

# MATERIALITY AND STAKEHOLDER DIALOGUE

2022/2023

K E R I N G



*This factsheet presents, in a synthetic and non-exhaustive manner, Kering’s materiality analysis, stakeholder interaction and actions implemented for and with each of the stakeholder categories with which Kering and its Houses interact. This factsheet expands and completes the information published by Kering in its 2022 Universal Registration Document, in particular section 1.3 of the Sustainability chapter.*

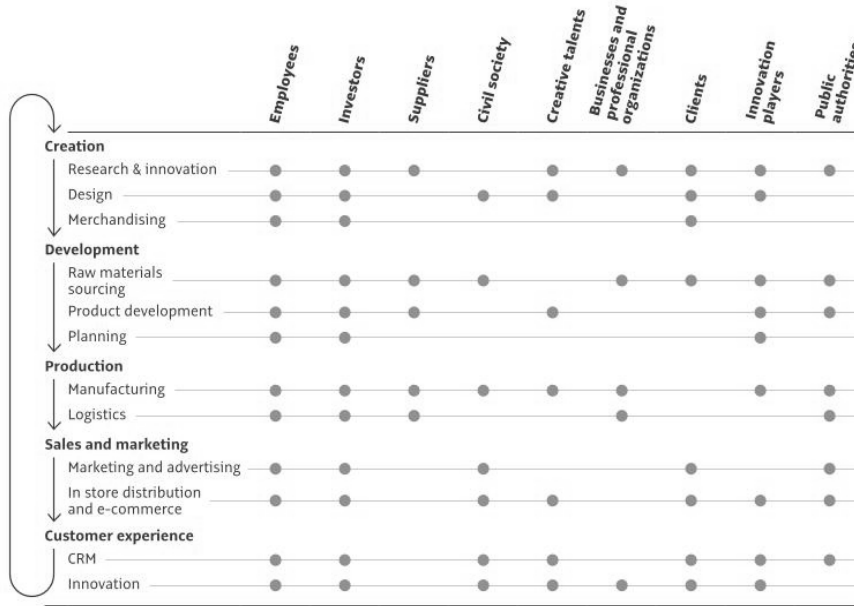
## *Summary*

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# MATERIALITY

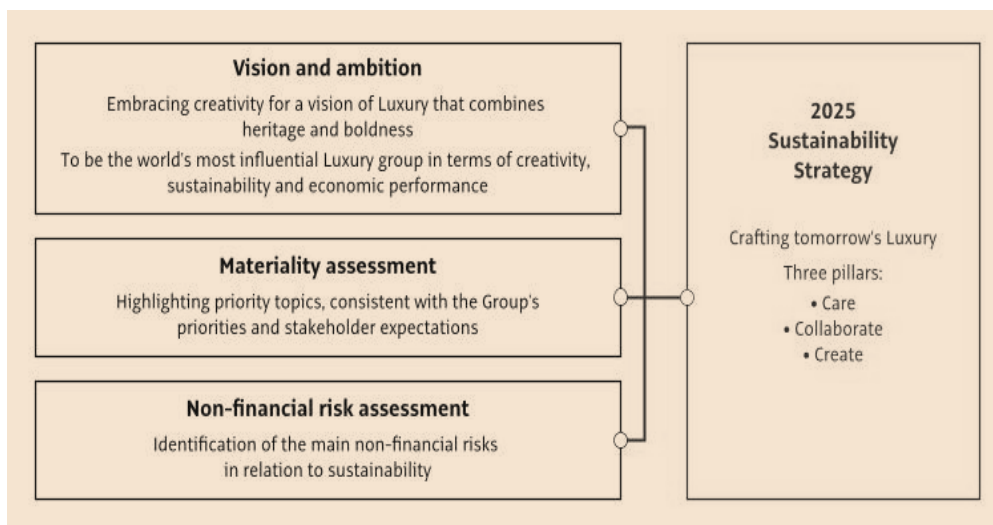
## Our vision and business model

Kering’s vision – Creativity for a vision of Luxury that combines heritage and boldness –, its ambition and the Group’s value creation model and strategy are presented in Chapter 1 of Kering’s Universal Registration Document. The Group’s value chain, which is structured around five key stages, reflects Kering’s interactions and collaborations with all of its stakeholders. The aim is to gain a full appreciation of their concerns and expectations, and, as far as possible, to incorporate these aspects into its strategy.



## Analysis of materiality and non-financial risks: our priorities

Kering is rolling out its ambitious 2025 Sustainability Strategy that builds on three components: the vision and ambition adopted at the highest level of the Group, the materiality assessment, and its non-financial risk assessment, which accurately identifies key challenges and risks throughout the value chain.



## **Materiality assessment: targeting the main priorities**

Materiality is at the core of Kering’s sustainability approach. Since 2013, this approach has allowed Kering to identify the key challenges relating to its vision and its activities (based on their economic,

environmental and social impacts), and also to grasp the related governance issues and the assessment made by the Group’s key stakeholders.

• **Materiality assessment methodology and stakeholder engagement process**

Kering consulted its stakeholders around the world in 2020 in order to update its materiality assessment. This three-step materiality assessment drew on various existing guidelines for stakeholder engagement (GRI, AA1000, ISO 26000). A steering committee made up of members of the Group’s main functional departments were involved throughout the project, which was supported by a team of independent consultants. Results were presented to Kering’s senior management and subject to reporting at board level. The outcomes of the assessment were integrated into the group’s ERM process.

1. Identification of topics	2. Stakeholder consultation and assessment of topics	3. Ranking and consolidation of results
<ul style="list-style-type: none"> <li>○ Updating of the mapping of topics –sustainability, strategic, economic and operational – on the basis of an in-depth documentary review: international benchmarks (GRI, TCFD, SASB, IIRC, UN SDGs, UN GC, etc.), rating agencies’ assessments, investor questions, Group news and press releases, major trends, internal surveys and studies</li> <li>○ List of 28 topics on which stakeholders were consulted</li> </ul>	<ul style="list-style-type: none"> <li>○ Quantitative international study and strategic interviews of nearly 70 external stakeholders (investors, suppliers and business partners, distributors and clients, civil society, local communities and NGOs, academics, public authorities and regulators, peers, professional organizations and innovators) and internal stakeholders (management, top management at Kering and its Houses, functional departments)</li> <li>○ Dual assessment of each topic: by external stakeholders and by internal stakeholders</li> <li>○ Dynamic assessment of developments affecting the various topics (i) with regard to the COVID-19 pandemic and (ii) after a period of ten years</li> </ul>	<ul style="list-style-type: none"> <li>○ Consolidation and analysis of results: equal weighting given to topics and responses from different groups of stakeholders</li> <li>○ Enrichment of quantitative results with data from strategic interviews: confirmation of the preponderance of certain challenges – and notably their importance for Kering, allowing weak signals and emerging topics to be examined in greater depth</li> <li>○ Perceived impact of the COVID-19 pandemic on the topics and major trends in the short, medium and long term</li> <li>○ Review of the materiality assessment’s results by members of the executive committee</li> <li>○ Sharing results internally and externally</li> </ul>

• **Graphical representation and analysis of results**

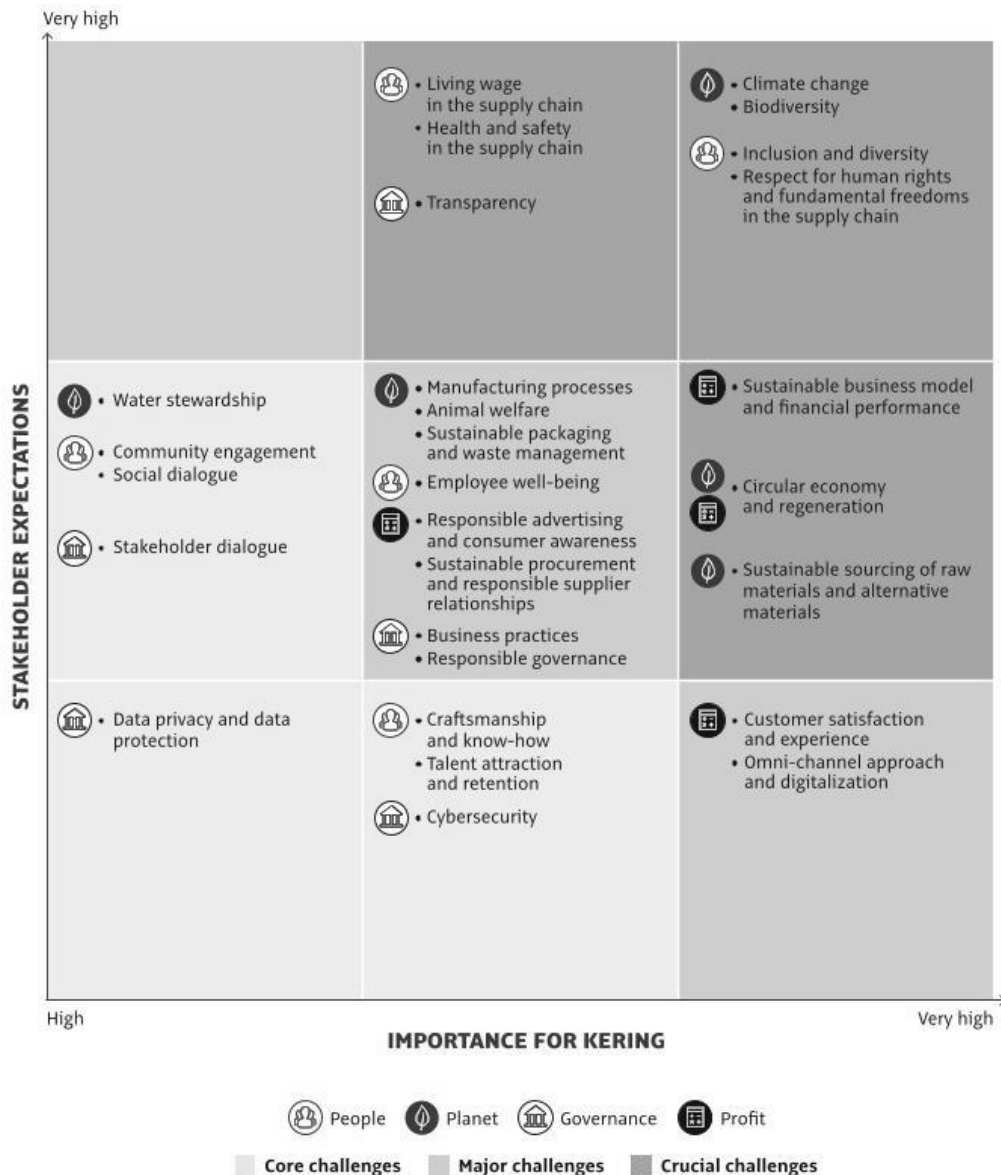
Kering’s materiality matrix includes 28 topics with high overall importance, broken down into four categories: planet, people (labor relations and societal topics), profit (business) and governance. These topics are arranged in a three-level hierarchy, which provides useful information that allows the Group to better understand, manage and prioritize its actions in the short and medium term.

The results of the assessment confirm that Kering’s strategic pillars defined in its 2025 Sustainability Strategy and its business model, as well as the commitments made since 2020, are consistent with the expectations of external stakeholders.

These topics are covered by action plans and key performance indicators as part of Kering’s 2025 Sustainability Strategy (see 2022 Universal Registration Document – Chapter 4, progress table on the Sustainability Strategy and Kering’s contribution to the United Nations Sustainable Development Goals. More specifically, while Kering can contribute directly or indirectly in variable proportions to each of the 17 SDGs, there are 13 SDGs for which it can have a more significant impact. In particular, four topics appear as crucial, meaning they were assessed as the most

material issues for external stakeholders and for the company: Climate change, biodiversity, inclusion and diversity (with a particular focus on gender equality) and the respect for human rights and fundamental freedoms in the supply chain.

Providing insight into the perceived impact of the COVID-19 pandemic, the 2020 stakeholder consultation indicated that the pandemic was an accelerating factor, bringing to the forefront topics that had emerged as important in previous years, especially biodiversity and climate change, and driving the need for faster action. Employee well-being also stands out as a major focus for businesses in terms of dealing with the pandemic and developing new ways of working. On a longer-term perspective, stakeholders identified four topics that are gaining traction: biodiversity, sustainable procurement and responsible supplier relations, employee well-being, and cybersecurity.



The results are also closely linked to trends impacting the luxury goods market. Generations Y (1981-1995) and Z (>1995), with their demand for innovative products and heightened awareness of social and environmental issues, are driving the Group to accelerate its transformation and increase transparency.

Results of the materiality analysis are reviewed annually.

In addition, each year, Kering carries out a detailed analysis of the risks that the Group may face, including non-financial risks liable to jeopardize its ability to maintain its overall performance. The approach as a whole and, in general, all aspects relating to risks, are presented in Chapter 5 of Kering’s Universal Registration Document. Non-

financial risks are therefore fully integrated into the overall process of identifying and managing the Group's risks, which takes into account the whole value chain, from the sourcing of raw materials to the use of products made by the Group's Houses. The Risk Committee reviews (i) the validation and monitoring process for the Group's risk management policy; (ii) the monitoring of the latest developments and relevance of analysis relating to operational, labor-related, environmental, financial and compliance risks; (iii) the analysis summaries of general and specific risks; and (iv) the validation and monitoring of action plans rolled out with the aim of mitigating identified risks. The Risk Committee's work is brought to the attention of the Audit Committee of the Board of Directors.

In 2022, Kering took part in several intra-and inter-company working groups specifically aimed at gaining an in-depth understanding of expectations and future obligations under the CSRD (Corporate Sustainability Reporting Directive) and the future ESRS (European Sustainability Reporting Standards), particularly regarding the concept of double materiality (i.e. "inside-out" regarding the Group's impact materiality and "outside-in" regarding financial materiality on the Group).

In 2022/2023, Kering has continued to update its materiality analysis and has launched a project aimed at carrying out a gap analysis against the CSRD requirements, in particular, between this materiality exercise and the principle of double materiality. As a result, it appears that the latest assessment conducted was aligned with the principle of double materiality. Indeed, the assessment aimed at identifying sustainability issues and evaluating their materiality considering (i) the impact on society or the environment and our stakeholders (e.g. "stakeholders' expectations") and (ii) the impact on the company's value drivers and long-term value creation ("importance for Kering").

Kering also monitors its external environment for new and emerging trends and risks and to keep abreast of evolving regulatory requirements. We will continue to develop our scenario analysis to improve our understanding of these risks and opportunities and align our strategy and actions accordingly.

As an illustration, climate change is inducing drastic evolutions of the weather conditions, causing more frequent and severe drought periods all over the globe. The extreme drought conditions witnessed in France and Italy in summer 2022/2023 have highlighted the vulnerability of water resources in these regions and underscored the importance of addressing these **emerging water-related risks (water scarcity)** for Kering both in its operations and its supply chain on the long-term.

Water scarcity caused by climate change can have direct impacts on Kering's own operations and supply chain. Indeed, water unavailability can disrupt the production chain by limiting access to clean water for manufacturing processes or agricultural practices related to raw material production. The higher frequency of water scarcity could have a direct impact on the availability and quality of key raw materials such as cotton, leather, cashmere and silk, which would translate into greater price volatility, and may thus affect the production and distribution of finished products. Tanneries and wet processes are a key focus areas considering their impact as water-intensive processes. The potential impact of water scarcity also extends to the communities and regions within the group's value chain. Water-stressed areas could be vulnerable to stricter regulations, increased costs, or even water allocation restrictions imposed by local authorities that may directly impact Kering's business.

Within own operations, Kering implements various mitigation actions such as water conservation measures and efficiency improvements to minimize usage, optimize consumption and limit water pollution and discharges. Kering has established rigorous water stewardship standards and guidelines for its suppliers and collaborates with them to implement best practices including efficient irrigation, recycling, and treatment systems to optimize water-intensive processes. Kering's Clean by Design initiative provides technical expertise, training and support to suppliers (tanneries & textile mills), helping them implement best practices for water conservation and pollution prevention. Kering has also conducted a water risk assessment of its operations and supply chain. By mapping its suppliers and raw material sources, Kering can assess the water stress levels at local level. This ensures that Kering can address water-related risks by prioritizing mitigating actions and minimizing negative impacts on local communities and ecosystems.

Another emerging topic identified pertains to the **significant increase in importance of biodiversity loss and raw material scarcity**. In recent months, there has been an acceleration in global awareness regarding the impact of biodiversity loss and ecosystem collapse. International organizations like the World Economic Forum in its 2023 report, the United Nations and the OECD have highlighted this issue as one of the global risks that will intensify at some of the highest rates within the coming decade. Kering relies heavily on natural materials to manufacture products and its sourcing practices could be negatively impacted by biodiversity loss. Consequently, manufacturing disruptions caused by the unavailability or decreased quality of raw materials, due to climate change and its impact on biodiversity and on the destruction of land and ecosystems or by intensive livestock farming, could increasingly threaten the production of high-quality luxury products. With global supply chains, Kering is particularly attentive to and impacted by the preservation and healthy functioning of natural ecosystems, especially those that are specific to its activities.

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

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

# STAKEHOLDER DIALOGUE AND INTERACTION WITH THE GROUP AND ITS HOUSES

To stay closely attuned to its stakeholders' priority challenges and contribute to the movement toward more sustainable luxury, Kering has defined a policy based on dialogue and analysis of stakeholder expectations at the Group level. Kering further encourages each House to develop its own dialogue at a more operational level. Accordingly, beyond its materiality assessment, Kering takes action at the local, national and international levels and participates in many initiatives and associations with its stakeholders or as part of multi-party stakeholder coalitions. For Kering, the aim is therefore to build lasting relationships based on trust and quality, wherever its stakeholders are located, in order to understand their concerns and expectations and to integrate them into the Group's strategy in the best possible way.

Below is presented a non-exhaustive overview of the main expectations identified and the ways in which the Group interacts with each stakeholder category:

## Employees and their representatives

- Employees
- Employee representative bodies
- Trade unions
- Board directors representing employees
- Apprentices
- Interns

Expectations	Kering value proposition
<ul style="list-style-type: none"> <li>• Training and skills development programs and appealing career paths (in a talent competition context)</li> <li>• Empowering work organization, with attractive remuneration and benefits</li> <li>• Respect for work-life balance</li> <li>• Quality labor relations dialogue and respect for fundamental rights</li> <li>• Inclusion and diversity policy</li> </ul>	<ul style="list-style-type: none"> <li>• Become the preferred employer in the luxury sector</li> <li>• Share a common vision on Group values and policies</li> <li>• Promote an inclusive work environment and achieve gender parity at all levels</li> </ul>

Avenues for interaction (examples – not exhaustive)
<ul style="list-style-type: none"> <li>• Internal charters and policies (Code of Ethics, HR policy, Parental policy, Global Policy on domestic violence)</li> <li>• Collective agreements (Empowering Talent, Remote working, etc.)</li> <li>• Ongoing and regular dialogue with employee representative bodies and trade unions <ul style="list-style-type: none"> <li>- Kering European Works Council</li> <li>- French Works Council, 1-day training of members on social dialogue</li> <li>- 2 Employee representatives at the Board of Directors</li> </ul> </li> <li>• 11 Inclusion and Diversity Committees at House and corporate level, with executive management sponsors</li> <li>• Global Inclusion and diversity strategy supported by new governance with a regional dimension, particularly in the Americas and Asia Pacific</li> <li>• Launch of the first internal network for gender equality and the promotion of women in the company "Women in Luxury" (WIL) by Kering Corporate</li> </ul>

- #Nofilter opinion survey (biennial, questions on engagement, inclusivity, work-life balance, stress, morale, purpose, job satisfaction and happiness)
- Internal communications, Intranet site and employee newsletters via Workplace
- Whistleblowing system (ethics committees and ethics hotline)
- Annual reviews (check-in) and HR conversations
- Training and e-learning platforms
  - Kering Standards, Kering Planet, Ethics & Compliance training
  - Houses: Gucci Retail Academy, Saint Laurent e-University
  - Development of functional Academies at group level
  - Launch at Group level of a new digital platform for employees working at headquarters, following a pilot conducted in 2021 at Gucci, Gucci Education. Thanks to this platform, the Group offers a new catalog of open-source content and personalized courses based on the functional profile and skills of each user
- Giving Back volunteering program continued in 2022 and expanded to the UK
- Gucci Changemakers Scholarship program and Gucci Changemakers X CFDA Scholars by Design Award program
- Internal sustainability events
  - Awareness-raising days organized by Kering and/or the Houses (Caring Day, Alexander McQueen Earth Day, MCQ Sustainability Training, Balenciaga Sustainability Days and masterclasses)
  - Dedicated Workplace exchange spaces at Alexander McQueen and Bottega Veneta, Sustainability Week at Boucheron, monthly Sustainability Breakfast Talks at Pomellato, etc.
  - Teambuilding
  - Actions led by the Foundation to raise awareness about violence against women
  - Health and safety training (use of defibrillators, etc.)
  - Bee Club

**Shareholders and financial community**

- Institutional investors (portfolio managers, shares/bonds/SRI, governance teams, etc.)
- Financial analysts
- Market authorities (AMF, Euronext, etc.)
- Private individual shareholders
- Financial and non-financial rating agencies

Expectations	Kering value proposition
<ul style="list-style-type: none"> <li>• Relevance and consistency of strategy</li> <li>• Financial performance and value creation</li> <li>• Return on investment (stock market performance, dividends, share buybacks, etc.)</li> <li>• Equal access to information; precise, reliable and accurate financial reporting</li> <li>• Heightened expectations on ESG aspects</li> </ul>	<ul style="list-style-type: none"> <li>• Business model rooted in exceptional Houses</li> <li>• Strategy aimed at seizing the full potential of the luxury industry</li> <li>• Clearly established financial priorities</li> <li>• Best-in-class corporate governance standards and ambitious sustainability strategy</li> </ul>

Avenues for interaction (examples – not exhaustive)
<ul style="list-style-type: none"> <li>• Regular exchanges with investors and analysts</li> <li>• Conference calls upon the release of quarterly revenue and half-year and annual results</li> <li>• Organization of roadshows and participation in several sector-specific conferences in 2022</li> <li>• Roadshow on ESG with the Lead Independent Director</li> <li>• Ongoing and periodic regulatory information in French and English</li> <li>• Website financial section regularly updated and expanded</li> <li>• Dialogue with shareholders, notably at the Annual General Meeting and via regular communications <ul style="list-style-type: none"> <li>- Financial notices in the press</li> <li>- Twice-yearly Letter to Shareholders, Shareholder’s Guide, hotline for private individual shareholders, annual site visit</li> </ul> </li> <li>• Lead Independent Director, Board spokesperson to investors on ESG matters in conjunction with the President of the Board</li> <li>• Answers to non-financial assessment questionnaires <ul style="list-style-type: none"> <li>- Strong presence in major non-financial indices (DJSI World and Europe, FTSE4Good, CAC 40 ESG, etc.)</li> <li>- External recognitions of our CSR performance (Corporate Knights – Global 100, ISS ESG, MSCI, etc.)</li> </ul> </li> </ul>

## Clients, consumers and distributors

- Clients
- Consumer associations
- Influencers
- Retailers

Expectations	Kering value proposition
<ul style="list-style-type: none"> <li>• Personalized customer experience adjusted to individual expectations</li> <li>• Quality and responsibility standards consistent with the luxury sector</li> <li>• Privileged interaction with world-renowned Houses</li> <li>• Reliable, transparent and constructive information</li> </ul>	<ul style="list-style-type: none"> <li>• Raise client and consumer awareness on sustainability issues</li> <li>• Offer a unique customer experience</li> <li>• Offer a complementary omni-channel distribution network compliant with Group standards</li> </ul>

Avenues for interaction (examples – not exhaustive)
<ul style="list-style-type: none"> <li>• Worldwide network of boutiques and points of sale offering customer relationships unique to each House</li> <li>• Client satisfaction surveys by each House</li> <li>• Group publications, and Group, House and Kering Foundation websites <ul style="list-style-type: none"> <li>- Email address dedicated to sustainability for interacting with Group and Houses' experts <a href="mailto:sustainability@kering.com">sustainability@kering.com</a></li> <li>- Gucci Equilibrium website and impact report, Boucheron impact report Precious for the Future, Brioni newsletter, etc.</li> </ul> </li> <li>• Social media <ul style="list-style-type: none"> <li>- Fashion shows broadcasted online</li> </ul> </li> <li>• Newsletters for clients</li> <li>• Mobile applications and digital platforms</li> <li>• Collaborations with certain retailers and marketplaces <ul style="list-style-type: none"> <li>- Collaborations on circular fashion: Alexander McQueen x Vestiaire Collective, Balenciaga x The Reflaunt</li> <li>- Events, dedicated communication and awareness-raising operations run by Houses and/or in partnership with distributors to educate consumers on sustainability issues</li> <li>- Collaboration between Balenciaga x Reforestum</li> </ul> </li> </ul>

## Suppliers and business partners

- Group and House direct suppliers and their subcontractors
- Suppliers of key raw materials
- Craftspeople and guilds
- Service providers
- Fashion models

Expectations	Kering value proposition
<ul style="list-style-type: none"> <li>• Support</li> <li>• Compliance with agreed payment terms and fair commercial terms and conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Support the continuation of craftsmanship traditions and the communities that support them</li> <li>• Roll out the Kering Standards to ensure excellence in production chains and promote the take-up of more responsible practices</li> <li>• Federate its ecosystem around industry best practices</li> </ul>

Avenues for interaction (examples – not exhaustive)
<ul style="list-style-type: none"> <li>• Suppliers' Charter, Sustainability Principles, Human Rights Policy</li> <li>• Kering Standards: Standards and guides for sustainable production; Animal Welfare Standards; Kering Standards for Stores <ul style="list-style-type: none"> <li>- Ban on fur</li> <li>- Kering Responsible Gold Framework and Kering Gold Fund</li> </ul> </li> <li>• Fashion models charter</li> <li>• Supplier portal, vendor rating, questionnaires, audits and duty of care plan <ul style="list-style-type: none"> <li>- 4,118 social audits in 2022</li> </ul> </li> <li>• Support and incentives for environmental and social performance improvement <ul style="list-style-type: none"> <li>- Clean by Design program</li> <li>- Capacity-building programs for Gucci and Bottega Veneta suppliers under the SA8000 certification process</li> <li>- Gucci Supply Chain Academy and <i>Sviluppo Filiere</i> program in partnership with Intesa SanPaolo</li> <li>- Initiative on the role of women in the supply chain in Italy with the <i>Camera Nazionale della Moda</i></li> </ul> </li> <li>• Whistleblowing system (ethics committees and ethics hotline) <ul style="list-style-type: none"> <li>- Communication plan on the whistleblowing system, in 15 languages, reaching more than 1,500 direct suppliers in 2020 and more than 1,000 in 2021</li> </ul> </li> <li>• Craftsmanship excellence programs in haute couture, leather goods and jewelry</li> </ul>

## Creative talent and excellence in craftsmanship, schools and universities

- Internal training centers
- Specialist training/apprenticeship in fashion, design and craftsmanship
- Universities

Expectations	Kering value proposition
<ul style="list-style-type: none"> <li>• Support on for the preservation of exceptional craftsmanship</li> <li>• Professional integration</li> <li>• Mentoring, coaching, feedback, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop talent and skills, and offer appealing career paths</li> <li>• Recruit the best talent</li> <li>• Forge partnerships with schools and universities</li> <li>• Step up collaborative efforts to identify more sustainable solutions</li> <li>• Educate tomorrow’s designers on sustainability</li> </ul>

Avenues for interaction (examples – not exhaustive)
<ul style="list-style-type: none"> <li>• Craftsmanship excellence programs in haute couture, leather goods and jewelry               <ul style="list-style-type: none"> <li>- Pomellato Virtuosi Academy, in partnership with Galdus</li> <li>- Gucci’s École de l’Amour, including the <i>Scuola dei maestri</i>, the <i>Scuola di fabbrica</i> and a technical academy</li> <li>- Bottega Veneta’s <i>Scuola dei Maestri Pellettieri</i></li> <li>- Brioni’s Montebello workshops, and integration of the Arazzeria Pennese tapestry workshops (in 2018)</li> </ul> </li> <li>• Academic partnerships               <ul style="list-style-type: none"> <li>- IFM – Kering Sustainability Chair at IFM: creation of a training course in 2020</li> <li>- Partnership with the London College of Fashion: classes, talks, MOOC, etc.</li> <li>- Saint Laurent Couture Institute, in partnership with IFM</li> <li>- Bottega Veneta’s partnership with <i>Istituto Professionale Montagna</i></li> <li>- Boucheron’s partnership with the French <i>Haute Ecole de Joaillerie</i></li> <li>- Saint Laurent’s partnership with Accademia Costume &amp; Moda, with the creation of a dedicated module on upcycling</li> <li>- Sponsorships, training program development and apprenticeship support from the Houses (Balenciaga with PRATT Institute, Gucci Changemakers X CFDA Scholars by Design Award, Gucci support for MITA)</li> </ul> </li> <li>• Talks and participation in vocational training and university programs               <ul style="list-style-type: none"> <li>- “Sustainable operations” course at the Polimoda fashion school in Florence, as part of the Sustainable Fashion MA</li> <li>- Sustainable Finance Challenge with the Bocconi University in Milan</li> <li>- Sustainable Innovation Challenge in partnership with HEC</li> </ul> </li> <li>• Forums in schools and exchange days</li> </ul>

**Civil society, local communities and NGOs**

- Local authorities (public officials, local government, etc.)
- Charities and NGOs
- Media and social media networks
- Opinion leaders
- Public interest foundations

Expectations	Kering value proposition
<ul style="list-style-type: none"> <li>• Local, grassroots action; participation in local economy</li> <li>• Positive impact on individuals and society</li> <li>• Reduction in environmental footprint</li> <li>• Reliable, transparent information</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain dialogue and transparent communication</li> <li>• Support grassroots projects and maintain long-term partnerships</li> <li>• Draw on expertise from civil society</li> <li>• Provide support for local communities across our supply chains and support livelihoods</li> <li>• Take action to reduce our environmental footprint at all stages in our supply chains</li> </ul>

**Avenues for interaction (examples – not exhaustive)**

- Support for grassroots projects and organizations
  - South Gobi Cashmere Project
  - Kering Foundation and its initiatives in combating violence against women (support for national organizations and networks; partnerships with certain Houses): La Maison des Femmes de Saint-Denis, France; D.i.Re (Italian National Women's Network against Violence) with Gucci; National Alliance to End Sexual Violence, HER Fund, 16 Days 16 Films campaign, etc.
  - Kering and/or House partnerships with organizations: Surfrider, Charity: water, Solidaridad, Fauna and Flora International, World Animal Protection, IUCN, Canopy, Promundo, etc.; Gucci: Chime for Change, Changemakers Volunteering, and partnerships with NGOs
- Commitment from executive management, public relations
  - Signatory to the Pledge against Forced Labour in Uzbekistan Cotton and the Pledge against Forced Labour in the Cotton Sector of Turkmenistan
  - B4iG Statement on Just Transition
  - Gucci has joined the Generation Equality Forum organized by UN Women
- Skills sponsorship, financial sponsorship and product donations
  - Exceptional donations and support during the COVID-19 pandemic, in response to the crisis in Ukraine
  - Group support for volunteer initiatives via the Giving Back program
- Group publications, and Group, House and Kering Foundation websites
- Talks by François-Henri Pinault and members of Kering and House Sustainability teams at various events, to share the Group's vision and details of its actions (COP15 on Biodiversity in Canada, COP27 on Climate in Egypt, One Ocean Summit, Global Positive Forum, Watch Forum, NYC Climate Week, ChangeNOW, WWD Japan Summit, etc.)

## Peers and professional associations

- Business federations
- Multi-party coalitions
- Professional and industry organizations and associations

Expectations	Kering value proposition
<ul style="list-style-type: none"> <li>• Maintain constructive dialogue with all players, and encourage cooperation on matters of public interest</li> <li>• Raise awareness across the private sector on matters such as biodiversity and climate</li> <li>• Drive change toward better practices across the fashion industry</li> </ul>	<ul style="list-style-type: none"> <li>• Federate an ecosystem around industry best practices</li> <li>• Take part in exchanges and debates, and build constructive dialogue to drive progress in terms of standards and regulations, and take-up of responsible practices</li> </ul>

Avenues for interaction (examples – not exhaustive)
<ul style="list-style-type: none"> <li>• Wide-reaching open source approach <ul style="list-style-type: none"> <li>- EP&amp;L, sourcing standards, etc.</li> </ul> </li> <li>• Participation in international and/or multi-stakeholder initiatives <ul style="list-style-type: none"> <li>- Founding member of The Fashion Pact</li> <li>- Member of the Science Based Targets Network (SBTN) and RE100, an initiative for the transition to 100% renewable electricity</li> <li>- Signatory member of ZDHC (Zero Discharge of Hazardous Chemicals)</li> <li>- Member of Textile Exchange, Wildlife Friendly Enterprise Network, the IPI (International Platform for Insetting) initiative, BSR (Business for Social Responsibility), the “Make Fashion Circular” initiative of the Ellen MacArthur Foundation and B4iG (Business For Inclusive Growth)</li> <li>- Member of FCLT (Focusing Capital on the Long Term)</li> </ul> </li> <li>• Involvement in specialist working groups, consultation and dialogue <ul style="list-style-type: none"> <li>- Member of the One Planet for Biodiversity Business (OP2B) coalition, the global Natural Capital Impact Group (NCIG) network, the Paris Good Fashion initiative, Entreprises Pour l'Environnement (EPE), the textile and apparel working group of the Value Change Programme, and the Mekong Club, working to combat modern slavery, the Fédération de la Haute Couture et de la Mode’s sustainable development commission, consultative board member of Capitals Coalition and the EU Business @ Biodiversity Platform</li> <li>- Houses' involvement in organizations representing their respective industries: Unione Nazionale Industria Conciaria (UNIC) in Italy, Fédération Horlogère Suisse, Fondation de la Haute Horlogerie, Association Suisse pour la Recherche Horlogère (ASRH), as well as professional associations: Gucci leads the Sustainability Working Group of the Camera Nazionale Della Moda Italiana and is a member of Valore D, Boucheron is involved in the Union Française de la Bijouterie, Joaillerie, Orfèverie, des Pierres &amp; des Perles (UFBJOP) think tank; and industry initiatives for sustainability: Kering and Boucheron take part in the Colored Gemstones Working Group (CGWG) Dragonfly Initiative, while Gucci is involved with the Fur Free Alliance’s Fur Free Retailer program and with Social Accountability International (SAI)</li> </ul> </li> <li>• Talks and feedback presentations at conferences, forums and workshops spotlighting the role of businesses in society</li> </ul>

## Innovation players

- Academic partnerships
- Think tanks
- Incubators

Expectations	Kering value proposition
<ul style="list-style-type: none"> <li>• Transparent participation in public debate</li> <li>• Support for the innovation ecosystem and startups</li> <li>• Sharing of best practices</li> </ul>	<ul style="list-style-type: none"> <li>• Develop new and sustainable solutions for sourcing raw materials, including through the exploration of biotech and promotion of a circular economy</li> <li>• Invest in disruptive innovations capable of transforming conventional luxury practices and influencing the industry</li> </ul>

Avenues for interaction (examples – not exhaustive)
<ul style="list-style-type: none"> <li>• Accelerator and incubator program; mentoring for startups <ul style="list-style-type: none"> <li>- Fashion For Good</li> <li>- Kering Ventures</li> </ul> </li> <li>• Calls for innovation projects, events and award ceremonies <ul style="list-style-type: none"> <li>- K Generation Award in China in 2019 and 2021, launch of the 3<sup>rd</sup> edition in December 2022</li> <li>- First seven projects benefiting from the Kering Regenerative Fund for Nature announced in 2021</li> </ul> </li> <li>• Wide-reaching open source approach (EP&amp;L, Kering Standards, etc.)</li> <li>• Research and disruptive innovation in raw materials and production processes; academic partnerships <ul style="list-style-type: none"> <li>- Material Innovation Lab (MIL) and Sustainable Innovation Lab (SIL)</li> <li>- Gucci ArtLab, Bocconi Research Lab and Balenciaga Material Innovation Unit</li> <li>- <i>Syndicale de la Couture Parisienne</i> (ECSCP)</li> <li>- <i>Institut de Couture Saint Laurent</i> x IFM x ECSCP partnership</li> <li>- Internal workshops on responsible innovation (Idea Labs)</li> </ul> </li> </ul>

## **Public authorities and regulators**

- Regulators and standard setters
- Government bodies
- International organizations (UN, ILO, etc.)

<b>Expectations</b>	<b>Kering value proposition</b>
<ul style="list-style-type: none"> <li>• Compliance and observance of regulations</li> <li>• Transparent participation in public debate</li> </ul>	<ul style="list-style-type: none"> <li>• Meet regulatory requirements</li> <li>• Federate its ecosystem around industry best practices</li> <li>• Share experience</li> </ul>

<b>Avenues for interaction (examples – not exhaustive)</b>
<ul style="list-style-type: none"> <li>• Publication of regulatory information and communications</li> <li>• Dialogue and experience sharing with governmental and supranational bodies (UN, ILO, OECD, European Union, etc.) <ul style="list-style-type: none"> <li>- Participation in public consultations and think tanks</li> </ul> </li> <li>• Participation in international and/or multi-stakeholder initiatives and specialist working groups <ul style="list-style-type: none"> <li>- Task Force on Climate-related Financial Disclosures (TCFD) signatory member</li> <li>- Taskforce for Nature-related Financial Disclosures (TNFD) Member of the Stakeholder Forum</li> <li>- Member of the World Business Council for Sustainable Development (WBCSD), the Value Reporting Foundation (VRF), and the Association française des entreprises privées (AFEP)</li> <li>- Involvement in the United Nations Economic Commission for Europe (UNECE) project “Enhancing Traceability and Transparency for Sustainable Value Chains in the Garment and Footwear Sector”</li> <li>- Involvement in work by the European Cultural and Creative Industries Alliances (ECCIA)</li> </ul> </li> <li>• Registration in lobbying registers (HATVP register, European Commission Transparency Register)</li> <li>• Contribution, via the Houses, to the work of major fashion and luxury sector organizations, in France (Comité Colbert, Fédération de la haute couture et de la Mode), Italy (Camera Nazionale della Moda Italiana, Altagamma, Unione Nazionale Industria Conciaria), and the UK (Walpole), and representation via Cotance (organization representing the European leather industry) x</li> </ul>

# Empowering Imagination

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