METHODOLOGICAL NOTE

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ENVIRONMENTAL REPORTING

2021

KERING

Summary

ORGANIZATION OF KERING 2021 ENVIRONMENTAL REPORTING

To manage its environmental performance as closely as possible to operational sites, Kering wants its environmental reporting to cover all its activities throughout the world and therefore favors the collection of real data from 1,969 sites. Nevertheless, the Group allows itself the possibility of estimating certain data according to the methodologies defined in its reporting protocol. To reliably monitor changes in one year compared with the others, several of the Group's indicators are presented in this report on a pro forma basis. This method makes it possible to avoid changes in the scope of consolidation, by only considering sites that are active for the previous three years.
In order to improve the dissemination of methodology resources to each reporting stakeholder, a group has been created on the corporate social network to make the various contents readily accessible to all such stakeholders and to provide a platform to ask questions and exchange views on best practices in environmental reporting.

Indicators used to measure our environmental footprint

Kering has measured the environmental impacts of its business activities since 2004.
These indicators are organized into 10 main themes:

- Energy consumption
- Water consumption
- Waste production
- Paper consumption
- Packaging consumption
- Consumption of raw materials
- Transport (BtoB, BtoC, business air travel and company cars)
- Air pollution
- Environmental management
- General data on the site (surface, revenue, number of months in operation, etc.) to enable the calculation of ratios.

In this document, CO_2 stands for CO_2e in the interest of simplification.

A dedicated web-based reporting tool

Since 2004, Kering has implemented and updated a reliable and secure web-based platform dedicated to the collection, validation and consolidation of non-financial data. This tool is designed to allocate indicators according to site and brand specificities (Warehouses, Stores, Industrial sites and Offices).
Reporting is conducted at Site level (each physical site, or in some cases, multiple physical sites simultaneously), which allows Kering to assess the environmental impacts of 1,969 sites. The sites are organized as follows for each brand:

- KERING Group (**Level 1**)
    - Brand: Balenciaga (**Level 2**)
        - Business Unit: Balenciaga Europe (**Level 3**)
            - Sites: offices, stores, warehouses and industrial sites (**Level 4**)
        - Business Unit: Balenciaga Asia (**Level 3**)
            - Sites: offices, stores, warehouses and industrial sites (**Level 4**)
    - Brand: Brioni (**Level 2**)
        - Business Unit: Brioni US (**Level 3**)
            - Sites: offices, stores, warehouses and industrial sites (**Level 4**)
        - Business Unit: Brioni Italy (**Level 3**)
            - Sites: offices, stores, warehouses and industrial sites (**Level 4**)

Each data point undergoes four successive checks:

- The reporting tool automatically compares the 2021 value against the 2020 value. If the difference is more than 20%, the contributor must explain the variation in order to submit the data;
- The Level 1 validator assesses the variation between 2020 and 2021 for all the sites within their scope

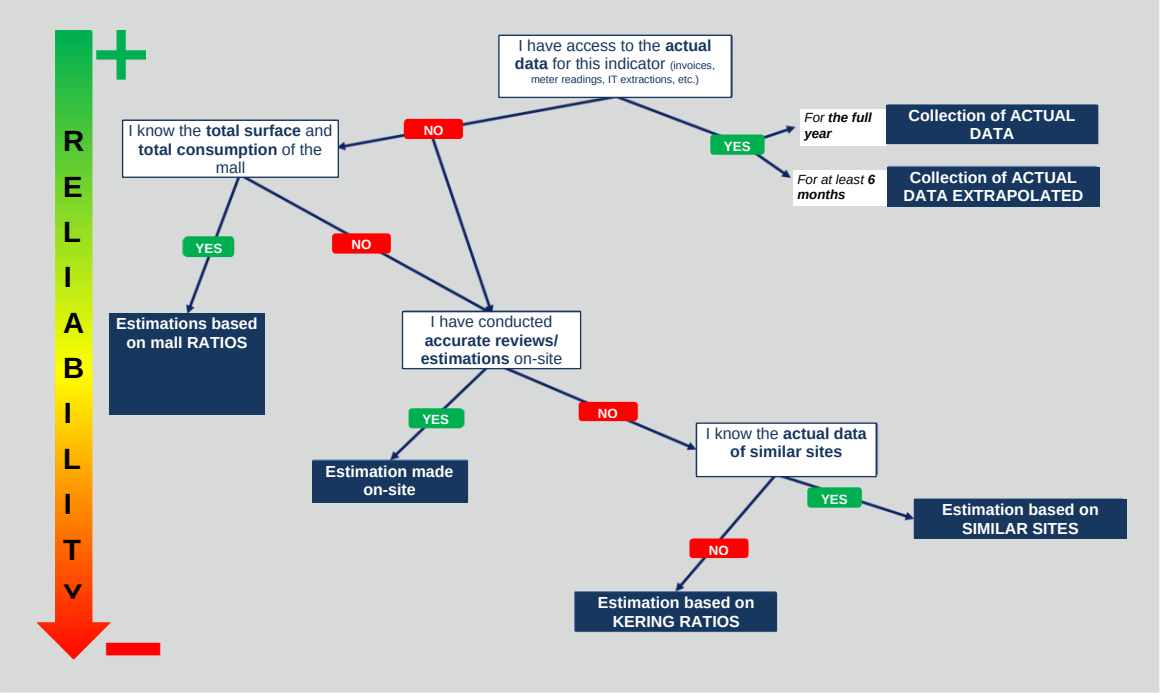
and compares the values with similar sites, factoring in the percentage that a site's data represents on the total; if required, they correct the data or ask the contributor to do so;
- The Level 2 validator conducts the same assessment for all the sites at Brand level;
- Kering's Sustainability Department conducts the same assessment at Group level.

A global network of contributors

More than 400 people ("contributors" and "validators") worldwide perform one of the following two roles at the sites for which they are responsible:
- Inputting primary data for each indicator (contributors);
- Conducting assessments and validating data (Level 1 and 2 validators).

Consistent reporting through shared methodology and precise guidelines

The Sustainability Leads of each brand manage their network of users, working alongside Kering's Sustainability Department to define the list of indicators and the main reporting guidelines (timeline, process, extrapolation and estimation procedures, emission factors, breakdown of indicators by brand and site, etc.). These guidelines and precise indicator definitions are compiled and disseminated to the users' network through the 2021 Kering reporting protocol, as well as other supporting documentation.
The guidelines recommend that contributors:
- Collect invoices, weighing tickets or slips, ERP extractions, and meter readings to gather actual data;
- If this data does not cover the full year, extrapolate the data to the full year;
- If no actual data can be collected, estimate the figure based on similar sites by applying their ratio of impact per square meter (or in revenue terms) using completed reviews and on-site pilot projects, or if this is not possible, by applying the ratios provided by Kering's Sustainability Department that are specific averages (per region/type of site/division) based on actual Group data collected over the previous three years.



To ensure that these guidelines are properly understood and followed, Kering's Sustainability Department and the Sustainability Leads of each brand organize training sessions for users, providing continued support.

2021 REPORTING SCOPE

The entities covered in the reporting scope are brands and business units over which the Group holds operational control (i.e., more than a 50% stake) and which are under operational control for all or part of 2021. Furthermore, in compliance with IFRS standards, discontinued activities on December 31, 2021 are excluded from the reporting scope.

Since 2013, Kering has managed to collect (or estimate) data on the environmental impacts for all of the sites within this reporting scope. Moreover, within all these sites, no indicator data has been excluded from the reporting scope, as missing data has been estimated and erroneous data corrected.

As such:

- The 2021 reporting scope and reported scope of consolidated figures are identical;
- The 2019-2021 pro forma scope factors in brands and sites that were continuously open for the three consecutive years.

Below are the types of sites included in the 2021 reporting scope, and the exclusions due to the reporting methodology:

Brand	Within reporting scope	Outside of scope
Gucci	Stores, offices, warehouses, and industrial sites	Offices with less than 10 people
Saint Laurent	Stores, offices, warehouses, and industrial sites	Offices with less than 10 people
Bottega Veneta	Stores, offices, warehouses, and industrial sites	Offices with less than 10 people
Balenciaga	Stores, offices, warehouses, and industrial sites	Offices with less than 10 people
Alexander McQueen	Stores, offices, warehouses, and industrial sites	Offices with less than 10 people
Brioni	Stores, offices, warehouses, and industrial sites	Offices with less than 10 people
Boucheron	Stores, offices, warehouses, and industrial sites	Offices with less than 10 people
Pomellato/Dodo	Stores, offices, warehouses, and industrial sites	Offices with less than 10 people
Qeelin	Stores, offices, warehouses, and industrial sites	Offices with less than 10 people
Ulysse Nardin	Stores, offices, warehouses, and industrial sites	Offices with less than 10 people
Girard-Perregaux	Stores, offices, warehouses, and industrial sites	Offices with less than 10 people
Kering Eyewear	Stores, offices, warehouses, and industrial sites	Offices with less than 10 people
Kering Corporate	Stores, offices, warehouses, and industrial sites	Offices with less than 10 people

Pro forma scope 2019 – 2021

To ensure monitoring of trends over the years, several Group indicators are presented on a pro forma basis in this report. This method neutralizes the impact of changes in scope, by taking into account only the sites that were open during three consecutive years (in this case 2021, 2020 and 2019).

Pro forma is calculated on two types of scopes, depending on the level of consolidation of the relevant indicators:

- Site scope: for indicators available at Site level, pro forma is calculated taking into account the active sites during the three consecutive reporting years in question (in this case 2021, 2020 and 2019).
- Brand scope: for indicators available at Brand level exclusively, pro forma is calculated taking into account the brands which were part of the Group during the three consecutive reporting years in question

(in this case 2021, 2020 and 2019). This means that changes in sites are not taken into account, since it is impossible to attribute data to a specific site.

As such, the pro forma scope excludes:

- Open sites and brands acquired during reporting for 2019, 2020 and 2021;
- Closed sites and sold brands during reporting for 2019, 2020 and 2021;

Coverage rate of pro forma scope 2019 – 2021

At Group level, **77%** of the 1,969 sites open in 2021 are included in the pro forma data.

	% of 2021 sites included in the pro forma scope
Alexander McQueen	58%
Balenciaga	66%
Bottega Veneta	85%
Boucheron	84%
Brioni	95%
Girard Perregaux	100%
Gucci	84%
Kering Corporate	67%
Kering Eyewear	55%
Pomellato	77%
Qeelin	70%
Saint Laurent	76%
Ulysse Nardin	64%
Overall total	**77%**

Pro forma scope by type of indicator

Below is a breakdown of the detailed pro forma methodology for each indicator group, based on the level (Brand or Site) of indicator reporting:

	Pro forma methodology
Energy (MWh)	Pro forma site scope
Energy (CO_2)	Pro forma site scope
BtoB Transport	Pro forma brand scope No pro forma on geographical scope (new transportation sections covered by carrier reporting)
Express Transport	Pro forma brand scope No pro forma on geographical scope (new transportation sections covered by carrier reporting)
BtoC Transport (E-commerce)	Pro forma brand scope No pro forma on geographical scope (new transportation sections covered by carrier reporting)
BtoC Transport (truck deliveries)	Pro forma site scope
Business travel (by air)	Pro forma brand scope
Business travel (company car)	Pro forma site scope
Packaging	Pro forma brand scope
Water	Pro forma site scope

Paper	Pro forma site scope
Waste	Pro forma site scope

WATER

Water consumption is collected according to the type of use (sanitary, industrial) and the type of withdrawal (groundwater, mains water, rainwater, surface water). The percentage of industrial water discharged is calculated on the basis of the sites reporting industrial water consumption (mandatory indicator) and the amount of water discharged.

PACKAGING

Packaging data is collected according to the type of material.
Reported data include primary and industrial packaging (used for goods transportation between industrial sites, warehouses and stores) as well as end packaging which goes to the customer.
In 2019, a distinction was made between Industrial and Customer packaging for most packaging materials. Moreover, three new materials have been introduced (linen, iron and other metals).
In 2020, the notion of single-use plastic and reusable plastic was introduced in the reporting.

FREIGHT TRANSPORT

In this document, we present Kering's reporting methodology to consolidate freight transport indicators.

The emission factors used are taken from internationally recognized public information sources of an academic or institutional nature and were updated in 2016 based on new publications. However, a monitoring exercise is conducted on an annual basis and the emission factors are updated if the variation from one year to the next is significant. These emission factors are also aligned with those used for EP&L. All the methods used are available in the methodological note on Kering's environmental reporting, on the Group's website.
Work was initiated in 2016 on the methodology for calculating CO_2 emissions related to "B to B" transport to better reflect the improvements and optimizations implemented by the Group's brands and logistics platforms. This process was continued in 2020 to include all "B to B" transporters. This allows them to use their CO_2 emissions reporting to more accurately reflect the emissions linked to the various transport flows. Each supplier carbon report is carefully analyzed in accordance with the EN16258 European standard to guarantee the consistency of the Group's reporting. Particular attention is paid to ensuring that the upstream Scope 3 (Well-to-Wheel – WtW) emission factors are properly considered.

Covered scope

The transportation flows included in the environmental reporting correspond exclusively to all transport carried out under the brands' control, i.e., paid by them. Transportation flows paid by customers, particularly for jewelry and watches brands, are not included in the reporting scope since they are outside Kering's operational control.
In an effort to produce transparent reporting that is easy to understand, transportation was grouped into two categories for data collection:

- **BtoB** transport:
  - deliveries from suppliers when paid by Kering brands, regardless of the type of site delivered (store, warehouse, industrial site, etc.);
  - flows of supply to stores by the warehouses or between warehouses;
  - express deliveries.
- **BtoC** transport:
  - deliveries to customers (notably e-commerce).

It should be noted that the scope covered by the reporting does not include transportation of hides between tanneries

and manufacturers. Those transportation flows account for an insignificant amount of CO_2 emissions compared to the Group's total CO_2 emissions.

Freight transport indicators: liters of diesel fuel, ton.km and TEU.km

- **BtoB** units of measurement:
  - Road, rail, and air freight: **ton.kilometer (t.km)**. This unit corresponds to the total sum of the distance traveled for every journey, multiplied by the tonnage transported. The weight used is the actual weight of products when available or the taxable weight otherwise. Those transportation flows are handled by carriers and their CO_2 emissions are calculated on the basis of t.km data provided by the carriers.
  - Sea freight: **TEU.kilometer (TEU.km; TEU = Twenty-foot Equivalent Unit)**. This unit corresponds to the total sum of the distance traveled for every journey, multiplied by the volume transported. A TEU represents an estimation of the volume transported by a 20-foot container (by way of example, a 40-foot container is the equivalent of two TEUs).

- **BtoC** units of measurement:
  - Customer deliveries: **liter of fuel (L)**. BtoC flows cover deliveries of finished products directly to customers from sales points or logistics platforms. Customer deliveries are made by the brands' own (or subcontracted) vehicles and the CO_2 emissions are calculated based on liters of fuel consumption.

It should be noted that actual distances are preferred and used whenever possible. In scenarios where actual carrier data is unavailable, the calculation of freight transport distances is consistent between brands thanks to a shared automatic calculation tool based on departure and arrival towns.

CO_2 emissions linked to transportation: calculation methods

Use of carriers' activity report data

In most instances, Kering brand carriers are able to provide precise annual reporting of CO_2 emissions and activity data (tons.km) linked to the shipments they handled, with any kind of transportation.
These CO_2 emissions are calculated according to the EN-16258 standard and are automatically communicated to the logistics managers in charge. When carriers are able to provide this information, their data is used as a reference source for the annual reporting.
Carriers who do not report their CO_2 emissions according to the EN-16258 benchmark standard produce an internal report with activity data (tons.km) and CO_2 emissions, calculated using their own methodology.
CO_2 emissions are calculated using the "Well-to-Wheel (WtW)" methodology, i.e., taking into account both the emissions linked to the upstream fuel phase (i.e., fuel extraction, refining and transportation) and the emissions linked to fuel combustion. Although the Group has no direct control over upstream emissions, they are calculated in an endeavor to ensure consistency with EP&L methodology (the EP&L approach is described in the Sustainability Chapter of the Universal Registration Document).

Use of Kering's internal calculation tool

For carriers who are unable to provide an activity report, CO_2 emissions are calculated using an internal Kering calculation tool based on available carrier activity data and specific emission factors.
Emission factors are used to transcribe a physical flow into its environmental impact (i.e., the amount of CO_2 released into the atmosphere). In the case of transport indicators, the purpose is to estimate the CO_2 emissions related to logistical flows.
The emission factors used by Kering cover a WtW scope.

HEAT ENGINE ROAD FREIGHT

The Group's brands mainly carry textile products and leather goods. As a result, Kering uses a truck-filling rate of 30%, a maximum load of 25 tons and an empty load back-trip rate of 10%. These assumptions originate from the Institute for Energy and Environmental Research of Heidelberg (IFEU)[1] for voluminous goods (high volume for a

[1] Ecological Transport Information Tool for Worldwide Transports; Methodology and Data; Updated December 4, 2014

low weight). According to the Bilan Carbone® V18.1[2] method, these assumptions result in average fuel consumption for a loaded truck of 42.29L/100km and for an empty truck of 29.39L/100km.
Moreover, the emission factor includes an "upstream Scope 3 coefficient" in order to take into account the quantity of greenhouse gases emitted during the fuel extraction, refining and transportation phases. This coefficient is derived from the Bilan Carbone® V18.1[2] method.
As such, the final "road" emission factor for 2021,164.35 gCO_2 / t.km, covers a WtW scope.

ELECTRICAL ENGINE ROAD FREIGHT

Selected emission factors depend on the energy consumption of electrical trucks in kWh/t.km.
Selected assumptions are as follows:

			Source / explanation
Maximum load	16	T	Urban delivery
Filling rate	43	%	Emission factors guide V6.1
Average consumption	1	kWh/km	CE Delft Study on electric trucks[3]
Empty load back-trip rate	18	%	Emission factors guide V6.1
Associated emission factor	**0.180**	kWh/t.km	

The emission factor in gCO_2/t.km depends on the country emission factor (see "Electricity and renewable energy" section).

Type of transport	**WtW value**	**Unit**
Road – unknown truck type	164.35	gCO_2 / t.km
Road – Truck Euro V or VI	164.35	gCO_2 / t.km
Road – Natural gas truck	164.35	gCO_2 / t.km
Road – Electric trucks (value differs per country)	Min. 2.6 Max. 180.5	gCO_2 / t.km

SEA FREIGHT

The BSR's (Business for Social Responsibility) "Clean Cargo Working Group (CCWG)", published in 2014, is the source followed by Kering for emission factors.
In addition, these emission factors cover a WtW scope. This 1.088 coefficient comes from BSR/CCWG's methodological recommendations presented in the June 2015 report.

The final WtW emission factors used in 2021 are as follows:

Maritime Route	**Emission factor**	**Unit**	**Source**
South East Asia – North East Asia	62.7	g CO_2 / TEU.km	Clean Cargo Working Group (CCWG), 2019 Progress Report – BSR, 2019 Global Maritime Trade Lane Emission Factors
North East Asia – North East Asia	62.7	g CO_2 / TEU.km	
South East Asia – South East Asia	70.6	g CO_2 / TEU.km	
Europe – Asia	29	g CO_2 / TEU.km	
North America – Asia	45.9	g CO_2 / TEU.km	
Africa – Asia	51.2	g CO_2 / TEU.km	
Europe – North America	58.5	g CO_2 / TEU.km	
Europe – Europe	87.5	g CO_2 / TEU.km	
Europe – South America	46.1	g CO_2 / TEU.km	
Europe – Africa	68.9	g CO_2 / TEU.km	
Europe – Oceania	54.9	g CO_2 / TEU.km	
North America – South America	56.1	g CO_2 / TEU.km	

[2]The Bilan Carbone methodology was created by ADEME, the French Environment and Energy Management Agency. The Bilan Carbone® brand is now managed by ABC (Association Bilan Carbone) http://www.associationbilancarbone.fr
[3] http://www.cedelft.eu/?go=home.downloadPub&id=1399&file=CE_Delft_4841_Zero_emissions_trucks_Def.pdf

South America – Asia	41.7	g CO_2 / TEU.km
North America (internal)	97.2	g CO_2 / TEU.km
South America (internal)	71.2	g CO_2 / TEU.km

AIR FREIGHT

Emission factors selected for air freight are derived from ADEME's Base Carbone ® v18.1 and v16.1 to ensure source consistency with other reporting emission factors. Such factors are used in the French methodological reference – "*Information CO_2 des prestations de transport*" ("Information on CO_2 from transportation services") – which is consistent with the EN-16258 standard.

Furthermore, the emission factors from the Base Carbone® v18.1 cover a WtW scope.

	Emission factor	**Unit**	**Source**
Very short haul (less than 500 km)	**2,094**	g CO_2 / t.km	ADEME, Bilan Carbone v18.1
Short-haul (between 500 and 1,000 km)	**1,604**	g CO_2 / t.km	
Medium-haul (between 1,000 and 3,500 km)	**1,154**	g CO_2 / t.km	
Long-haul (more than 3,500 km)	**794**	g CO_2 / t.km	

RAIL FREIGHT

A significant amount of the Group's rail transportation activities are conducted in the United States, Germany and Canada, where the energy mixes for electricity vary, as does the percentage of fuel and electrical locomotives. This means that different sources are used to obtain the most accurate emission factors for 2021.
Exceptionally, those factors only include tank-to-wheel (TtW) emissions, and do not consider upstream emissions. This is for two reasons:

- Rail freight emissions only account for about 0.5% of Kering total freight emissions;
- Upstream emissions are not easily calculated for each rail network because of the variety of traction modes and power supply modes according to the countries.

Selected emission factors for 2021 rail freight are as follows:

	Emission factor	**Unit**	**Source**
Denmark	**37.8**	g CO_2 / t.km	ADEME, Base Carbone v18.1
France	**5.6**	g CO_2 / t.km	
Germany	**32.0**	g CO_2 / t.km	
Italy	**29.1**	g CO_2 / t.km	
Norway	**8.2**	g CO_2 / t.km	
Spain	**34.5**	g CO_2 / t.km	
Sweden	**4.3**	g CO_2 / t.km	
Switzerland	**3.6**	g CO_2 / t.km	
United Kingdom	**25.6**	g CO_2 / t.km	DEFRA (UK Department for Environment, Food & Rural Affairs), Conversion factors 2020, v.01-00
Canada	**15.2**	g CO_2 / t.km	Canadian National (CN) – Canada's national railway company
United States	**13.2**	g CO_2 / t.km	US EPA – Department of Transportation (DOT) – Emission Factors for Greenhouse Gas Inventories – March 2020
Other European countries	**22.6**	g CO_2 / t.km	ADEME, Base Carbone v18.1

Rest of the world	**13.2**	g CO_2 / t.km	US EPA – Department of Transportation (DOT) – Emission Factors for Greenhouse Gas Inventories – March 2020

BTOC TRANSPORT

The emission factors used for BtoC transportation are the same as for BtoB. However, brands and service providers also report the diesel consumption of their vehicle fleet. In such scenarios, the emission factor used is ADEME's Base Carbone® v16.1 (updated September 2019). The "upstream" factor is produced from the same source.

TYPE OF TRANSPORT	Scope 1 value	Scope 3 value	Scope 1 + 3 value	Unit
Diesel consumption	2.52	0.66	3.16	kg CO_2 / L
Gasoline consumption	2.26	0.53	2.80	kg CO_2 / L

COMPANY CARS

Brands prioritize their gasoline and diesel consumption reporting. When this information is not available, contributors can report the average emission factor of their fleet (provided by their leasing supplier or carmaker) together with the distance traveled by the fleet.
In such scenarios, the emission factor used is ADEME's Base Carbone® v16.1 (updated September 2019). The "upstream" factor is produced from the same source.

TYPE OF TRANSPORT	Scope 1 value	Scope 3 value	Scope 1 + 3 value	Unit
Diesel consumption	2.52	0.66	3.16	kg CO_2/ L
Gasoline consumption	2.26	0.53	2.80	kg CO_2/L

BUSINESS AIR TRAVEL

The CO_2 emission factors for business air travel in 2021 are obtained directly from travel providers to ensure more detailed monitoring of professional transport (actual distance, ticket class, etc.). The CO_2 values provided in the air reports are based on the guidelines produced by DEFRA's greenhouse gas (GHG) conversion factors. This method assesses flights based on airport location and calculates emissions according to the actual distance flown. Total carbon dioxide equivalent emissions (CO_2e kg) include carbon dioxide, methane (CH_4) and nitrous oxide (N_2O), converted to carbon dioxide equivalents. Emissions related to radiative forcing are not considered.
The following criteria are considered in the calculation:

- Total distance of a flight segment (coupon), based on origin and destination airports.
- Class of air travel. The available class types are as follows:
    - Economy
    - Premium Economy
    - Business
    - First
    - Unknown class (all class types)

Flight type[4]	Class	WtW value	Unit
Domestic	All	129.2	gCO_2 / passenger.km
Short-haul	Unknown	81.17	gCO_2 / passenger.km
Short-haul	Economy	79.84	gCO_2 / passenger.km
Short-haul	Business	119.76	gCO_2 / passenger.km
Long-haul	Unknown	102.08	gCO_2 / passenger.km
Long-haul	Economy	78.18	gCO_2 / passenger.km

[4] Short-haul < 3,700 km
Long-haul > 3,700 km

Long-haul	Premium Economy	125.08	gCO_2 / passenger.km
Long-haul	Business	226.71	gCO_2 / passenger.km
Long-haul	Premium	312.70	gCO_2 / passenger.km

Energy related to CO_2 emissions

In the interest of simplification, Kering uses CO_2 which, in practice, denotes equivalent CO_2 (CO_2e).

Fuels

The CO_2 emission factors related to the consumption of energy are obtained from ADEME's Base Carbone® v20.2 (09/09/2021).
The emission factors published in ADEME's Base carbone® v20.2 (09/09/2021) for liquid, gaseous and solid fuels are composed of a "combustion" phase and an "upstream" phase.

ENERGY TYPE	Scope 1 value	Scope 2 value	Scope 3 value	Scope 1 + 3 value	Unit
Heavy fuel	279.81	-	45.28	325.09	gCO_2 / kWh
Light fuel	265.89	-	57.95	323.84	gCO_2 / kWh
Natural gas	204.93	-	38.90	243.83	gCO_2 / kWh
LPG	232.72	-	39	271.72	gCO_2 / kWh
Coal (Lignite)	364	-	32	396	gCO_2 / kWh

PURCHASED ENERGY (STEAM, ELECTRICITY)

Steam

A conservative assumption was made. The Scope 2 and Scope 3 emission factor for steam used is natural gas.

ENERGY TYPE	Scope 1 value	Scope 2 value	Scope 3 value	Scope 1 + 2 + 3 value	Unit
Steam	-	204.93	38.90	243.83	gCO_2 / kWh

District heating network

The selected emission factor for Scope 2 is equal to the average of the emission factors for French heating networks found in ADEME's Base Carbone® v20.2 (updated September 9, 2021). A 10% line losses coefficient was applied.
For Scope 3 (upstream of fuels used to produce heat), a conservative assumption was made. The emission factor is calculated using ADEME's Base Carbone® v20.2 emission factors (updated September 9, 2021) as a percentage of emissions due to combustion. As a result, the highest percentage presented in the Base Carbone® emission factors documentation was selected, i.e., the percentage linked to natural gas combustion (21%).

ENERGY TYPE	Scope 1 value	Scope 2 value	Scope 3 value	Scope 1 + 2 + 3 value	Unit
District heating network	-	107.31	22.67	129.97	gCO_2 / kWh

District refrigeration network

The selected emission factor for Scope 2 is equal to the average of the emission factors for French refrigeration networks found in ADEME's Base Carbone® v20.2 (updated September 9, 2021). A 10% line losses coefficient was applied.
For Scope 3 (upstream of fuels used to produce cold), a conservative assumption was made. The emission factor is calculated using ADEME's Base Carbone® v20.2 emission factors (updated September 9, 2021) as a percentage of emissions due to combustion. As a result, the highest percentage presented in the Base Carbone® emission factors documentation was selected, i.e., the percentage linked

to natural gas combustion (21%).

ENERGY TYPE	Scope 1 value	Scope 2 value	Scope 3 value	Scope 1 + 2 + 3 value	Unit
District refrigeration network	-	18.10	3.82	21.92	gCO_2 / kWh

ELECTRICITY AND RENEWABLE ELECTRICITY

Since 2014, the monitoring of energy consumption in shops has been reinforced thanks to the NUS energy bill management system. This system enables monthly computerized monitoring of consumption, directly integrated into the environmental reporting tool, thereby limiting the risk of data entry errors, the use of estimates and making it possible to deliver a response in the event of deviations from targets. In 2021, the service was extended to water management and district heating and cooling. At end-2021, 626 sites were connected to the NUS monitoring system. On this basis, Kering has implemented a tool to categorize its stores according to their energy performance. In doing so, brands have been able to easily identify the most energy-intensive sites and to target these sites as a priority when deploying energy efficiency solutions.

Scope 2 emissions related to electricity are presented according to market-based methodology. The share of electricity from renewable sources is considered specifically in terms of Energy Attribute Certificates. As regards standard electricity, residual emission factors are used for European countries (Association of Issuing Bodies' European Residual Mix) while national emission factors are used for other countries (EGrid for the United States and the International Energy Agency (IEA) for all other countries).
The emission factors used to calculate the emissions of greenhouse gases linked to Kering's electricity production are specific to Kering site location countries. In an effort to match numbers with the reality of the different types of energy mix in the various countries and regions of Group operations, Kering used emission factors specific to each of its locations. Emission factors related to Scope 2 (i.e., emissions directly linked to combustion during electricity production) and Scope 3 (i.e., the amount of greenhouse gases emitted during fuel extraction, refining and transportation in the case of fuel energy as well as emissions linked to the construction of energy generation units for renewable and nuclear energy) are sourced from the DEFRA 2021 database (Well-to-Tank (WtT)).

Note that the emission factors used to calculate the CO_2 footprint take into account the Group's operating regions as well as countries' energy mixes. These factors are updated on an annual basis.

Purchase of green certificates

For many years now, Kering has favored the signing of purchase contracts for locally produced green electricity when the site pays its bills directly and when the local electricity market allows it. For geographical locations where this practice is not possible, Kering uses certificates (Energy Attribute Certificates – EAC). Furthermore, to accelerate the energy transition in the countries where the Group operates, Kering only acquires certificates for new or recent (less than 10 years) installations of photovoltaic or wind power production systems. Against this background, since 2019, the Group has completed the purchase of green certificates for various countries to cover 100% of electricity consumption. The breakdown of certificates for 2021 is as follows:

EAC* type	Country/region
Australian LGC	Australia
Bangladesh TIGR	Bangladesh
Brazil IREC	Brazil
Chile IREC	Chile
China IREC	Mainland China, Hong Kong Special Administrative Region (SAR), Macao SAR
India IRECs	India
Italy GO	Aruba, Austria, Belgium, Croatia, Czech Republic, Denmark, France, Germany, Greece, Hungary, Ireland, Italy,

	Luxembourg, Netherlands, Portugal, Romania, Serbia, Spain, Switzerland
J-Credits	Japan
Malaysia IREC	Malaysia, Singapore
Mexico IREC	Mexico
NZ REC	New Zealand
Panama IREC	Panama
Philippines IREC	Philippines
Russia IREC	Russia
Singapore IREC	Singapore
South Africa IREC	South Africa
Taiwan TREC	Taiwan Region
Thailand IREC	Thailand
Turkey IREC	Turkey
UAE IREC	United Arab Emirates
UK REGO	United Kingdom
US REC	Canada, Guam, Puerto Rico, United States
Vietnam IREC	Vietnam

In 2021, the supply of green certificates expanded into Denmark and the Philippines as well as advancing in Japan, Australia and Taiwan.

*Acronyms:

- RECs: *Renewable Energy Certificates*
- IRECs: *International Renewable Energy Certificates*
- GOs: *Guarantees of Origin*
- REGO: *Renewable Energy Guarantees Origin*
- TIGR: *Tradable Instruments for Global Renewables*
- J-Credits: *Japan Credits*

A summary of the sources used is presented below. The Group applied the latest version of the available 2021 database to each of these sources.

Information for calculation	Source
Scope 2 emissions	**Association of Issuing Bodies** (for European countries): European Residual Mix 2020, AIB, Direct CO2 **EGrid (for United States)**: eGRID2019 – Tab US19, Column AE "U.S. annual CO2 equivalent total output emission rate (kg/MWh)" **International Energy Agency (IEA) (for the other countries)**: IEA 2021: CO2 emissions per kWh from electricity generation, total, 2019 vintage
Scope 3 emissions	Department for Environment, Food & Rural Affairs (DEFRA) DEFRA 2021 – WtT– overseas electricity (generation + T&D)

ELECTRICITY EMISSION FACTORS (gCO_2/kWh)	Scope 2 value (standard electricity)	Scope 3 value (standard electricity)	Total value – standard electricity (Scopes 2 + 3)	Green electricity value (Scope 3 only)
South Africa	937	198	**1,134**	198
Germany	589	110	**699**	110

ELECTRICITY EMISSION FACTORS (gCO_2/kWh)	Scope 2 value (standard electricity)	Scope 3 value (standard electricity)	Total value – standard electricity (Scopes 2 + 3)	Green electricity value (Scope 3 only)
Argentina	288	47	**335**	47
Aruba	624	47	**671**	47
Australia	688	187	**874**	187
Austria	0	51	**51**	51
Bahrain	689	172	**861**	172
Bangladesh	466	116	**582**	116
Belgium	205	38	**243**	38
Brazil	104	16	**120**	16
Bulgaria	372	146	**518**	146
Cambodia	542	116	**658**	116
Canada	130	35	**165**	35
Chile	444	47	**491**	47
China	626	173	**799**	173
South Korea	517	128	**645**	128
Croatia	469	72	**541**	72
Denmark	428	57	**485**	57
United Arab Emirates	505	172	**677**	172
Spain	287	67	**354**	67
United States of America	403	112	**516**	112
Finland	268	39	**307**	39
France	59	8	**67**	8
Georgia	114	116	**230**	116
Greece	490	178	**668**	178
Guam	675	116	**792**	116
Hong Kong	823	178	**1,001**	178
Hungary	274	69	**343**	69
India	726	205	**931**	205
Indonesia	766	184	**950**	184
Ireland	446	79	**525**	79
Italy	459	93	**551**	93
Japan	489	117	**605**	117
Kuwait	609	172	**781**	172
Lithuania	340	66	**406**	66
Luxembourg	0	87	**87**	87
Macao	376	173	**548**	173
Malaysia	665	166	**831**	166
Mexico	398	115	**514**	115
Monaco	59	8	**67**	8
Norway	402	3	**405**	3
New Zealand	123	28	**151**	28
Pakistan	351	97	**448**	97
Panama	416	47	**463**	47
Netherlands	452	83	**534**	83
Peru	202	47	**249**	47
Philippines	675	122	**797**	122

ELECTRICITY EMISSION FACTORS (gCO_2/kWh)	Scope 2 value (standard electricity)	Scope 3 value (standard electricity)	Total value – standard electricity (Scopes 2 + 3)	Green electricity value (Scope 3 only)
Poland	799	182	**980**	182
Portugal	375	57	**433**	57
Puerto Rico	624	47	**671**	47
Qatar	479	172	**652**	172
Czech Republic	532	134	**666**	134
Romania	265	123	**388**	123
United Kingdom	316	60	**376**	60
Russia	375	111	**486**	111
El Salvador	197	47	**244**	47
Serbia	811	116	**927**	116
Singapore	387	111	**497**	111
Slovakia	218	45	**264**	45
Slovenia	345	78	**423**	78
Sweden	23	3	**26**	3
Switzerland	30	7	**38**	7
Taiwan	556	129	**685**	129
Thailand	466	122	**587**	122
Turkey	433	115	**548**	115
Ukraine	368	115	**483**	115
Uruguay	12	47	**59**	47
Vietnam	652	116	**769**	116

CERTIFICATIONS

Within the Group, the number of sites for which a certification process is relevant remains limited due to the nature of the Kering's activities. For sites with the most consequential environmental impacts, which include major logistics hubs or tanneries, priority is given to certifications demonstrating the deployment of an environmental management system such as ISO 14001. On the same basis, certification in health and safety (ISO 45001), social accountability (SA8000) and quality management (ISO 9001) are prioritized at specific sites.

BRAND	SITE NAME	COUNTRY	ACTIVITY	CERTIFICATIONS
Kering	Bioggio	Switzerland	Distribution	ISO 14001, SA8000, ISO 9001, ISO 45001, ISO 28000, ISO 22301
Kering	Giornico	Switzerland	Distribution	ISO 14001, SA8000, ISO 9001, ISO 45001
Kering	Giubiasco	Switzerland	Distribution	ISO 14001, SA8000, ISO 9001, ISO 45001
Kering	Gordola	Switzerland	Distribution	ISO 14001, SA8000, ISO 9001, ISO 45001
Kering	Mezzovico	Switzerland	Distribution	ISO 14001, SA8000, ISO 9001, ISO 45001
Kering	Novazzano	Switzerland	Distribution	ISO 14001, SA8000, ISO 9001, ISO 45001
Kering	Riazzino	Switzerland	Distribution	ISO 14001, SA8000, ISO 9001, ISO 45001
Kering	Sant'Antonino	Switzerland	Distribution	ISO 14001, SA8000, ISO 9001, ISO 45001, ISO 28000, ISO 22301
Kering	Stabio	Switzerland	Distribution	ISO 14001, SA8000, ISO 9001, ISO 45001, ISO 28000, ISO 22301
Kering	Stabio4	Switzerland	Distribution	ISO 14001, SA8000, ISO 9001, ISO 45001
Kering	Stabio5	Switzerland	Distribution	ISO 14001, SA8000, ISO 9001, ISO 45001
Kering	Stabio6	Switzerland	Distribution	ISO 14001, SA8000, ISO 9001, ISO 45001
Kering	Cadempino	Switzerland	Offices / Distribution	ISO 14001, SA8000, ISO 9001, ISO 45001, ISO 28000, ISO 22301
Kering	Kering Fashion Operations	Italy	Legal entity	SA8000
Gucci	Artlab, Florence	Italy	Offices	ISO 14001, ISO 45001
Gucci	Casellina, Florence	Italy	Offices	ISO 14001, ISO 45001
Gucci	Blutonic	Italy	Tannery	ISO 14001, ISO 45001
Gucci	Falco Pellami	Italy	Tannery	ISO 14001, ISO 45001
Gucci	G Commerce Europe	Italy	Legal entity	SA8000
Gucci	GJP Milano jwl factory	Italy	Production	ISO 45001
Gucci	Gucci 9, Florence	Italy	Offices	ISO 14001, ISO 45001
Gucci	Gucci Garden	Italy	Legal entity	SA8000
Gucci	Guccio Gucci	Italy	Legal entity	ISO 20121, SA8000
Gucci	Guccio Logistica	Italy	Legal entity	SA8000
Gucci	Luxury Goods Italy SPA	Italy	Legal entity	ISO 45001, SA8000
Gucci	Luxury Goods Outlet SRL	Italy	Legal entity	ISO 45001, SA8000
Gucci	Luxury Tannery	Serbia	Tannery	ISO 14001, ISO 45001
Gucci	Marbella Pellami	Italy	Tannery	ISO 14001, ISO 45001
Gucci	Milano Mecenate	Italy	Offices	ISO 14001, ISO 45001
Gucci	PhotoStudio, Florence	Italy	Offices	ISO 14001, ISO 45001
Gucci	Pigini shoes factory	Italy	Production	ISO 45001
Gucci	Tigerflex shoes factory	Italy	Production	ISO 14001, ISO 45001
Bottega Veneta	Bottega Veneta Logistica Srl	Italy	Legal entity	SA8000
Bottega Veneta	Bottega Veneta Srl	Italy	Legal entity	SA8000
Bottega Veneta	MVP Srl	Italy	Legal entity	SA8000
Bottega Veneta	Office / Atelier de Montebello	Italy	Offices / Production	ISO 14064, SA8000, ISO 45001
Bottega Veneta	Offices in Milan, via Private Ercole Marelli	Italy	Offices	ISO 14064, SA8000

Bottega Veneta	Raw material farm in Altavilla	Italy	Distribution	SA8000, ISO 45001
Bottega Veneta	RTW development site and furniture in Tressino	Italy	Other	SA8000, ISO 45001
Bottega Veneta	Shoes development site in Vigonza	Italy	Other	SA8000, ISO 45001

In addition to certifications aimed at implementing a management system, energy efficiency is also subject to specialized certifications (LEED, BREEAM, HQE, WELL, etc.). This applies to stores, offices and certain industrial sites.

Brand	Number of energy efficiency certifications obtained at end-2021
Alexander McQueen	13
Balenciaga	29
Bottega Veneta	1
Gucci	60
Kering Eyewear	1
Kering Corporate	2
Saint Laurent	19

EXTERNAL VERIFICATION BY STATUTORY AUDITORS

For the fourteenth consecutive year, the non-financial data published in the Universal Registration Document was verified by one of the statutory auditors, namely Deloitte & Associés.
Pursuant to Article L. 225-102-1 of the French Commercial Code ("*Code de commerce*"), Kering appointed one of its Statutory Auditors as independent third party responsible for the verification of the information published in the non-financial statement, in Chapter 3 of the 2021 Universal Registration Document. The report issued by the Statutory Auditor can be found on pages 275 to 277 of the 2021 Universal Registration Document. The report concerns, among other things, the fairness of the qualitative and quantitative information published.

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