aspects, the ISO 9001 certification for quality management systems, ISO 45001 certification for HSE (Health, Safety and Environment) and SA8000 certification for social responsibility are highly recommended.

Be single-use plastic free

By 2030, Kering aims to have phased-out single-use plastics from its own operations and supply chains wherever possible. Kering is currently developing definitions, KPIs and roadmaps for this.



BOX 1: B2B, B2C and omnichannel

The below definitions often occur in logistics:

B2B (business-to-business)

In B2B, products are shipped directly to a business or other retailer. Quantities to be managed are significantly high and can involve a large number of pallets and parcels. When talking about B2B distribution, the Group refers to the flows aimed at the replenishment of its stores with the products needed for day-to-day business.

B2C (business-to-consumer)

In B2C, orders will go directly to the end customer. This usually consists of small quantities and single parcels. B2C distribution corresponds therefore to the flows related to e-commerce that allow the delivery of the goods directly to the final customers in accordance to their order requests and the selected delivery services.

	B2B	B2C
Inbound	From suppliers/consolidation centres to central warehouses	
Outbound	From central warehouses to regional warehouses	
Last mile	From regional warehouses to door (= stores)	From regional warehouses/stores to door (= final customer)
Intercompany	From store to store	
Reverse	From stores/regional warehouses to central warehouses	From final customer to store/regional warehouse

Omnichannel

The growth of the e-commerce business has led to a convergence of B2B and B2C traffic into omnichannel supply chains. Omnichannel is a sales approach driven by consumer demand for enhanced convenience and online and offline shopping experiences where the borders between the real and the digital world blur. An omnichannel strategy implies a synergetic approach with multiple customized delivery services (e.g. home delivery or in-store click-and-collect) and various interchangeable distribution settings (e.g. fulfill orders from different warehouses or directly from stores) to satisfy the new dynamic customer and their needs.



BOX 2: Carbon footprint reporting

In order to promote standardized, accurate, credible and verifiable declarations and effectively contribute to the Group's environmental reporting, Kering refers to the EN 16258 standard which establishes a common methodology for the calculation and declaration of energy consumption and GHG emissions related to any transport service of freight, passengers or both. Kering asks all suppliers for a monthly report to monitor the GHG emissions from all inbound and outbound shipments. The report shall contain at least, for each single shipment and its relevant legs of travel, information on brand, origin and destination country, shipping mode, characteristics of the means of transportation (aircraft type, cargo/pax, 20ft/40ft container, etc.), number of pieces, volume, gross weight, chargeable weight, distances, t.km (included pickup and delivery), tons of CO₂ equivalent well-to-wheel (including pre-/on-carriage). The complete reference format with all mandatory requirements is included in the Kering contract with transportation services suppliers.



STANDARDS FOR END-OF-LIFE

A significant amount of the environmental impacts linked to the fashion sector are associated with a product's end-of-life, including scraps and unsold products, as well as the proliferation of microfibers in nature. Building in more effective ways to extend the life of products from design and manufacturing to materials and resources will not only limit these impacts, and the reliance on new resources, but will ultimately help avoid the destruction of materials. To promote a circular economy, managing the highest utility of products through all stages of the life cycle will help enable their subsequent transformation into new raw materials and products through reusing, repairing, remaking and recycling. Starting from 2020, as part of its enhanced EP&L methodology, Kering has included product use and end-of-life to the analysis to capture the environmental impacts from consumer product care, and their disposal behaviours for luxury products. This extended scope of the EP&L enables the Group to understand and quantify the full lifecycle of its products from cradle to grave.

The Kering Standard for End-of-Life is designed to promote and encourage the consideration of end-of-life in all product categories, scraps, visual tools, and packaging in order to drive practices that facilitate circularity.

The Kering Standard for End-of-Life applies to finished products, as well as pre-consumer and post-consumer waste. For instance, pre-consumer waste entails unsold products, unused raw materials, damaged, and semi-finished products and scraps, and post-consumer waste includes products, packaging, visual tools, as examples.

The requirements for the Kering Standard for End-of-Life do not constrain innovation but accompany it, reflecting Kering's creativity, exceptional know-how, quality and longevity.

In summary, the key principles that underpin the Kering Standard for End-of-Life are:

- Complying with all national and international laws, principles and regulation notably related to human rights, fundamental freedom, health and safety and the environment as set out in the Suppliers' Charter of the [Kering Code of Ethics](#)
- Managing products and components design and manufacturing to consider end-of-life
- Promoting cradle-to-cradle approach aiming at zero material destruction
- Prioritizing a hierarchy of reuse, repair, remake, recycle



MINIMUM REQUIREMENTS

Comply with national legislation

It is legally mandated that operations strictly comply with national and local legislation, in particular with regard to the environment as well as health, safety and welfare of permanent and occasional workers at the facility.

Comply with human rights and social expectations as set out in the Kering Code of Ethics

Kering is committed to respect and ensure internationally recognized human rights, both in its activities and through its business relationships. To this end:

- Kering is making available its Alert System to external and occasional employees working for any service-provider/supplier or external partner with whom the Group and/or its brands maintain contractual relationships. Kering expects therefore that its direct suppliers refer to the Group Ethics Committees (by mail or through an external hotline) when in doubt or in the event of any malfunction related to the principles set out in the Kering Code of Ethics and its Suppliers' Charter. See [Appendix: Kering Alert System](#);
- Kering requires its brands' suppliers to be audited for compliance with the Kering Suppliers' Charter which covers key ethical, social, environmental and security aspects in line with International Standards. The audits are conducted by the Kering Supply Chain Audit Team (KSCA) at Kering brands' suppliers. These audits in addition to supplier engagement activities are intended to provide a risk management framework to address key sustainability concerns in the supply chain. The suppliers are required to pass the audit or address non-compliances in a reasonable timeframe. More information is available in the [Appendix Social Compliance and Enforcement of the Kering Code of Ethics in Supply Chain](#).

Think cradle-to-cradle, aiming at zero destruction

Products and components shall be designed to consider their end-of-life and subsequent transformation into new raw materials and products. This subsequently minimizes waste production, while reducing the reliance on new natural resources.

Before choosing a material, fabric, or packaging, brands and suppliers should have a roadmap in place to determine how they shall be treated at end-of-life, with the aim to avoid their destruction. By destruction, this means:

- Solid Recovered Fuels (SRF)
- Incineration, even if energy recovery
- Landfilling

Brands and suppliers should act through eco-design for recycling, as well as by ensuring waste collection, sorting and recycling/upcycling components and raw material scraps, in practice and at scale.

This policy applies to finished products, pre-consumer and post-consumer waste:

- **Post-consumer waste:** for instance, products, packaging, visual tools;
- **Pre-consumer waste:** for instance, unsold products, unused raw material, damaged and semi-finished products, and scraps.

130

Oxo-degradable materials are not allowed

Oxo-fragmentable plastics are banned. Oxo-fragmentable plastics are not proven to biodegrade and the fragments could increase the level of microplastics in the oceans and hence their environmental benefits are questionable.



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Recycling is the last option

Brands should prioritize end-of-use based on the following hierarchy:

1. Reduce
2. Reuse
3. Repair
4. Remake
5. Recycle

The recyclability of each component of a product should be checked individually and as a whole:

Material > Fabrics (multi material) > Product (multi component)

Because a material can be recyclable but lose its recyclability, depending on the design of the product and if it is blended or associated with other materials and also depending on the recycling schemes implemented locally, it is key to ensure that the product will be recycled in practice and at scale.

The recycling process must keep the value of the material as much as possible

To be called recyclable, a product should align with the following recommendations:

- It is collected and recycled in practice and at scale: achieve a 30% post-consumer recycling rate in multiple regions and collectively representing at least 400 million inhabitants (See [BOX 1](#))
- At least 50% of the materials in the dismantled product must be upcycled or recycled
- Recycling within a specific industry is the preferred option (i.e. closed loop) to stimulate design for recyclability, materials innovation and demand for recycled inputs
- Where products are recycled into other industries or applications (semi-closed loop) these should be designed to be recycled again and ultimately separated (See [BOX 3](#))

Eco design must be extended to the end-of-life

To facilitate the second life of a product or a component, its design must consider the following actions without compromising the quality and physical durability (a main priority in the circular economy):

Design for reuse:

- Ensure anonymization is possible, where possible

Design for recycling and upcycling:

- Facilitate product dismantling, which is a design principle that enables the product to be taken apart in such a way that allows components and materials to be reused, remade, or recycled
- Simplify product's composition
- Avoid problematic materials that might hinder or disrupt the recyclability

Composting is not a blanket solution

In a circular economy designing for recycling comes with the advantage of keeping the value of the material in the economy. In many cases this is preferred over designing for composting.

Depending on the material, composting can be considered either a waste disposal process or a waste recovery process (biological recycling). Composting is only a recycling process if it provides a mechanism for returning to the soil, in the form of fertilizer or soil improvers, the biological nutrients of the product or packaging it contains that would otherwise have been lost. For instance, composting vegetable waste is a form of recycling that allows carbon to be stored in the soil and provides organic matter to the soil. Whereas composting biodegradable plastics turns it into water and CO₂: it disappears and it is no longer available for new life, nor does it bring nutrients to the soil. Composting a compostable plastic is not recycling.

Compostable material needs to go hand in hand with appropriate collection and composting infrastructure in order for it to be composted in practice. Composting can take place in an industrial facility, following a controlled process managed by professionals, as well as in a collective or at home, where the process is subject to the householder's skills.



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Leakage should be avoided

Fashion supply chains can have an impact on marine biodiversity through the leakage of micro-fibres (including micro-plastics) into waterways and oceans. This can occur during the manufacturing of yarn and fabrics, as well as during the consumer use phase of products. Several preventative actions can limit these potential impacts:

Product creation:

- Limit the risk of leakage at the beginning of the life cycle
- Improved management and best practices on handling of plastic feedstocks (for the production of products with plastics, including fibres)
- Promotion of eco design: implement standardised testing methods and research concerning the shedding behaviours related to various production parameters (i.e such as those developed by The Microfiber Consortium)

Consumer care and instructions:

- Wash clothing and home textiles less, in cold water and use a lower spin cycle
- Utilise front-load washing machines where possible
- Line-dry instead of using a machine dryer
- Identify hotspot leakage and “close the tap”
- Filter on washing machines
- Washing bag: reduces the amount of microfibers that may enter waterways and oceans from washing

Limiting the impact of microfibres once it is in the environment is not the best option. Indeed, actions to clean up the ocean are not recommended as they are not very effective and may also have a negative impact on marine biodiversity.

Biodegradable/compostable fibres cannot be seen as a potential solution to the microfibre issue, because both biodegradation and compostability depend on very specific environmental conditions in terms of temperature and moisture profiles, which may not be found in all environmental locations that microfibres end up in. As such, while a fibre may be regarded as ‘biodegradable’ or ‘compostable’ this might not occur easily in certain environmental locations (i.e. deep sea, extreme cold etc.). Furthermore, during any biodegradation or composting process textile chemicals will be released into the environment, these can include but are not limited to: pigments and dyes (which may be synthetic), or coatings and finishes.



BOX 1: Definitions

Fashion products and components

REUSE

Operation by which a product or component is used repeatedly and for long periods of time, for its original purpose, without being significantly modified, remade, or recycled. Products might need to be 'prepared for reuse', which often involves cleaning, repairs, or small modifications so that they can continue to be used throughout time and multiple users.

REPAIR

Operation by which a faulty or broken product or component is returned back to a usable state.

REMAKING

Operation by which a product is created from existing products or components. This operation can include disassembling, re-dyeing, restyling, and other processes to improve emotional and physical durability.

RECYCLING

The process of reducing a product back to its basic material level, reprocessing those materials, and using them in new products, components or materials.

Source: Ellen Mac Arthur Foundation, Vision of a circular economy for fashion, 2020

133

Packaging

REUSABLE PACKAGING

Packaging which has been designed to accomplish or proves its ability to accomplish a minimum number of trips or rotations in a system for reuse.

RECYCLABLE PACKAGING

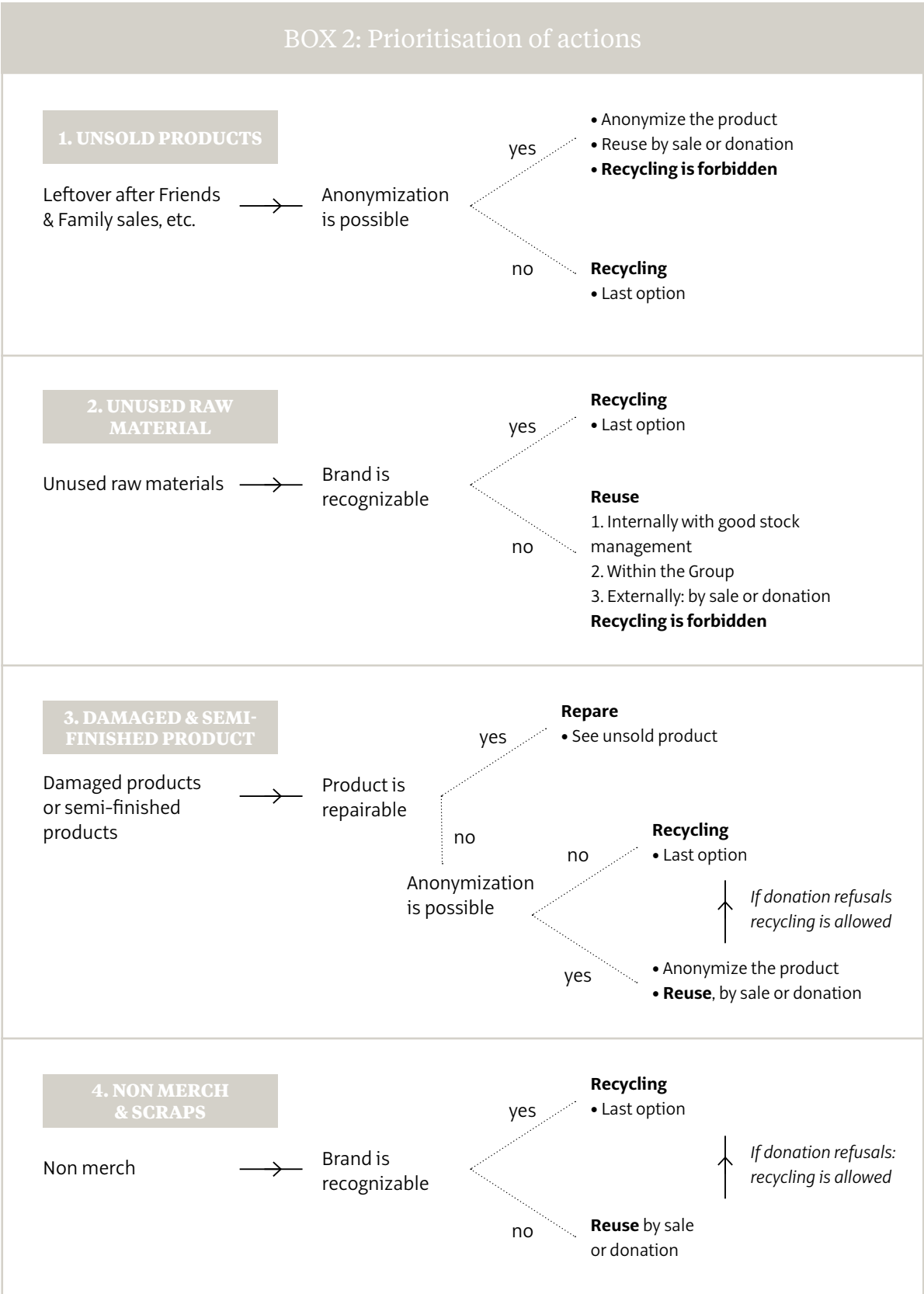
A package⁽¹⁾ or packaging component is recyclable if its successful post-consumer collection, sorting, and recycling is proven to work in practice and at scale⁽²⁾.

Notes

1. A package can be considered recyclable if its main packaging components, together representing >95% of the entire packaging weight, are recyclable according to the above definition and if the remaining minor components are compatible with the recycling process and do not hinder the recyclability of the main components.
2. The suggested test and threshold to assess if the recyclability of a packaging design is proven 'in practice and at scale' is: Does the packaging achieve a 30% post-consumer recycling rate in multiple regions and collectively representing at least 400 million inhabitants?

Source: Ellen Mac Arthur Foundation, New plastics economy global commitment, 2020





BOX 3: The recycling process

1. DISMANTLING

Manual

Allows to preserve the material and to obtain a good homogeneous quality.

Mechanical

Often requires the material to be crushed, which deteriorates it and mixes it with other materials, obtaining medium quality.

2. REGENERATION

Upcycle, remake

Very low transformation of the product. A new product is created from existing products or components.

Recycle

Reducing a product back to its basic material level, reprocessing those materials, and using them in new products, components or materials.

Downcycle

The properties of the recycled material are lowered, and it can't be used for the same applications as virgin material.

3. USER OF SECONDARY MATERIAL

Closed loop

Used to replace the same virgin material for products.

Semi-closed loop

Used to replace the same virgin material in another sector (automotive, buildings).

Open loop

Used to replace another material in another sector.

In the innovation space, textile-to-textile recycling solutions are available via mechanical processing but often with quality standards that are compromised. Chemical recycling technologies of textiles are nascent, however they are promising and starting to enter the market.



STANDARDS FOR INNOVATION



The world of sustainable fashion innovation is a new and fast-moving one. Whereas five years ago, there were relatively few innovators working in this space, today, there is an entire ecosystem dedicated to it, including: innovators and startups themselves, accelerators, investors, academics and government institutions. Indeed, innovation drives sustainability forward in fashion and it is a key enabler for Kering to achieve its sustainability targets as well. Kering set an ambitious goal to reduce its total environmental footprint, as measured by its EP&L, by 40% by 2025 and the Group is already aware that 50% of this reduction will come from implementing the Kering Standards and the other 50% will be through adopting innovative solutions, such as alternative raw materials (i.e. mycelium-based alternatives to leather, bio-based polyurethanes, etc.) and new ways of processing materials (i.e. biotech dyeing solutions, laser technologies for denim, etc.).

The Kering Standard for innovation covers new materials that may complement or replace existing, traditional materials as well as new technologies and solutions for processing and manufacturing. The Standard helps identify key topics that need to be addressed when assessing the sustainability of new technologies and innovations and codifies some key issues in assessing innovation impacts. It has been developed based on the research and analysis by leading organizations, such as Kering's key innovation partner, Fashion For Good, as well as the Textile Exchange, among others. The scope of the Kering Standard for innovation is primarily looking at the first half of the apparel value chain – alternative materials and processing technologies. New business models that help redefine the use of materials and processes (such as digital technologies as well as the re-sale and rental markets) are also a very important area of fashion innovation, and not to be underestimated in terms of potential positive impact. However, they are outside the scope of the Kering Standard for innovation as they are often more closely linked with the business strategy and logistics flows, as opposed to raw material and manufacturing processes.

The Kering Standard for Innovation refers to specific areas of “innovation” and associated with new material or technology that will complement or replace existing, traditional materials and processes in the supply chain.

The Kering Standard for Innovation covers key topics such as:

- Feedstock
- Material inputs and processing (for fibres)
- Nanotechnology
- GMO

It should be noted that, depending on the proposed innovation, not all of the above topics will be relevant. Also, it should be kept in mind that, as the sustainable innovation movement in the apparel sector is relatively young, there are often differences in industry definitions and terminology. This Standard attempts to classify such terms based on current dominant thinking and trends.

The Kering Standard for innovation should be read in conjunction with Kering Standards on the relevant materials and processes that are most closely linked with the proposed innovation (see [Kering Standard for Plastics](#), [Kering Standard for Synthetic Fibers](#), [Kering Standard for Textile Processing](#), etc).

In summary, the key principles that underpin the Kering Standards for Innovation are:

- Complying with all applicable laws, conventions and regulations
- Respecting the Precautionary Principle
- Adhering to the [Kering Supplier Code of Ethics](#)
- Understanding the clear added value of the innovation in terms of impact
- Understanding red flag issues where information is needed before proceeding with the adoption of a proposed innovation.



MINIMUM REQUIREMENTS

Apply the Precautionary Principle and Assess Impact

Kering fully supports the Precautionary Principle with respect to its environmental and social impacts. The Group is a signatory to the UN Global Compact that also supports the Precautionary Principle and states “where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.” In terms of business, this means looking to work on the level of prevention rather than waiting until there is a need for a cure.

Kering consistently, across all of its activities, supports innovative and sustainable approaches that do not degrade the environment or have negative impacts on people, now or in the future. At the same time, it is key to ensure that these approaches are not in any way harmful to the environment or society and this becomes particularly relevant in the case of innovation where technologies and solutions can still be experimental and unproven.

Therefore, when analyzing a new material or process, it is imperative to:

- Ask the innovator for data, preferably an LCA (based on ISO 1440, specifically: UNI EN ISO 14040 (2006) and UNI EN ISO 14044 (2018) to best understand the potential impact of the innovation on the environment and society.
- Many innovations are very early stage, and therefore difficult to assess in terms of impact (e.g., it is not possible to do an accurate LCA and when an innovation is still in lab stage). If an LCA is not available or possible to do, self-reported impact data as well as third-party verified data are both acceptable as a minimum requirement.
- Viable impact data that is gathered from an innovator should be directed to the Kering Sustainability Department to help determine its EP&L impact and potential savings over traditional materials and processes.

Comply with Kering Product Restricted Substances and Material Restricted Substances Lists (PRSL and MRSL, respectively)

In addition to meeting all regulatory and necessary legal requirements, compliance with the PRSL and MRSL is requested for any new material or processing innovation. Compliance with the PRSL and/or MRSL must be ensured by the innovator through product testing and each innovator must guarantee such compliance before becoming a Kering supplier. Moreover, Kering oversees an internal testing program of the products as an additional auditing measure.

The PRSL and MRSL are appendices to the supplier agreement (contract or purchasing terms and conditions) with Kering brands. More information is available in the [Appendix: Summary of Kering Chemical Management Policy](#).

Pass Kering auditing to verify adherence to the Kering Code of Ethics

Kering requires brands' suppliers to be audited for compliance with the Kering Supplier Charter which covers key ethical, social, environmental and security aspects in line with International Standards. This applies also to innovators from whom Kering brands will source materials or introduce new processes. The audits are conducted by the Kering Supply Chain Audit Team (KSCA) at Kering brands' suppliers. This ensures screening of major social aspects and provides a certain level of insurance. The auditees are required to pass the audit or address non-compliances in a reasonable timeframe. More information is available in [Appendix: Social Compliance and Enforcement of Kering Code of Ethics in Supply Chain](#).



MINIMUM REQUIREMENTS

Inquire as to source of feedstock

When analyzing the potential impact of innovations, it is important to understand the feedstock used to produce the energy, chemical reaction or material. Please see [BOX 1: Feedstock](#) for a detailed explanation of the different recognized "generations" of feedstocks.

In general, in terms of feedstock:

- Try to collect as much information as possible from the innovator about the feedstock used to best assess its impact.
- Generally, the level of potential harmful impact of a feedstock is greatest with First Generation feedstocks (e.g., competition with food sources, land use, GMO use, etc.) and decreases as you proceed to Fourth Generation feedstocks. For this reason, try to avoid innovations using First Generation feedstocks. This can be difficult as they currently are the most commercially available.
- If it is not possible for an innovator to avoid using a First Generation feedstock, innovators should be encouraged to move to other sources to the extent commercially possible or provide a roadmap showing how they will do so over time.
- If there are known negative effects of an innovation's feedstock such as certain competition with local food security, toxic chemical compound release, negative impact on water use or quality, etc., then the innovation should not be used.
- Make all efforts to ensure that the feedstock is not from genetically modified organisms (GMO). Kering does not support GMO.
- Suppliers should preferably source biobased materials that have been certified according to:
 - DIN CERTCO Biobased
 - OK Bio-based TUV

These certifications verify only the biobased carbon contents into materials.

- Suppliers should provide Kering brands whenever possible, with any additional information and/or certifications about the biomass feedstock management. Some certifications are: FSC and PEFC (for materials based on wood and its by-products), Bonsucro (for materials based on sugar cane and its by-products), ISCC (referring to their chain of custody for biomass), RED Cert (referring to their chain of custody regarding sustainability of the biomass).

Analyze material inputs and processing (for fibres)

Material inputs (synthetic or bio-based) and the way they are processed (bio-processing, mechanical, or chemical) are key components to analyze when determining the impact of an innovation related to fibre production. Prioritize materials that are made with recycled content certified to the Global Recycled Standards (GRS). If not possible, source materials with bio-content (non-fossil/petrol content) considering the recommendations in the previous paragraph.

Material inputs can be categorized as follows:

1. Natural fibers where the material inputs are plants or parts (e.g. leaf, bast, seeds from agri-waste and residues or food industry by-products) that do not require fibre formation or reformation. The fibres are usually obtained through chemical or mechanical processing and the basic structure of the fiber is primarily kept intact. In this area we have also artificially produced fibres (e.g., lab-grown fibres). In general these materials have low impact both on input and processing but the quality need to be enhanced for adoption.

The below categories refer to innovations on fibres processed synthetically (Man-Made Fibres: MMF) beyond the traditional category of cellulosic-based MMFs (e.g. viscose, acetate, modal, etc.), and related material inputs, chemicals and manufacturing improvements.

2. New Synthetic MMFs where bio-based feedstocks (bio-synthetic MMFs) go through extensive bio- and/or chemical processing to produce thermoplastic polymers (e.g. PLA, PHA, bioPET, etc.). Synthetic alternatives are also the so-called CCU (Carbon Capture and Utilization) technologies, which refers to the process of capturing carbon dioxide (CO₂) and using it as a feedstock for polymers in textile applications (e.g. CCU PLA) reducing the CO₂ into the atmosphere and its negative impact. Innovations in this fibre category are promising but quite early stage, their TRL need to be improved for scaling.



MINIMUM REQUIREMENTS

3. MMFs derive from new natural polymers (e.g., protein, algae, chitin, etc.). In some cases (e.g. biofabricated silk), the main ingredients (building blocks) of the fibres, are produced by microorganism (e.g. yeast, bacteria) through a fermentation process to be further mechanical or chemical processed and transformed into fibres or spun into filaments. Often it is challenging to measure the impact or define the sustainability assessment for these specific innovations, even more difficult when they are in the R&D phase. Concern may arise about using Genetically Modified Organism (GMO) in bioreactors, as well as for the used feedstock (e.g. sugar usually from GMO crops) to feed the living organisms.

Processing can be categorized by:

1. chemical processing (e.g., applying chemical-based solvents);
2. mechanical processing (e.g., cationic, subcritical water); and
3. bio processing (e.g., using bacteria, in a fermentation process).

Some solutions can be also the result of a mix of the above.

When evaluating innovations, bio-based materials (with as high a percentage of bio-content as possible) which are bio or mechanically processed will generally have a lower impact.

Based on the above, when analyzing material inputs and processing, please use the following framework:

- Analyze feedstock used and try to avoid First Generation feedstocks in materials or processes.
- For materials that are partially bio-based, try to attain the highest percentage of bio-content possible. In today's market, at or **above 30%** should be targeted.
- Bio-based material innovations need to have obtained third party standards, certifications and/or testing. Please refer to the [Kering Standard on Synthetics BOX 1](#) for recommendations on certifications.
- Ask for a roadmap on how the innovator plans to increase the bio-based content in the material.
- When possible, combine both bio-based material as well as bio or mechanical processing.
- When processing is chemical, inquire as to the safety of the chemicals used and refer to the Kering MRSL.
- When processing is mechanical, inquire as to energy and water use.

Apply the Precautionary Principle when using nanotechnology

Kering will not use any nanotechnology applications unless such applications are analyzed and proved to have no potential impact on human health and the environment, including an evaluation of end-of-life impacts. Please see [BOX 2: Nanotechnology](#) for more information.

Steps to take when considering a product containing nanotechnology:

- If a nanotechnology is detected and necessary for the solution to work, be sure its safety is scientifically verified and based on scientific studies.
- If more information is required to determine safety of the nanotechnology, have the supplier and/or brand test the product using the [Nano Risk Framework](#).

Apply the Precautionary Principle when using Genetically Engineered (GE) and Modified Organisms (GMO)

Kering does not support genetically engineered ("GE") materials as raw materials for its brands' products and packaging. There may be occasions, however, where, upon careful consideration, Kering brands accept some levels of genetic engineering in processing steps to attain more sustainable solutions. In the sustainable fashion innovation space, it is common to see innovations involving biotech-based solutions where microorganisms are used as platforms for genetic engineering (e.g., bacteria and yeasts).

In such cases, it is acceptable for Kering brands to accept genetic engineering in the process to create a new product or material process when impact data shows that the environmental or societal benefit outweighs the potential risk. However, the final product should not contain GMO material (i.e., the genetic material should be destroyed and appropriately disposed of after processing and not detectable in the final material or technology to be used).

See [BOX 3: GMO/Genetic Engineering](#) for further explanation of GMO and GE issues.



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Address end-of-life

When looking to adopt an innovation, particular attention should be paid to the end-of-life of the solution. Before adopting an innovation, brands should have a roadmap in place to determine how the product shall be treated at end-of-life.

In the innovation space, textile-to-textile recycling solutions are available via mechanical processing (but with quality standards that are usually compromised). Chemical recycling technologies of textiles are nascent but promising and now entering the market.

Please see [Kering Standard on End-of-Life](#) for more information on this topic.

Perform a full impact assessment

Brands should prioritize innovations that have conducted LCAs by third parties (see references above).

Avoid use of First Generation feedstocks

As solutions become more mature and ready for commercialization, Kering brands should always be pushing toward sourcing innovations that are "best in class". This means that, as they become commercially available, Kering should source innovations based on Second, Third and Fourth Generation feedstocks.

Only rely on recycled or sustainable bio-based material input

By 2025, it should be possible to have more recycled or bio-based content in materials without compromising performance and quality.

To that end, sourced materials should be made of at least 80% recycled or bio-based content. The recycled content is the priority, in this case preferring post-consumer recycled material inputs and secondarily pre-consumer (post-industrial) one.

Address end-of-life by ensuring full circularity

See [Kering Standard on End-of-Life](#) for more information on additional conditions to meet Kering standards.



BOX 1: Feedstocks

A “feedstock” refers to any unprocessed natural material (e.g., not manmade) used to supply a processing technology. Feedstocks come from a variety of sources (e.g., petroleum, biomass, coal, etc.) and are transformed from their unprocessed state to create fuel or to support a chemical reaction to create a material or process. Any natural resource might be considered as a feedstock. For example, petroleum is a feedstock for most plastic and polyester. Algae is starting to be used as a feedstock for textiles and dyes. Corn is a popular feedstock for bio-based plastics. When determining whether a feedstock is “sustainable” or not, it is important to understand the feedstock and how it is procured. Generally, feedstocks are classified as follows (although there are currently differences in industry definitions):

1. First Generation: Sourced from food or feed crops, such as corn, wheat, sugarcane, potato sugar, beet, rice, plant oil and fruit. Unintended consequences of using a First Generation Feedstock could be: competition with food crops, land use change, use of pesticides and GMO, reliance on industrial monoculture.

2. Second Generation: Feedstocks that do not compete directly with food and feed crops because they are derived from biomass such as waste and agricultural residues of nonfood crops such as wheat straw, fruit waste, or wood waste. These are an improvement over First Generation and are becoming available on the market today. However, they do still hold potential negative consequences such as pesticide and GMO use, land use change and reliance on industrial monoculture farming.

3. Third Generation: These feedstocks are sourced from non-land based crops such as biomass derived from algae, fungi and bacteria. These are more difficult to find at a commercialized scale today, although it is a growing segment. Potential negative impacts are methane production, destruction of natural habitats in harvesting, and potential environmental contamination or leaks.

4. Fourth Generation: This involves sourcing from carbon in greenhouse gases released by industrial or waste management processes. This is the most promising type of feedstock in terms of impact as they remove harmful gases from the atmosphere. However, they are also the most experimental and generally not available on the market. Potential negative consequences also exist such as how to handle the end-of-life of such feedstocks as well as supply chain stability and energy efficiency.

Sources:

Fashion For Good

Textile Exchange (2017)

McClellan, James E., III; Dorn, Harold (2006). Science and Technology in World History:

An Introduction. JHU Press. ISBN 978-0-8018-8360-6



BOX 2: Nanotechnology

Kering is working to align, where possible, its PRSL and MRSL with existing or emerging industry efforts. For example, Kering is working to align, where possible, with:

What is “nano”?

“Nano” is a commonly used term for the use of engineered nanotechnology, nanomaterials, and nanoparticles. These substances are incredibly small (1-100nm), much smaller than a human hair, but exhibit many desirable properties. Specifically relating to products, nanomaterials can be potentially found in or on many technical fabrics and some leathers. They are applied as thin films or coatings to fibers or are fillers or part of the materiality of fibers themselves.

Nanomaterials are designed to change the surface and/or overall properties of the material, for the following desired functions:

- Stain and Water Repellency
- Anti-microbial and Odor Protection
- UV Protection
- Abrasion Resistance
- Anti-static
- Wrinkle-free
- Biomimicry
- Color

Why is “nano” risky?

Nanotechnology is expanding to an ever-increasing number of products and uses, and there are uncertainties in understanding the hazards of some nanomaterials. There are early indications of potential adverse health and environmental effects with some nanoparticles. Certain kinds of risks to humans from nanoparticles can be inferred from already-studied substances. The extremely small-size of the nanoparticles makes them potentially very accessible. For example, inhalation risks from nanoparticles can be inferred from experience with other ultrafine particles (e.g. air pollutants). The main concern related to the environment is if the nanomaterial is toxic or could become toxic to living species in the environment. Another concern is if nanomaterials are applied incorrectly as coatings or finishes and wash off in the first wash or dry cleaning and discharge into the environment.



BOX 3: GMO/GE Preferred sourcing countries

Genetic Engineering (GE) and Genetically Modified Organisms (GMO)

For Kering, the issue of GMOs is relevant in several areas of its business:

- Genetically modified fiber crops (mainly cotton);
- Bio-based plastics for packaging – plastics that are made from genetically modified food crops – such as sugarcane and maize;
- Bio-engineered organisms and processes used in innovations such as genetically modified bacteria to produce enzymes used in bleaching or biotech dyes, bio-engineered collagen to produce leather alternatives.

The term genetically modified does not mean natural breeding methodology for domestic plants and animals (something that humans have been doing for centuries) but includes genetic engineering whereby genes are manipulated and genes from other species are inserted (transgenic genetic engineering).

Some key considerations

The debate: The issues around GMOs are hotly debated.

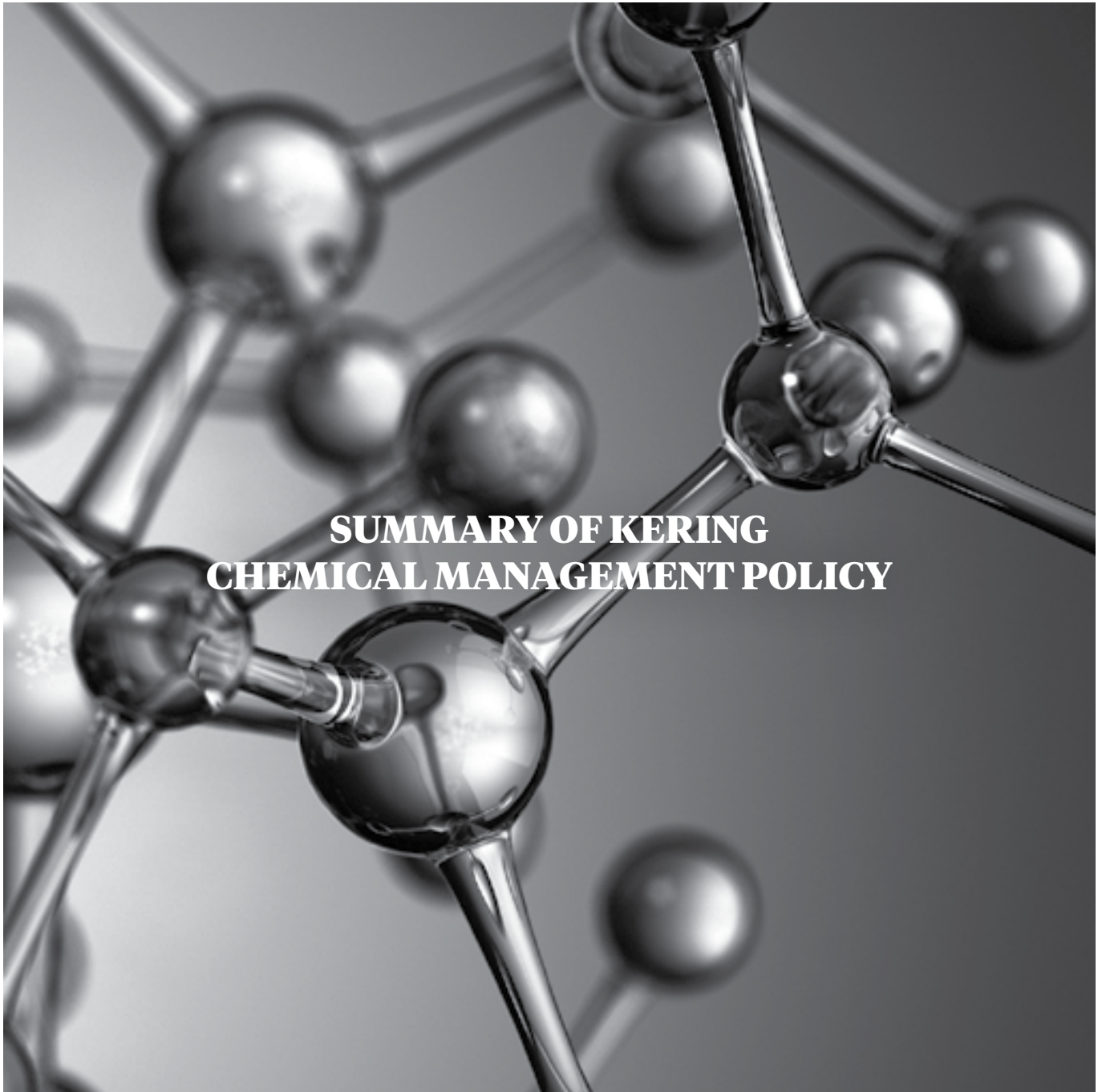
- The issue of ownership of food and fiber resources and the systems to maintain profit-making ownership
- Risks include contamination and leaking of genetically engineered organisms into the natural environment.

Because the issue of whether GMOs deliver the benefits that outweigh the potential risks, Kering uses the precautionary principle when determining whether to adopt a solution containing genetically engineered materials and processes.



APPENDICES





Kering has developed a comprehensive Chemical Management Policy which defines its strategy on chemicals that are potentially hazardous to the environment or people. This includes chemicals that may not have been regulated yet. This policy serves as the Kering Standard for chemical management to which all of Kering brands and suppliers are required to adhere. In summary, the key objectives that underpin the sustainable and responsible use of chemicals are:

- Ensuring that chemicals are managed at ambitious standards throughout the entire supply chain in order to reduce harm to human health and the environment
- Ensuring that all hazardous chemicals have been phased out and eliminated from Kering's production and supply chain.



MINIMUM REQUIREMENTS

Comply with Kering Product Restricted Substances List

The paragraph “compliance with environmental laws” in the Kering Sustainability Principles attached to supplier agreements (contract or purchasing terms and conditions) requests that suppliers undertake to comply with the Kering Product Restricted Substances List and Safety Requirements (PRSL).

The PRSL provides guidance to suppliers and product manufacturers in order to comply with Kering’s requirements for the manufacturing and sale of products safe, free of harmful, toxic and hazardous chemicals. The PRSL includes a wide range of safety requirements, chemical substances that are regulated by governmental agencies and programs from different countries around the world where Kering products are distributed and sold (such as REACH for Europe, GB in China, Prop65 in California, KC Mark in Korea, etc.), as well as additional substances of concern to Kering. All suppliers, at a minimum, must comply with the Kering PRSL. The Kering PRSL is available in English, Italian and Chinese as an Appendix to your supplier agreement with Kering brands.

Each Kering supplier must guarantee PRSL compliance of its products (be this a raw material, component or finished product) and suppliers must ensure compliance through product testing. Kering oversees an internal testing program as an additional auditing measure. All testing must be early enough in the product cycle to allow for the proper evaluation of test results prior to production and must be conducted by laboratories recognized by international organizations using verified individual test methods that are ILAC accredited. This is to ensure that in situations of PRSL failure, appropriate remedial actions can be made with minimal cost impact to the supplier(s) and the brand.

Kering’s supplier agreements include a clause stating that products which do not meet requirements (including PRSL) will not be accepted by the brand, and that the vendor will be liable for loss, sales and destruction, if necessary, of all products that do not fully comply with the legal parameters at worldwide level. This requirement is commonly referred to as a “no-pass/no-buy” policy.

Carefully monitor and minimize the formation of Chromium VI

Chromium VI, known for genotoxic and carcinogenic properties, can be formed during leather tanning if not managed properly. By following tanning best practices, Chromium VI formation can be minimized or eliminated. Kering requires that all tanning suppliers have a program in place to ensure that best practices are being fully implemented to minimize or eliminate the formation of Chromium VI.

Do not use PVC when manufacturing Kering’s brands’ products

Polyvinyl Chloride (PVC) poses potential environmental and health threats because of the chlorine containing by-products (e.g. dioxins) that are produced during the manufacturing of PVC and burning of products that contain PVC. Chlorine by-products are carcinogenic and extremely dangerous to human health and to the environment, and wildlife more broadly. Because of these risks, Kering has made a public commitment to eliminate PVC from all its brands’ collections. Suppliers must ban PVC from their production for Kering’s brands.

Apply the precautionary principle for nanotechnologies

Nanotechnology refers generally to the engineering or manipulation of atoms or molecules for the production of micro scale products or materials. Currently and in general, nanotechnologies are being used in some coatings on fabrics as well as sun-screens and cosmetics. However, little is currently known on the environmental and health impacts of nanotechnology and associated nanomaterials. Kering follows the precautionary principles and will not use any nanotechnology applications unless such applications are analyzed and proved to have no potential impact on human health and the environment, including an evaluation of end-of-life impacts. Suppliers must proactively share information on nanotechnology used in their manufacturing.



MINIMUM REQUIREMENTS

Comply with Kering Manufacturing Restricted Substances List

The Kering Manufacturing Restricted Substances List (MRSL) 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).

Kering has committed to ensuring that all chemicals in the MRSL are gradually removed from any stage of the production processes and from any connected activities relating to its brands' production processes by 2020.

As of January 1st 2020, no chemicals listed in the Kering MRSL V.1.0 (dated November 2016) can be intentionally used in Kering's supply chains' production processes. There may be unintentional presence of impurities or trace amounts of these substances whose quantities cannot in any case exceed the chemical formulation limits specified in the MRSL. The detailed Kering MRSL is available as an Appendix to your supplier agreement with Kering brands.

The Kering MRSL will be regularly updated. Kering envisages a "transition period" following new releases of the Kering MRSL, during which suppliers can work towards conformance to the latest MRSL release, whilst being compliant only with the previous version of the MRSL. This is in order to enable suppliers to meet new MRSL requirements by end of the transition period.

The Kering MRSL V.2.0 will be released in 2020. The Kering MRSL V.2.0 is the ZDHC (Zero Discharge of Hazardous Chemicals) MRSL V.2.0 plus additional ban on PFC's use.

See [BOX 1: Alignment with other industry PRSL and MRSL efforts](#)

Kering recognizes that it is more difficult to ensure conformance with an MRSL than a PRSL, and that suppliers must implement a chemical management system and investigate their supply chain to ensure conformance. The steps suppliers must take are as follows:

1. Suppliers must adopt a chemicals management system that:

- Demonstrates the control and understanding of the origin and chemical composition of purchased chemical products through review of technical and safety data sheets, and the supplier must have a copy of the technical and safety data sheets of all chemical products
- Includes sharing of the Kering MRSL with suppliers and sub-suppliers and requiring and monitoring its implementation, including the termination of any relationship with suppliers and sub-suppliers who refuse to comply with the Kering MRSL

- Ensures the use and purchase of MRSL conformant chemical products, at minimum with regards to chemical products used in the production processes of Kering's brands' items.

The ZDHC (Zero Discharge of Hazardous Chemicals) Chemical Management System Framework and the ZDHC Technical Industry Guide provide guidance for the implementation of a chemical management system.

In addition, suppliers may choose to enroll in programs and training supporting the implementation of MRSL and a Chemical Management System, such as the ZDHC Supplier To Zero program and the ZDHC Academy.

2. The supplier must develop and maintain an inventory of chemical products used in the production processes of Kering's brands' items that:

- Documents all chemical products used in production processes, indicating for each product the activities for which it is used. This could include dyes, inks, paints, solvents, primers, adhesives, surfactants, detergents and other chemical auxiliaries
- Includes, for each chemical product, information on conformance to the MRSL, identifying chemical products containing the chemicals mentioned in MRSL, if any.

Conformance to the MRSL must be documented. Suppliers must require their chemical suppliers to provide adequate documentation to show compliance with the MRSL. This can be done by obtaining a list of Chemical Products without hazardous chemicals (Positive List) or requesting a declaration of compliance with the MRSL from the chemical supplier. Suppliers may choose to use third party certification systems or ZDHC tools such as the ZDHC Gateway and the ZDHC InCheck report. Bluesign™ is a certification system that ensures conformance with the Kering MRSL. Other certifications may be used but must be supplemented with additional evaluation and testing. See [BOX 1: Alignment with other industry PRSL and MRSL efforts](#)

3. Suppliers must prepare and define a MRSL compliance plan that details how chemical products used in production processes that do not comply with latest new release of the Kering MRSL (currently the Kering MRSL V.2.0) will be phased out and replaced by end of the transition period. Suppliers must require their chemical suppliers to provide adequate documentation to show compliance with the MRSL. This plan must be updated and indicate which steps have already been taken and those planned in order to reach full compliance with the MRSL by end of the transition period.

All of Kering's key suppliers must have documented conformance with the Kering MRSL. Starting from 2020, Kering plans to conduct audits of suppliers' chemical management systems at least every second years in order to demonstrate conformance with the MRSL.



ADDITIONAL CONDITIONS TO MEET KERING STANDARDS

Wastewater and sludge management for MRSL conformance

Suppliers shall be able to provide Kering with information on the quality of their wastewater. In all cases, wastewater quality shall align with local regulation, while Kering encourages suppliers in improving wastewater management.

With regards to MRSL conformance, applying good practices for output management would provide suppliers an additional tool for monitoring the performance of their Chemicals Management System as well as tracking progresses.

In particular, suppliers should:

- aim to meet highest wastewater standards such as the ones set by Zero Discharge of Hazardous Chemicals (ZDHC) in their ZDHC Wastewater Guidelines (ZDHC WWG)
- implement a wastewater monitoring and testing plan in line with the ZDHC Wastewater Guidelines
- in case of non-conformance detection, develop a root cause analysis and corrective action plan with a defined completion date, in line with the ZDHC Wastewater Guidelines.

In addition, suppliers may publish wastewater test reports on the ZDHC Gateway platform and share ZDHC ClearStream report.



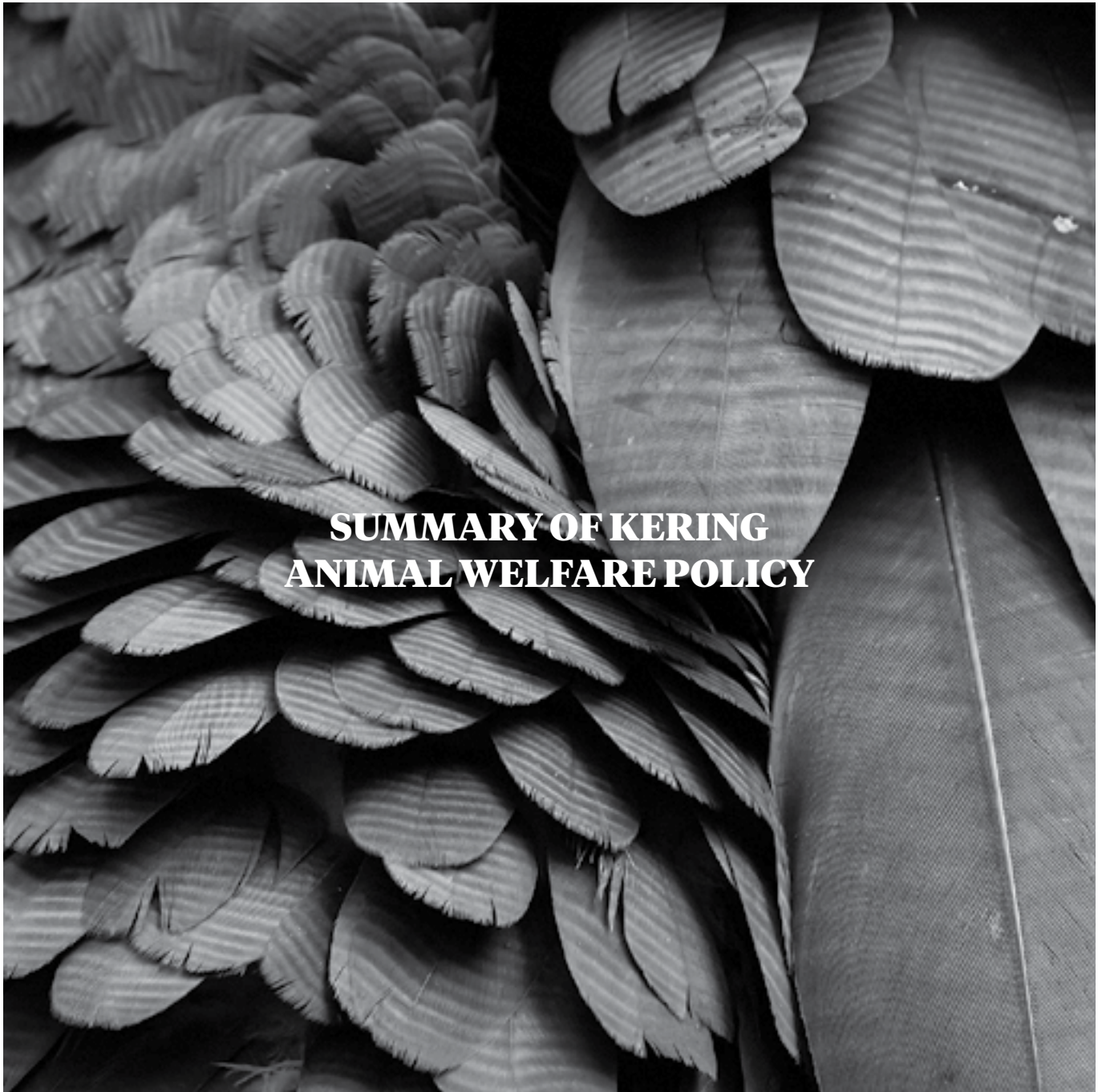
BOX 1: Alignment with other industry PRSL and MRSL efforts

Kering is working to align, where possible, its PRSL and MRSL with existing or emerging industry efforts. For example, Kering is working to align, where possible, with:

- The Zero Discharge of Hazardous Chemicals Program's **MRSL**:
the Kering MRSL V.2.0 is the ZDHC MRSL V.2.0 plus additional ban on PFC's use.
The ZDHC MRSL V.2.0 is available at the following link:
<https://mrsl.roadmaptozero.com/>
- The Camera Nazionale della Moda Italiana's **Guidelines**, which comprise a PRSL and a MRSL

150





SUMMARY OF KERING ANIMAL WELFARE POLICY

151

Kering expects all suppliers in the supply chain to:

- Be aware of and commit to respect the Kering Animal Welfare Standards
- Support traceability in the supply chain so that Kering can verify animal welfare practices

Additionally, Kering expects all suppliers and sub-suppliers that handle live animals to meet the [Kering Animal Welfare Standards](#) appropriate to the species of animal and the location of animal production. At the very least suppliers must meet “Bronze level” standards which are entry level and mandatory. Suppliers must also commit to engage in continuous improvement of their practices and must also be open to regular third party audits to show adherence to the [Kering Animal Welfare Standards](#) and progress towards improvement. Species-specific animal welfare standards are available to suppliers and sub-suppliers upon request.



Kering’s commitment to animal welfare

Kering is committed to implementing and verifying the highest standards of animal welfare across all its animal-based supply chains. As such, Kering developed and published in 2019 a suite of [animal welfare standards](#) designed to be implemented at the points in the supply chain where there are live animals (mainly at farms and processing facilities). Kering is also committed to driving improvement in industry practices more broadly.

Kering is also engaging with industries beyond the luxury and fashion sector. In order to achieve strong results and progress, Kering has started to work with the food industry as the supply chain of both sectors tend to overlap on many of the animal-based material Kering sources from. By aligning expectations, sharing best practices and strengthening collaborative efforts, Kering thus ambitions to advance animal welfare to the highest possible standards.

Kering Animal Welfare Standards

While based in part on existing best practices of animal welfare standards around the world, the [Kering Animal Welfare Standards](#) aim to be among the most stringent in order to align with its commitment and to catalyze and drive industry improvement with more just, humane and safe practices. The [Kering Animal Welfare Standards](#) have been developed with external experts who have extensive experience in animal welfare and have been verified by third parties.

The comprehensive [Kering Animal Welfare Standards](#) are publicly available on kering.com and summarize our approach and key requirements for all significant species relevant to our animal-based materials. Regarding the 4 main key species used for their hides or fibers (calf, cattle, sheep and goats), the detailed standards are available upon request, as well as the Kering guidelines for animal welfare practices in abattoirs.

The [Kering Animal Welfare Standards](#) focus primarily on the welfare of animals and are designed to be specific to particular species, as well as specific to the type of production (i.e. farm or wildharvest) and, in some cases, geographic location. The [Kering Animal Welfare Standards](#) are structured in three levels (Bronze, Silver, Gold) with the goal of driving continuous improvement towards the very highest standards.

- Bronze: This is entry-level compliance for Kering suppliers. However, some Kering brands may decide that compliance level needs to be Silver or Gold
- Silver and Gold: More stringent standards that include the very best practices in animal welfare in the industry. There are also additional requirements for the management of biodiversity on the farm.

While the scope of the [Kering Animal Welfare Standards](#) encompasses all points of the supply chain where there are live animals (from farms/wild harvest to killing facilities), the verification of the implementation of these standards will depend of the situation and will follow the general prescriptions: verification through pre-existing 3rd party certification

or standards; verification through 2nd party audit carried out by the food industry (or other industry if relevant); verification through own audits when necessary.

Kering recognizes that these standards are setting a new precedent for animal welfare and, as such, will take time and effort to implement. While Kering expects all its suppliers to commit to the [Kering Animal Welfare Standards](#) and make continuous improvement, Kering will approach implementation of the standards in a collaborative manner with suppliers. The following sections highlight the operational steps for suppliers to engage with in order to facilitate alignment with the [Kering Animal Welfare Standards](#).

Supply chain transparency

Supply chain transparency is a prerequisite in order for Kering to assess its supply chain against the [Kering Animal Welfare Standards](#). To this aim, suppliers will be regularly requested to provide information about their own supply chain. For all animal-based material, a minimum requirement is to provide the country of origin, where farming/harvesting/hunting/herding happens.

An additional layer of information will be requested as well depending on the material type:

- Hides & skins for leather (ovine, bovine, caprine): List of abattoirs in the supply chain of the supplying tanneries (including name & location)
- Precious skins: List of processing facilities/killing facilities in the supply chain of the supplying tanneries (including name & location)
- Fur: List of auction houses/processing facilities in the supply chain of the fur supplier
- Cashmere: List of cleaning/dehairing processors and herding cooperative if possible
- Wool: List of cleaning/scouring processors



Preferred sourcing countries

Kering recommends that suppliers take a precautionary approach to sourcing with respect to animal welfare. This is why for each material type, Kering has established a list of preferred sourcing countries, in order to minimize risks.

For each material, the list of preferred countries is specified in the corresponding section of these standards.

These lists reflect the best knowledge available to Kering when writing this document and may change with additional research and information. We encourage suppliers to give Kering feedback on their knowledge of the different risk issues in sourcing countries.

Sourcing from countries that are not listed isn't prohibited per se but will require more stringent verification in order to ensure compliance with the Kering Animal Welfare Standards.

Working with third party standards and certification

Kering has made an extensive review of existing regional and international standards and consequently we have an approach for the verification of our suppliers that can be based on a number of existing standards and certifications. These are listed in each species' section of our Kering Animal Welfare Standards. Therefore, not every supplier will need to be verified against the Kering Animal Welfare Standards if other certifications and verification procedures recognized by Kering are in place. In some cases, the equivalence between the requirements of the Kering Animal Welfare Standards and 3rd party certifications/standards might not be fully equivalent in which cases additional verification may happen to ensure full compliance. Kering will revise the listed certifications and standards as necessary based on any new, relevant scientific findings, programs or certifications.





SOCIAL COMPLIANCE AND ENFORCEMENT OF THE KERING CODE OF ETHICS IN SUPPLY CHAIN

Kering is committed to ensure its suppliers respect human rights and the environment and to help its suppliers and sub-suppliers to improve labor, health and safety and environmental conditions in the workplace. This supports Kering in achieving its high ethical and environmental standards. Kering recognizes that this effort requires a collaborative approach to compliance and Kering will openly work with all relevant bodies to deliver effective action plans for positive change.

The Code of Ethics affirms Kering's commitment to responsible business practices, which includes respect for human rights, not only for all its employees, but also for all those who work in its supply chains and contribute to the value creation. Regularly updated, the Code of Ethics aims to clarify and explains the ethical principles expected on a daily basis, while the Suppliers' Charter outlines the ethical, social and environmental requirements expected from our suppliers.

All Kering suppliers must agree to receive announced and unannounced assessments/audits by Kering and third party representatives. Kering also expects all suppliers to make improvements when its policies and standards are not met, and to develop sustainable management, reporting and tracking systems within the factory or site to ensure continued compliance. Timelines for achieving compliance shall be reasonable and defined. Providing proof of correction to Kering for each non-compliance is also required.



Scope

Kering requires audits to assess the compliance of the supplier to the principles set out in the Kering Suppliers' Charter and Sustainability Principles acknowledged by the supplier when signing the supplier agreement in order to cover key ethical challenges. These include the following:

- Child labor
- Forced labor
- Safe workplace
- Freedom of association
- Discrimination
- Working hours
- Fair wage
- Compliance with environmental laws
- Compliance with security standards
- Supplier sites are adequately protected by security systems
- Respect of the main environmental principles (emission, waste, etc.)
- No counterfeit and frauds activities
- Supplier sites are covered by insurance

Documentation for suppliers and sub-suppliers

In order to map Kering brands' supply chain and perform the required social, environmental and security compliance review, Kering collects various items of information about its suppliers and sub-suppliers through the Kering Supplier Database System (Called SCS, Security Control System).

Once created in the system, the supplier will have to complete its profile and declare its sub-suppliers working for Kering (web access) including:

- General Information
- Existing certification or review: in the case of supplier or sub-supplier certified or audited or under certification or audit for a specific standard for social, environmental or security
- Use of sub-suppliers: names and VAT codes to be detailed
- Contractual and financial information

In the case of first level supplier:

- Total turnover of the supplier

In the case of sub-supplier:

- Type of contractual link between the first level supplier and its sub-suppliers
- Consolidated turnover of all sub-suppliers
- Detailed turnover for each sub-supplier
- Employees: number of employees in the company (global data) and the number of employees dedicated to work by brand, in detail
- Number of owners, partners, and employees' family
- Number of full-time / part-time employees split between: Italian, EU, and non-EU
- Number of homeworkers split between: Italian, EU, and non-EU
- Total number of employees dedicated to each brand split by activities

Audit Types and Frequency

Kering performs two types of audits on suppliers: the global audit and the follow-up audit; both are based on the same checklist, but cover specific areas.

The global audit is performed during the activation (i.e. before a supplier can start working with a Kering brand). The supplier is then renewed every two to four years depending on supplier's risk. The global audit monitoring goal is to check the more critical areas to prevent the presence of Zero tolerance and High Non-conformity issues.

The follow-up monitoring is performed as a second check to ensure the implementation of action plans coming from the global audit and to cover less critical areas.

Communication of audits

In the context of general audits, the communication flow (audit planning, sending the CAP, etc.) between the Kering Audit team and the suppliers should be as follows:

- For direct suppliers: Kering Audit team contacts the direct supplier directly copying in the brand's production and sustainability functions teams.
- For suppliers and their sub-suppliers: the Kering Audit team contacts the supplier copying in the brands' production and sustainability functions teams. The supplier then liaises with the sub-suppliers. For audit confirmation and audit date at sub-suppliers' site, the supplier reverts to the Kering Audit team copying in the brand's production and sustainability functions teams.

For the opposite, in case of a follow-up or of a suspicion of violation, the audits are unannounced.



Type of activity	Type of supplier	Type of audit	Timing	Frequency
GLOBAL AUDIT SUPPLIER ACTIVATION	Direct supplier and Sub-supplier	Announced General Audit	Notification normally one week in advance	Only for new supplier activation
GLOBAL AUDIT SUPPLIER MONITORING		Announced General Audit	Notification normally one week in advance	At least every 2 years
FOLLOW-UP SUPPLIER MONITORING		Unannounced Follow Up	Anomalies deadline or depending on needs	Depending from anomalies correction deadline
SUSPICION OF SOCIAL VIOLATION OR ANY OTHER SPECIFIC VIOLATION		Mostly unannounced General Audit based on situation in coordination with the BU	ASAP	Depending on alert

Methodology

During the global audit the auditor will:

- Observe key site activities
- Interview management
- Interview selected workers without management present and to respect the confidentiality of the interview
- Inspect key company documentation including worker contracts, union agreements, management procedures, management records, and any other documentation, and records relating to wages, disciplinary practices, health and safety discrimination, working hours, freedom of association and collective bargaining (unions,) and employment of children and young workers

Areas to be checked are:

- Child labor
- Forced labor
- Health and safety
- Freedom of association and collective bargaining
- Discrimination
- Disciplinary practices
- Working hours
- Wages and regular employment
- Management systems and subcontracting
- Environmental compliance
- Physical security
- Working condition and organization
- Work order

Audit results, grading system, and re-audit frequency

156

Once the audit is performed, a non-conformity issue will be available in the Supplier Database system for Kering, the brand(s) and the supplier.

Grading system

The outcome of the audits conducted by the Kering Audit team will categorise suppliers in three distinct categories: non-compliant, partially compliant and compliant.



		Type of Non Conformity			
		Zero tolerance	Serious non conformity	Non conformity	Observations
Categories	ZERO TOLERANCE	Any	Any	Any	Any
	NON-COMPLIANT	None	Any	More than 5	Any
	PARTIALLY COMPLIANT	None	None	Less than 5	Any
		None	None	None	More than 5
COMPLIANT	None	None	None	Less than 5	

Follow up audit timeframe

The most serious of the findings identified during the audit will define the timing of the follow up audit as below:

Most serious findings during audit	Follow up audit timing	Type of audit
ZERO TOLERANCE	Termination, none	Termination, none
SERIOUS NON-CONFORMITY	Within 1 month	Announced follow up or unannounced investigation
NON- CONFORMITY	Within 3 months max	Announced follow up
OBSERVATIONS	Within 6 months max	Announced follow up

Submission of evidence for non-conformity closure:

After the audit has been performed, the supplier can send to the Kering Audit team evidence of missing documentation or any other type of evidence with the objective to close off some or all non-conformities identified during the audit before the follow up audit is scheduled to be performed.

Should the Kering Audit team consider the evidence as acceptable, the related non-conformities will be closed off. This might affect the timing of the follow up audit depending on the type of non-conformities that remain open.





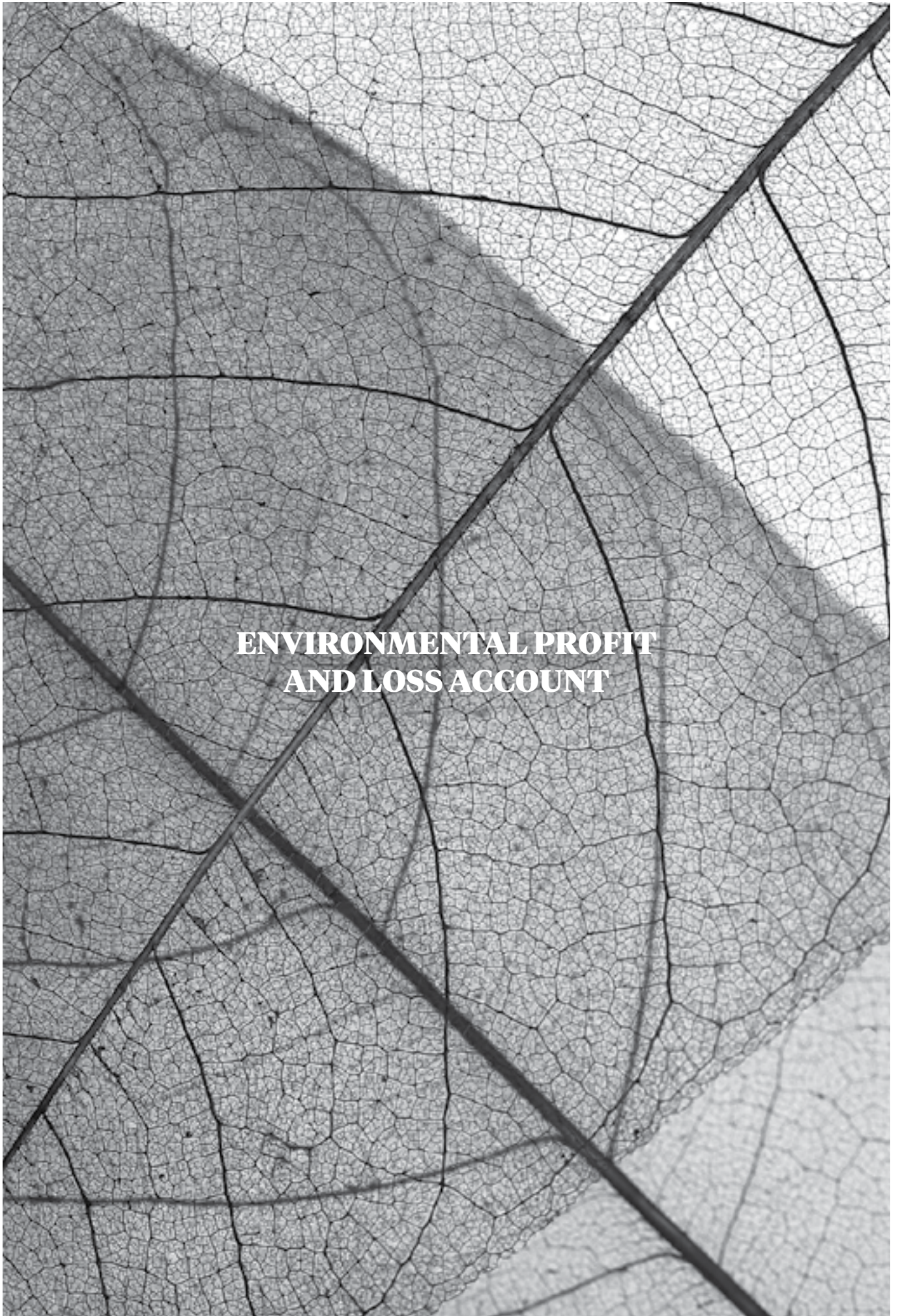
In order to ensure the implementation of the Kering Code of Ethics and the principles it defends, the Kering Group Ethics Committee is complemented by two regional Ethics Committees : the Asia-Pacific Ethics Committee (APAC) and the Americas Ethics Committee. In parallel to this organization, a worldwide hotline is also available in the most spoken languages of the Group.



This Alert System is available and opened to paid employees and interns of the Kering Group, as well as to external and occasional employees working for any service-provider / supplier or external partner with whom the Group and/or its Houses maintain contractual relationships.

The Committees do not deal in principle with anonymous requests, therefore any person contacting the Ethics Committees are asked to identify themselves. Issues raised to the Ethics Committee remain confidential and the Ethics Committee implements a no-retaliation policy when solicited in good faith. Good faith means that the issuer believed the information was true at the time the concern was raised, even if the information later turned out to be incorrect. Referrals are usually handled within a period of three months. The Ethics Committees and Ethics Hotline contact information can be found in the Kering Code of Ethics at kering.com.





**ENVIRONMENTAL PROFIT
AND LOSS ACCOUNT**



What is an EP&L?

Kering has developed an innovative tool, the Environmental Profit & Loss (EP&L) Account, which makes the invisible environmental impacts of business visible, quantifiable and comparable. The EP&L is designed to measure and monetize environmental impacts from a business' activities in its own operations and across the supply chain. The tool highlights key areas where a company can prioritize and focus its efforts to mitigate its impacts more effectively.

The results of the EP&L allow Kering to:

- Understand its true impacts and identify hotspots
- Reveal risks and find effective solutions for mitigation
- Translate its environmental impacts into a business language
- Compare different environmental impacts with each other, which was not directly possible previously
- Compare the magnitude of the impact of production or sourcing of raw materials in each location (this is particularly relevant to the availability of fresh water resources that is specific to each location)
- Facilitate comparisons between brands or business units

- Monitor progress of 2025 strategy, while forecasting and preparing for the future
- Be transparent with its stakeholders and investment community

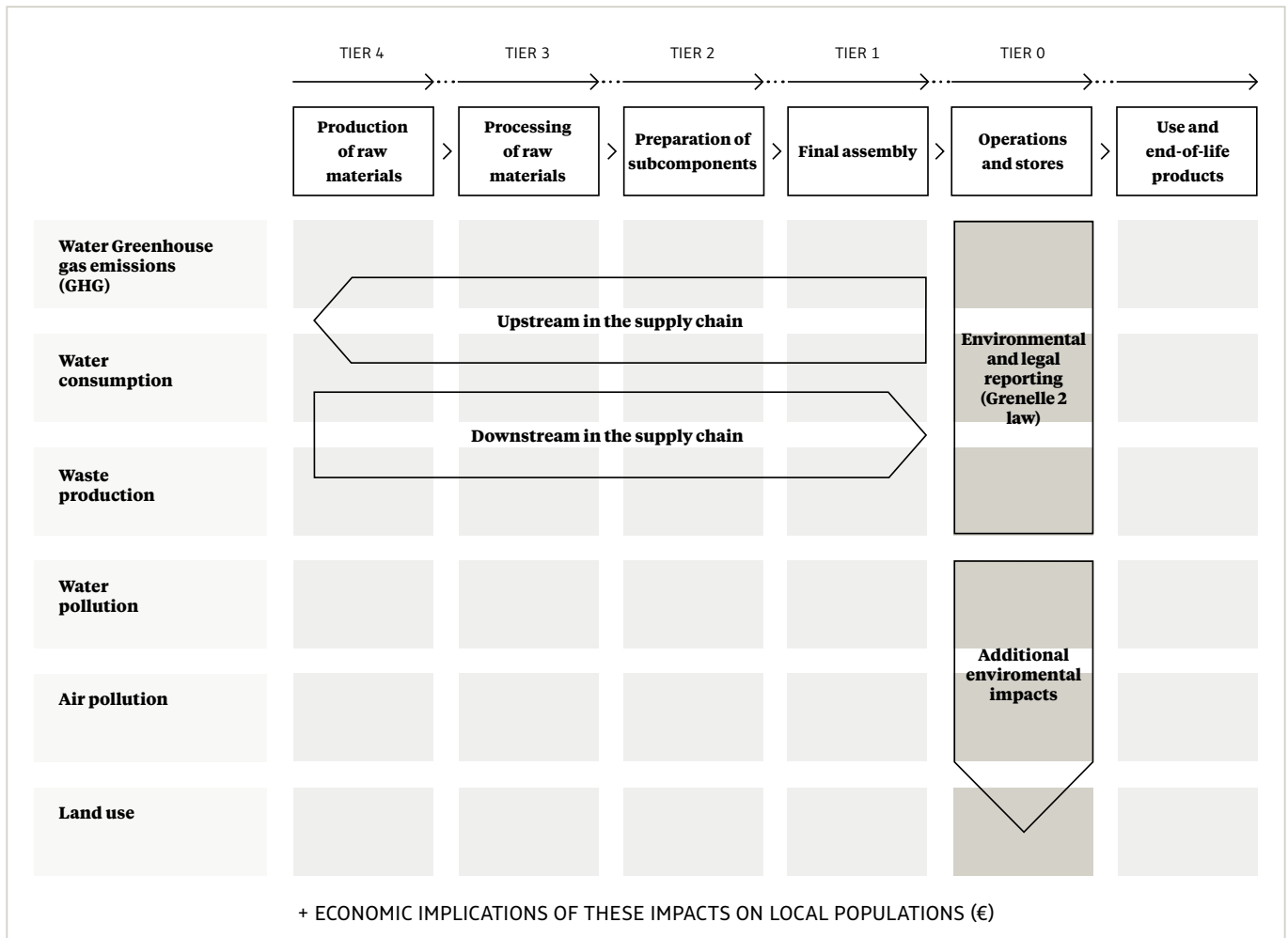
In short, the EP&L can be used as a decision-making tool for Kering brands to influence daily choices and make responsible sourcing decisions, by being able to understand the environmental impact the business will have on the world.

Summary of the methodology

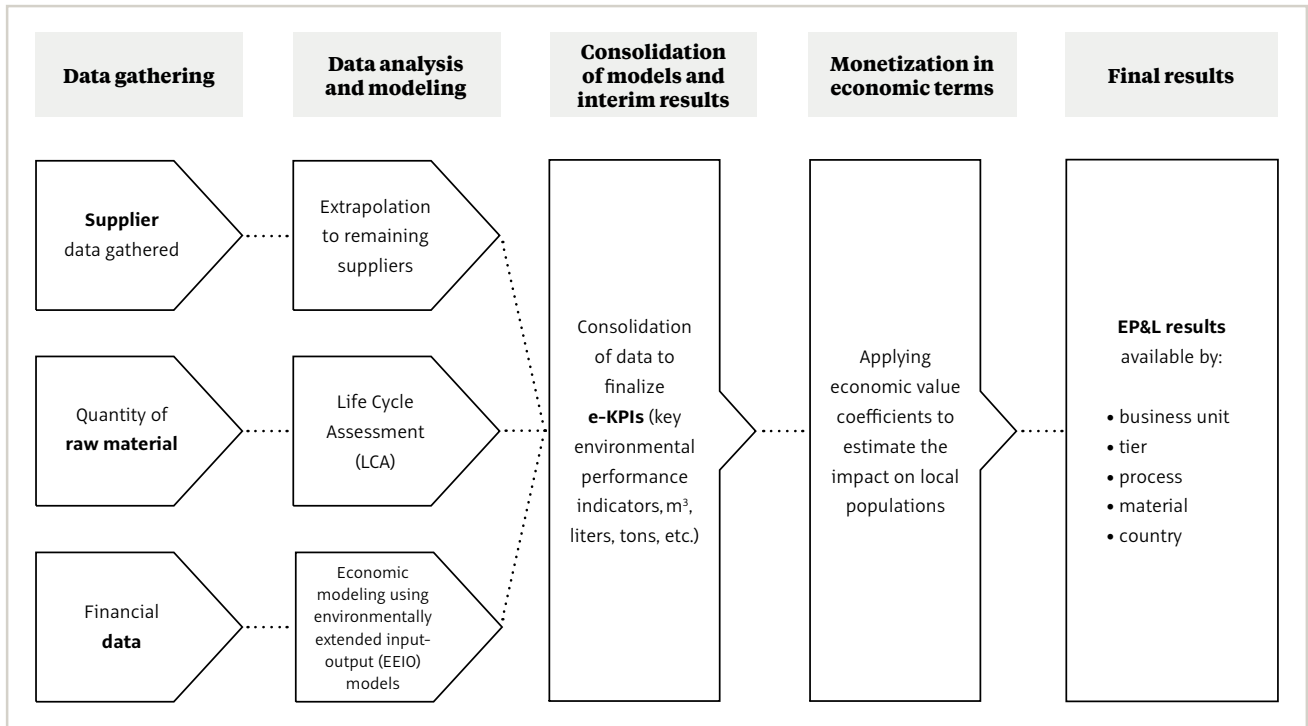
The EP&L approach goes far beyond standard environmental reporting, producing a more comprehensive picture of the impacts of Kering's business activities.

It covers every tier of the supply chain, from Kering's own operations and stores all the way upstream to the production of raw materials. At each tier, indicators are measured covering: greenhouse gas emissions, water consumption, waste production, water pollution, air pollution and land use. In 2020, Kering added the use phase and end-of-life in the scope of the EP&L.

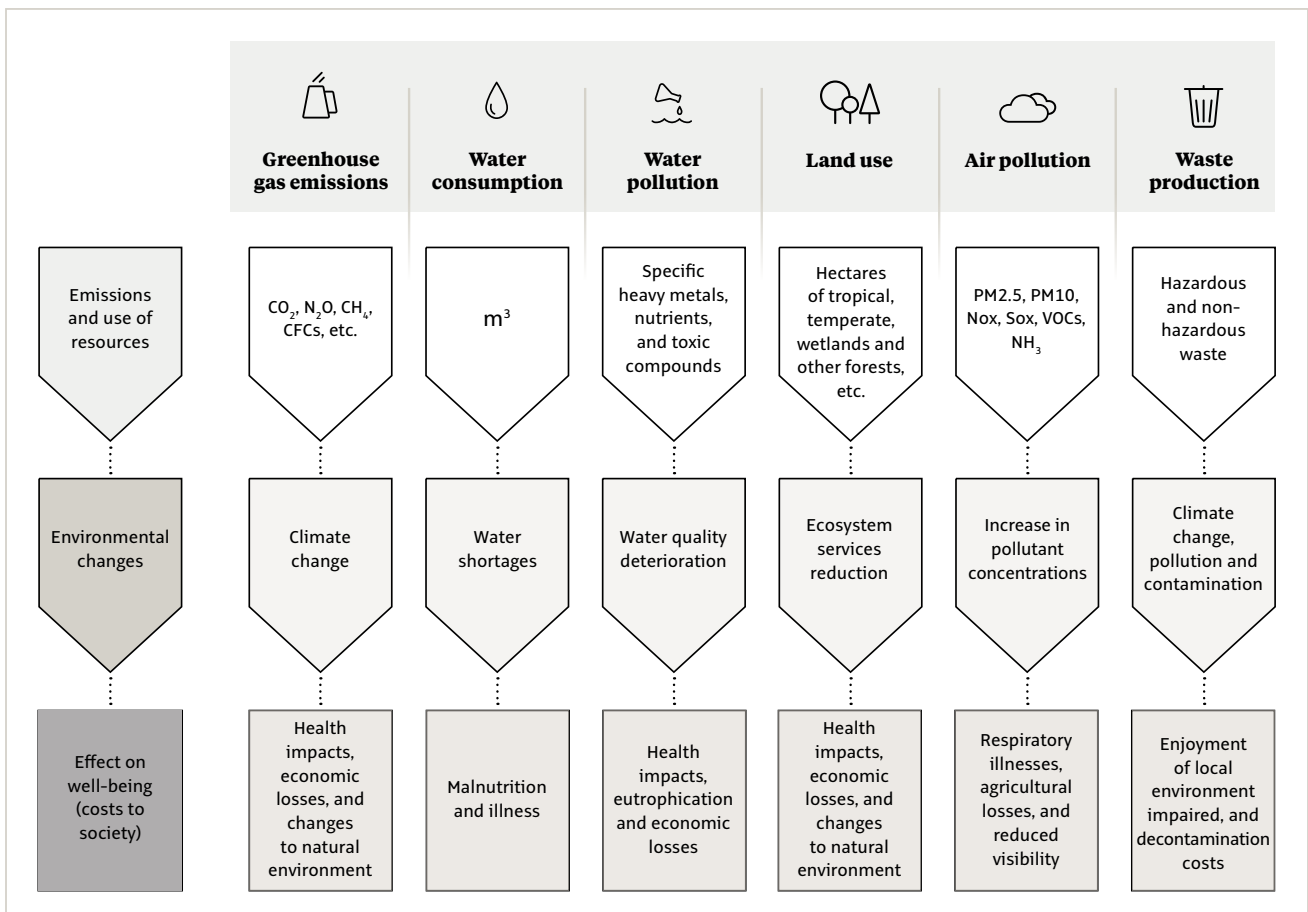
Scope covered by the EP&L approach:



Key stages in building the EP&L:



To develop the EP&L, Kering gathered information onsite and from suppliers wherever possible. When primary data were not available, Kering used studies derived chiefly from life cycle analysis, reviewed by panels of experts, and from economic studies. The data is then adapted to the specific countries where the impact occurs. This is then analyzed and the environmental changes resulting from emissions or use of resources by Kering’s business are translated into economic terms, taking into account local contexts and the effects on the welfare of local populations.



Building on this extensive work done by Kering and its brands to map and test its suppliers over recent years, Kering has an extensive base of environmental impact data for each production process and in each of the countries where they take place. Kering has now capitalized on this valuable work to reduce the data-gathering process and developed a software for calculating the EP&L. Built on a financial calculation tool, this software calculates a brand's EP&L in minutes once the key indicators reflecting its activity have been entered. The software also proposes dynamic visualization to help understand impacts in a more tangible way. In addition, with the software, scenarios can be created to test the EP&L impacts of different projects and monitor Kering's sustainability target achievement regarding EP&L reduction and sourcing. This progress is key to creating a fast and simple decision-making tool that can be used on a day-to-day basis by Kering's various decision makers.

The EP&L has helped Kering brands unlock new insights into their businesses and supply chains. Notably, it helps Kering discover potential efficiencies, innovations and improvements that can provide business value.

Requests to supply chain for calculating Kering EP&L

Kering calculates the EP&L of all its activities and covering all brands at least every year and is starting to have more dynamic reporting.

Therefore, suppliers are asked to provide qualitative and quantitative data annually, in particular on the types and origin of all the raw material purchased, and on environmental impacts of the production steps.

An open-source methodology

Kering open-sources and shares the EP&L methodology and publishes the EP&L consolidated results for the Group every year at www.kering.com.



FAQ



Are the Kering Standards a contractual document?

No, the Sustainability Principles that are attached to the supplier agreement (contract or purchasing terms and conditions) are a legal document, but the Kering Standards are an implementation tool to help support compliance with these principles.

Whom do I turn to if I have questions?

Contact the Sustainability Lead of the brand you work with. However, if you have a question regarding the principles set out in the Kering Code of Ethics and the Suppliers' Charter and/or if you suspect a breach of their principles, you can contact the Ethics Committees. See [Appendix Kering Alert System](#)

What does it mean to “use best efforts” or “all reasonable efforts”?

“Best efforts” imposes a higher obligation than “reasonable efforts.” Best efforts means taking, in good faith, all reasonable steps to achieve the objective, carrying the process to its logical conclusion and leaving no stone unturned. Reasonable efforts does not mean “every” effort or “all efforts”. It means making efforts that are reasonable and all things considered, and that will depend on particular circumstances of individual cases.

What if following the Kering Standards has additional cost for me?

This should be part of your commercial discussion with each brand. If you foresee an additional cost, this needs to be discussed up front with the brands. Kering is asking you to develop solutions to address these requirements in a long-term, economically viable manner.

What if following the Kering Standards violates trade secrets or exposes confidential business information?

Kering worked to develop the standards so that they will not cause these problems. For example, when Kering asks for traceability, Kering is not asking for confidential business information. If you have concerns, please contact the Sustainability Lead for the brand you work with.

How can I give input on the Kering Standards?

Contact the Sustainability Lead of the brand you work with.

Have the Kering Standards been externally reviewed?

Yes, they were reviewed by the brands, key suppliers, and external experts.

What are the consequences for not following these Kering Standards?

Compliance with the Kering Standards affects your vendor rating, which is visible to all Kering brands and plays a part in supplier selection. By following the Kering Standards you develop a better relationship with the brands. If you don't meet the requirements of the Kering Sustainability Principles, brands will require corrective actions and may consider terminating their relationship with you in case they are not implemented.

Why does Kering have such high Kering Standards?

Kering is committed to being sustainable to mitigate its environmental and social impacts and to redefine business value and drive future growth. Kering believes that its commitment to sustainability will allow Kering to redesign its business to become more resilient in order to thrive and prosper in the future, while at the same time helping to transform the luxury sector and contributing to meeting the significant social and environmental challenges of its generation.

What if my sub-suppliers won't work with me to follow the Kering Standards or provide me with the information I need to follow the Kering Standards?

Implementing the Kering Standards does require due diligence from suppliers. Kering recommends finding different sub-suppliers that will incorporate the Kering Standards.

What do the Kering Standards require with regard to nanotechnology?

The [Summary of Kering Chemical Management Policy](#) details Kering's position on nanotechnology. In short, Kering follows the precautionary principle and will not use any nanotechnology applications unless such applications are analyzed and proved to have no potential impact on human health and the environment, including an evaluation of end-of-life impacts. To comply with the Kering Standards, suppliers must do the same.

What is Kering's position on genetic engineering / genetically modified organisms (GE/GMO)?

Kering does not support GE or GMO fiber and/or food for live-stock that provide raw materials for its brands' products and packaging. Kering reflects this position in several places in the Kering Standards, particularly in the [Kering Standard for cotton](#), which prefers certified organic cotton, since genetically modified cotton is often present when cotton is not certified organic.

Kering has taken this position on GMOs because of its concern for the potential negative impacts GMOs could have on the contamination of GM plant varieties with natural plant varieties, the reduction in diversity of plant species/varieties, and the increased use of pesticides required by GMO crops. Kering's support of the precautionary principle and a commitment to pursue sustainable, holistic approaches has also led to Kering's position to not support GE or GMO raw materials.



GLOSSARY



ARTISANAL SMALL-SCALE MINING (ASM)

Informal mining activities carried out using low technology or with minimal machinery. Practiced by individuals, groups or communities often in developing nations.

BETTER COTTON INITIATIVE (BCI)

A non-profit organization that aims to make global cotton production better for the environment, people who produce it and the future of the industry by bringing together cotton's supply chain from farmers to retailers. However, as BCI cotton allows GMO seeds, this is not a preferred certification for suppliers of Kering brands.
www.bettercotton.org

BIO-BASED FIBERS

Bio-based fibers consist of polymers made from renewable resources such as sugars, starches, or lipids (i.e. sugar, corn, castor beans)

BIODEGRADABLE

A biodegradable material is capable of being decomposed by bacteria or other living organisms in a determined time and rate of decomposition. Elements resulting from the decomposition should not be damageable to the environment. Bio-based plastics are not all biodegradable. Some petrol-based plastics are biodegradable.

BIODIVERSITY

Also known as biological diversity, is the variety of all life on earth. Biodiversity can also be studied within a particular ecosystem.

CANADAMARK

Independently verifies that a diamond is of Canadian origin. The diamonds are responsibly mined in Canada's Northwest Territories and the stones are tracked and audited at each stage of the supply chain.
www.canadamark.com

CANOPY

An award winning environmental not-for-profit organization dedicated to protecting the world's forests, species and climate.
www.canopyplanet.org

166

CAPTIVE

For species that can be bred in captivity, Kering aims to acquire from "closed loop" captive operations. This means that animals are bred in captivity and live their whole lives in captivity.

CARBON CAPTURE AND UTILISATION

Carbon capture and utilization is the process of capturing carbon dioxide (CO₂) to be recycled for further usage.

CARBON DIOXIDE (CO₂) EMISSIONS

Carbon dioxide (CO₂) emissions are caused by the combustion of fossil fuels (coal, natural gas, and oil) primarily for energy and transportation. CO₂ emissions can also be caused by industrial processes and burning forests and peatlands. CO₂, one of a suite of greenhouse gases, is the major one emitted through human activity.

CELLULOSE

Cellulose is a starch-like carbohydrate obtained from the bark, wood or leaves of plants. Manufactured cellulosic fibers are fibers structured from cellulose. Cellulosic fibers are created by dissolving natural materials such as cellulose or wood pulp, which are then regenerated by extrusion and precipitation.

CIRCULARITY

Waste is designed out of the system from the beginning and business activities are decoupled from the consumption of finite resources. The aim is for resources in the system to cycle multiple times within and across industries and depending on their highest utility and value. Ideally in this system, materials are constantly reused or recycled and waste is eliminated. The system is restorative and regenerative by design, creates shared value, and enhances equality and society wellbeing.



**CONVENTION ON
INTERNATIONAL TRADE
IN ENDANGERED SPECIES
OF WILD FAUNA AND FLORA
(CITES)**

CITES is an international agreement between governments that regulates international trade of wild animals and plant species to ensure trading does not threaten their survival. The list of species protected by CITES is regularly amended, the latest version can be found on their website.
www.cites.org

CITES APPENDIX I

Endangered species that are prohibited to buy or sell internationally.

CITES APPENDIX II

Species that are not threatened with extinction now, but have the possibility to be, if trading is not closely monitored.

CITES APPENDIX III

Species where the trade is already being regulated and needs the cooperation of other countries to prevent illegal exploitation.

**COMPOSTABLE
PLASTIC**

A compostable plastic is a plastic that can break down at composting conditions. The disintegration of the plastic must take place in a composting process for organic waste within a certain time. The result of the decomposition must be indistinguishable in the compost and cannot leave any toxic material behind. Composting is a specific form of recycling, sometimes referred to as organic recycling. All compostable plastics are biodegradable, but not all biodegradable plastics are compostable.

**COTTON MADE
IN AFRICA (CMIA)**

An initiative by the Aid by Trade Foundation (AbTF), CMIA helps to improve the living conditions of smallholder cotton farmers in Africa.
www.cottonmadeinafrica.org

CSCB

Certificação de Sustentabilidade do Couro Brasileiro (CSCB) is a Brazilian certification for sustainable leather.

DEFORESTATION

Deforestation is when forests are cut down permanently in order to make the land available for other uses. This is a major contributor to global warming.

DEGRADATION

Degradation is the deterioration of an environmental element such as soil, air or water. The change or disturbance has negative effects on the ecosystem and can lead to wildlife extinction.

ECOSYSTEM

An ecosystem is a system formed by the interaction of a community of organisms with their physical environment (e.g. tropical forests, wetlands, and grasslands).

**ENVIRONMENTAL PROFIT
AND LOSS (EP&L) ACCOUNT**

An EP&L is a tool developed by Kering to help measure and understand a business' impact on natural capital across the supply chain. The EP&L is a new way to measure and monetize the cost to society of the changes in the environment as a result of business activities.
www.kering.com/en/sustainability/measuring-our-impact/our-ep-l/what-is-an-ep-l/

FAIRMINED (FM) GOLD

FM Gold is a label that certifies gold coming from responsible practices of artisanal small-scale mining (ASM). It is an exchange between miners and markets, and guarantees fair prices for the minerals.
www.fairmined.org

FAIRTRADE COTTON

The cost of cotton may decrease even though the price of production may increase and many farmers struggle to survive. Fairtrade cotton ensures farmers get a fair price for their cotton.
www.fairtrade.org.uk



FAIRTRADE (FT) GOLD

FT Gold is a standard that monitors human rights, chemicals, environmental protection and ensures that miners receive a premium (\$2,000/kg) to invest in better business or community projects such as health care, clean water and education.

www.fairgold.org

FEEDSTOCK

A feedstock is a raw material that supplies or fuels an industrial process. Polyester based polymers predominately use petroleum (i.e. paraxylene and mono-ethylene glycol (MEG)), while recycled polyester use PET bottles as feedstocks. Biobased polymers use starch/sugar-based feedstocks (e.g. corn, sugar cane, etc.). Polyamide based polymers predominately use lipid/oil-based feedstocks.

FIVE FREEDOMS

The Five Freedoms was developed by the World Organisation for Animal Health (OIE) to define the animal's welfare through its entire life cycle.

FOREST STEWARDSHIP COUNCIL (FSC)

The FSC is an organization that sets their own global standards to promote environmentally sound, socially beneficial and economically prosperous management of the world's forests. They have a subsidiary called Accreditation Services International (ASI) which is a member of the International Social and Environmental Accreditation and Labelling Alliance (ISEAL).

www.fsc.org

FOREVERMARK

Each Forevermark diamond is responsibly sourced, originating at a carefully selected mine that benefits the people, community and country where it is located. Strict environmental, business, and environmental standards are met at each stage of the diamond's journey.

www.forevermark.com

GENETICALLY ENGINEERED/ GENETICALLY MODIFIED

Genetically modified usually refers to a process whereby genes are altered by humans (this is different to traditional breeding practices to create different varieties of plants or animals). In the case of cotton, the genetic modification is "transgenic" which means genes from one species (bacteria) are inserted into the genome of another species (cotton plant). This practice is controversial.

168

GLOBAL ORGANIC TEXTILE STANDARD (GOTS)

GOTS is a standard aiming to ensure organic textile production from the raw material through to the labeling to provide credible assurance to the end customer.

www.global-standard.org

GLOBAL RECYCLED STANDARD (GRS)

The Global Recycled Standard was released in 2014. The GRS gives companies the ability to create a full product standard by providing a tool to ensure the identity of recycled materials throughout the production stages, as well as processing.

www.textileexchange.org/integrity

GREENHOUSE GAS EMISSIONS (GHG)

GHGs are gases that trap heat in the atmosphere. They include carbon dioxide, methane, nitrous oxide, and fluorinated gases. They are responsible for the greenhouse effect, leading to global warming.

ICEC

The Institute of Quality Certification for the Leather Sector is a certification body focused on leather.

www.icec.it/en

ISO 14001

ISO 14001 is a standard that sets out criteria for an environmental management systems.

IUCN RED LIST

The Red List provides tax, conservation and distribution information on plants, fungi and animals evaluated with IUCN criteria. The system is to determine the rate of extinction. The list is maintained by the International Union for the Conservation of Nature, a non-profit.

www.iucn.org



KERING CODE OF ETHICS	The Kering Code of Ethics states Kering's beliefs and the ethical principles that must take precedence wherever Kering operates. The Code of Ethics sets out the points of reference that must guide every individual's actions. It covers respect for employees, gender equality, child labor, respect for the environment, and listening to civil stakeholders.
KERING RESPONSIBLE GOLD FRAMEWORK	The Kering Responsible Gold Framework is an innovative purchasing strategy developed by Kering and its brands to define and access a customized mix of ethical gold that meets Kering's sustainability target requirements.
KIMBERLEY PROCESS CERTIFICATION SCHEME	The Kimberley Process Certification works on the basis that only diamonds certified as 'conflict free' in line with KPCS guidelines may be exported from producing member countries or imported by other KPCS member countries. www.kimberleyprocess.com
KPI/E-KPI	Key performance indicator or environmental key performance indicator is a metric used to track progress towards Kering's sustainability targets.
LEATHER WORKING GROUP	The Leather Working Group is a multi-stakeholder group that monitors and assesses the environmental compliance and performance of leather tanneries and promotes sustainable business practices within the leather industry. www.leatherworkinggroup.com
MAN-MADE FIBERS	A type of fiber that is made artificially, such as polyester or rayon, rather than occurring naturally like cotton or wool.
MANUFACTURING RESTRICTED SUBSTANCES LIST (MRSL)	The Manufacturing Restricted Substances List outlines the chemicals that cannot be used intentionally in the manufacturing of Kering's brands' products.
MATERIALS INNOVATION LAB (MIL)	The Kering Materials Innovation Lab is focused on providing support to promote the integration of more sustainable materials into Kering brands' supply chains.
MICROPLASTIC SHEDDING	Also known as microfiber shedding, it is the release of fibers (microplastics) <5mm from plastics and synthetic textiles during production, post-production (washing, use or wear) and disposal . Research is being done to quantify shedding rates on different fiber types and through various processes.
NANOTECHNOLOGY	Science, engineering and technology conducted at the nanoscale, which is about 1 to 100 nanometers, and involving the ability to see and to control individual atoms and molecules.
OHSAS 18001/2	The OHSAS 18001/2 is an internationally applied British Standard for occupational health and safety management systems. It evolved into ISO 45001 in March 2018.
ORGANIC AGRICULTURE	Organic Agriculture is a production system that sustains the health of soils, ecosystems and people and relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Additionally, it combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved.
ORGANIC CONTENT STANDARD	The Organic Content Standard was created by the Textile Exchange and it relies on third-party verification to confirm the accurate amount of organically grown material in the final product. www.textileexchange.org
ORGANIC PRODUCT	Certified organic products are those which have been produced, stored, processed, handled and marketed in accordance with precise technical specifications (standards) and certified as "organic" by a certification body.



POST-CONSUMER WASTE	Post-consumer waste is material generated by households or by commercial, industrial, and institutional facilities in their role as end-users of a product that can no longer be used for its intended purpose. This includes returns of materials from the distribution chain. (ISO 14021)
PRECAUTIONARY PRINCIPLE	The Precautionary Principle is a strategy to cope with possible risks where scientific understanding is yet incomplete, such as the risks of nanotechnology, genetically modified organisms and systemic insecticides.
PRE-CONSUMER WASTE	Pre-consumer waste is a material diverted from the waste stream during a manufacturing process. Excluded is reutilization of materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that generated it. (ISO 14021)
PRODUCT RESTRICTED SUBSTANCES LIST (PRSL)	The Product Restricted Substances List outlines the chemicals which cannot be detected or must meet certain limits on finished Kering's brands' products.
PROFUR	Profur is a fur certification developed starting in 2005 by the Finnish Fur Breeders' Association. It is a quality assurance and environmental system that emphasizes responsibility, traceability and transparency. www.profur.fi/profur
PROGRAM FOR THE ENDORSEMENT OF FOREST CERTIFICATION (PEFC)	PEFC is the world's largest forest certification system. The PEFC provides alternative forest and chain of custody certification. Their benchmarks for sustainability are based on globally recognized principles and its criteria and guidelines are developed by intergovernmental and international bodies. www.pefc.org
PVC	Polyvinyl chloride is a synthetic plastic polymer associated with worker safety and end-of-life hazardous chemical concerns.
RAW MATERIAL	Raw materials are an unprocessed first input (for example, cotton, leather, gold, etc.) which will be transformed into the finished product through the various stages of processing, manufacturing and assembly.
RECYCLABLE	A characteristic of a product, packaging or associated component that can be diverted from the waste stream through available processes and programmes and can be collected, processed and returned to use in the form of raw materials or products.
REGENERATIVE AGRICULTURE	Regenerative Agriculture is a way of raising crops and animals that – by working with natural ecosystems – ensures the long-term viability and resilience of the land to continue to provide for generations to come. Key principles and outcomes used to define regenerative agriculture include: (1) increasing carbon in the soil and other improvements in soil health; (2) protecting and restoring native habitat and biodiversity; (3) eliminating the use of unnecessary, synthetic harmful chemicals; (4) improving farmer livelihoods, and (5) enhancing animal welfare.
REMAKING	Operation by which a product is created from existing products or components. This operation can include disassembling, re-dyeing, restyling, and other processes to improve emotional and physical durability.
REPAIR	Operation by which a faulty or broken product or component is returned back to a usable state.



RESPONSIBLE DOWN STANDARD (RDS)

Responsible Down Standard is an independent, voluntary global standard to ensure that down and feathers come from ducks and geese that have been treated well.

www.responsibledown.org

REUSE

Operation by which a product or component is used repeatedly and for long periods of time, for its original purpose, without being significantly modified, remade, or recycled. Products might need to be 'prepared for reuse', which often involves cleaning, repairs, or small modifications so that they can continue to be used throughout time and multiple users.

SCIENCE BASED TARGETS

Science-based targets provide a clearly-defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth.

SUPPLIERS

Suppliers are all of the entities that touch the raw material in its transformation from its natural state to finished product including those that are involved in the processing, manufacturing and assembling of the material.

SUB-SUPPLIER

A sub-supplier is a supplier to a Kering brand's supplier; a second tier supplier.

SUPPLIERS' CHARTER

Kering's Suppliers' Charter is a charter where Kering and its brands declare their commitment to comply with the International Labour Organization (ILO) and in particular with the conventions concerning the eradication of child labor and the abolition of slavery and forced labor, through a list of supplier codes.

SYNTHETIC FIBERS

Synthetic fibers are man-made fibers from high polymers which are produced by polymerization, poly condensation or polyaddition. Original substances are simple organic chemicals based mainly on mineral oil or natural gas.

171

THIRD-PARTY LOGISTICS

In logistics and supply chain management, third-party logistics is an organization's use of third-party businesses to outsource elements of its distribution, warehousing, and fulfillment services.

TRACEABILITY

Traceability is the ability to identify and trace the history, distribution, location, and application of products, parts, and materials. In the sustainability context, traceability is a tool to assure and verify sustainability claims associated with commodities and products, ensuring good practice and respect for people and the environment all along the supply chain.

TRACEABLE DOWN STANDARD (TDS)

The Traceable Down Standard was created by Patagonia as an approach to sourcing down in an effort to prevent unnecessary harm to the animals involved.

www.patagonia.com/traceable-down.html

WELFUR

Welfur was created by the European Fur Breeders' Association (EFBA) and is a science-based welfare assessment aiming to fulfill three purposes: reliable animal welfare assessment, animal welfare improvement and consumer transparency. Welfur is an extension of the European Commission's Welfare Quality Project.

www.fureurope.eu/fur-policies/welfur/



WILD

Sourcing from wild populations, when done correctly, can contribute to the conservation of the species and their habitats. It can also support local livelihoods of people in developing countries, encouraging them to protect the animals' habitat.

WORLD DIAMOND COUNCIL

The World Diamond Council represents the diamond industry in the development and implementation of systems to control the trade in diamonds embargoed by the United Nations or covered under the KPCS.

www.worlddiamondcouncil.com

WORLD DIAMOND COUNCIL SYSTEM OF WARRANTIES STATEMENT

The World Diamond Council System of Warranties Statement reads:

"The Diamonds herein invoiced have been purchased from legitimate sources not involved in the funding of conflict and in conformance with United Nations resolutions. The seller hereby guarantees that these Diamonds are conflict free, based on personal knowledge and/or written guarantees provided by the Supplier of these Diamonds."



Kering

Société anonyme
au capital de 505 117 288 €

—
Siège social
40, rue de Sèvres, 75007 Paris
552 075 020 RCS Paris

—
Tel. : +33(0)1 45 64 61 00

—
kering.com

 @KeringGroup  @kering_official  Keringgroup  Kering

Contact

Any questions regarding the **Kering Standards**
and their use should be directed to sustainability@kering.com

Version 4.2 – March 2022

Photos credits: Kering, iStock, Shutterstock



Empowering Imagination