

# MODERN SLAVERY STATEMENT

2021

KERING



This statement is made pursuant to the UK Modern Slavery Act 2015, the Australian Modern Slavery Act (No. 153) 2018, and the California Transparency in Supply Chains Act of 2010. It sets out the steps that Kering SA and its affiliates have taken up to and during the financial year 2021 (*i.e.*, the year ending on 31 December 2021) to identify and prevent modern slavery - including forced labor, human trafficking, and child labor - from taking place in any part of its business activities or within its supply chains.

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

“Kering Group” (or “Kering” or “Group”) refers to Kering SA and all the entities directly or indirectly controlled by Kering SA. Kering Group is a global luxury group managing the development of the following renowned companies in fashion, leather goods, jewelry, and watches: Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, DoDo, Qeelin, Ulysse Nardin, Girard-Perregaux and Kering Eyewear (collectively, the “Houses”). By placing creativity at the heart of its strategy, Kering enables its Houses to set new limits in terms of their creative expression while crafting tomorrow’s luxury in a sustainable and responsible way. In 2021, Kering employed over 42,000 employees and generated a revenue of € 17.6 billion.

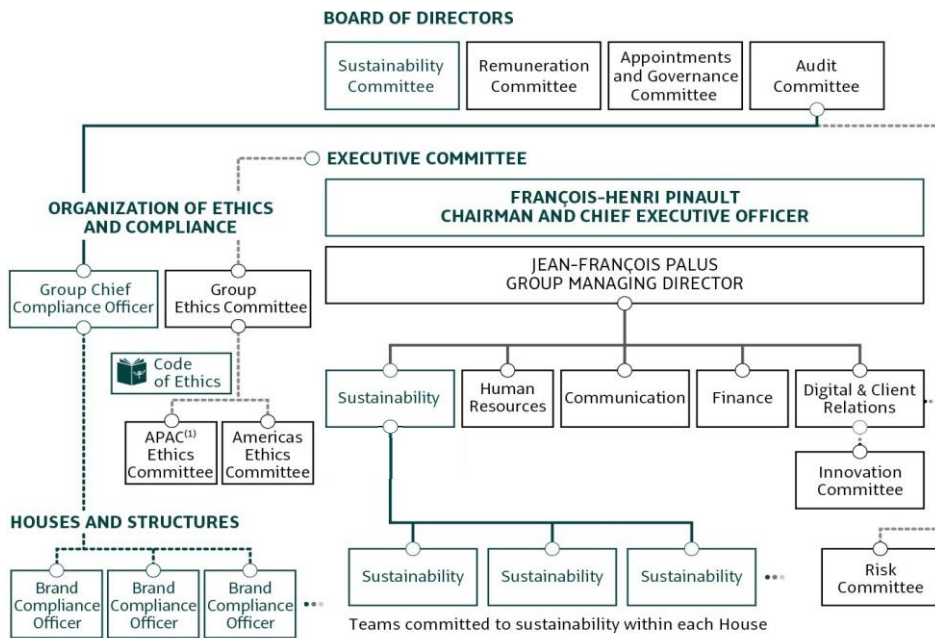
This 2021 Modern Slavery Statement covers all Kering Group Houses and legal entities, although it should nonetheless be noted that certain of the Group’s Houses may also issue their own modern slavery statements.

This Statement has been prepared in consultation with relevant reporting entities directly or indirectly controlled or influenced by Kering SA within the scope of this Statement. In this respect, it has been shared with Gucci Australia PTY Ltd, a proprietary limited company incorporated in Australia, with its registered office at Level 26, 201 Elizabeth Street, Sydney, NSW 2000, registered under Australian Company Number 093 354 548, indirectly owned and controlled by Kering SA and identified as a reporting entity under the Australian Modern Slavery Act. The Board of Directors of Gucci Australia PTY Ltd has reviewed and approved this Statement on 7 March 2022. The Kering Group entities with an annual turnover of £36 million or more carrying on a business, or part of a business, in the UK are listed in Annex I to this statement.

Kering’s ambition is to be the world’s most influential luxury group in terms of creativity, sustainability, and long-term economic performance. Sustainability, including human rights, is at the core of Kering’s strategy. As such, we are committed to improving the labor standards of those who work in our supply chains and our business activities. This includes taking steps to both identify and address the risks of modern slavery and human trafficking.

Kering’s 2025 Sustainability Strategy is currently being implemented within each of its Houses through practical action plans, including on human rights, as part of their sustainability initiatives.

The relevant Kering reporting line structures of the Ethics and Sustainability functions are illustrated in Figure 1 below.



Reporting lines of the Ethics and Sustainability functions

(1) APAC = Asia-Pacific

This 2021 Modern Slavery Statement issued by Kering SA has been approved by a meeting of the Kering SA Board of Directors held on 28 April 2022.

Francois-Henri Pinault  
Chairman of Kering SA  
and Chief Executive Officer  
of Kering Group

# PRESENTATION OF OUR GROUP

## OUR BUSINESS ACTIVITIES

The Kering Group works with 42,811 employees (as of 31 December 2021) and has subsidiaries in over 50 countries. As a global luxury group, Kering manages the development of a series of renowned Houses in fashion, leather goods, jewelry and watches and of Kering Eyewear. Our Houses develop innovative, creative and exceptional products, animate networks of directly operated stores, and provide unique client experiences. Distribution channels include retail and wholesale, and are both physical and digital. As of 31 December 2021, Kering operated 1,565 stores directly, 750 of which were in emerging countries.

The organizational structure of the Kering Group can be seen in Figure 2 below.



The Kering Group Organizational Chart (31 December 2021)

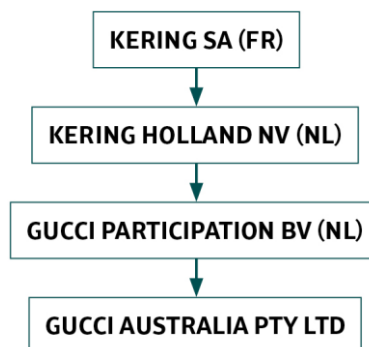
(1) Corporate is defined in the Kering 2021 Universal Registration Document

(2) The Sowind Group owns the Girard-Perregaux brand



Additional information on the Kering Group is publicly available online at Kering's website (<https://www.kering.com/en/>).

With specific regard to Gucci Australia PTY Ltd, the company is part of the Gucci division and is responsible for retail and online sales of Gucci luxury fashion goods and wholesale distribution of Gucci luxury timepieces and jewelry in Australia. The control chain of Gucci Australia PTY Ltd, which has no subsidiaries, is shown hereinbelow.



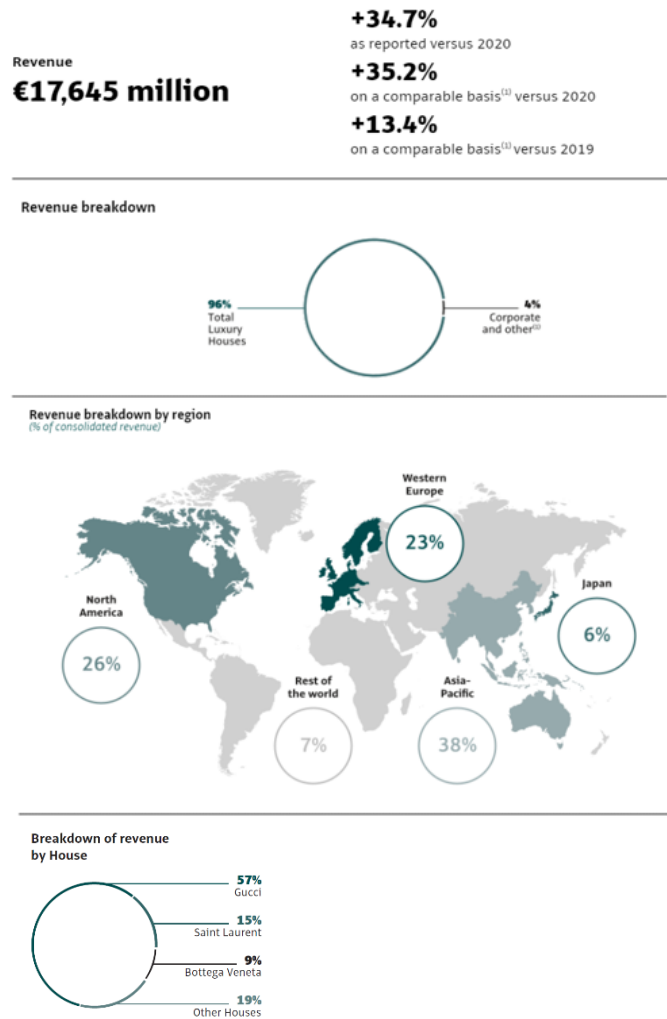
Though the Group mainly relies on a network of several thousand suppliers (mainly located in Italy), it operates a growing number of ateliers. Beginning in 2013, Kering has strengthened its upstream positioning in the luxury goods value chain via the targeted acquisition of leather tanneries to secure raw material sourcing.

Our Houses benefit from the Group’s integrated model and corporate functions: the Group pools resources and streamlines certain key functions for the Houses, such as logistics – both integrated and outsourced – non-production purchasing, legal affairs, property, accounting, media relations, IT and the development of new tools. In relying on the Group, the Houses are able to focus on their core expertise.

Kering Houses also operate in the perfume & cosmetics segment through licensing agreements with leading industry players to develop and sell perfumes and cosmetics.

Kering has in addition been running the Kering Foundation to combat violence against women.

The key financial information of the Kering Group is shown in Figure 3 below.



(1) “Comparable” revenue is defined in the Kering 2021 Universal Registration Document

(2) The “Corporate and other” segment is defined in the Kering 2021 Universal Registration Document

## OUR SUPPLY CHAIN

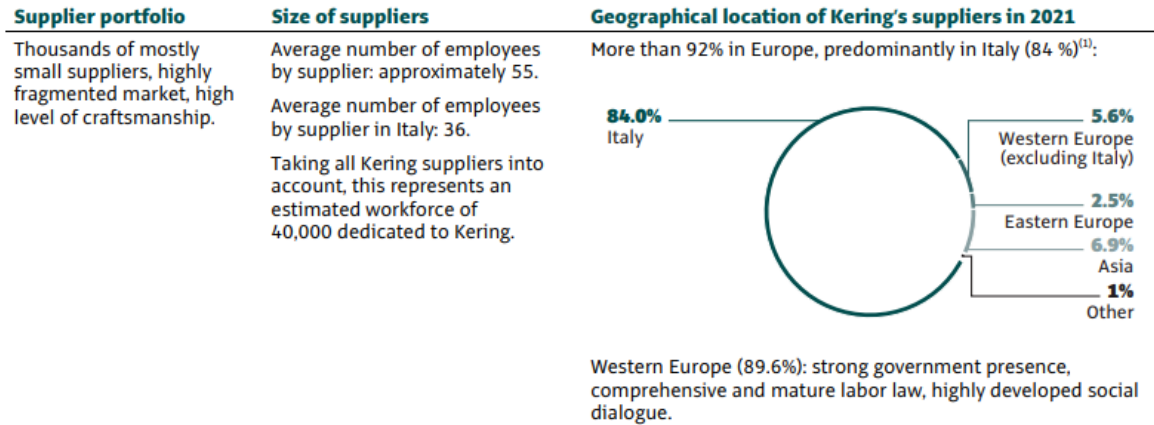
The Kering Group manages the Houses' suppliers in a central database at Kering level (see Figure 4 below). While this database does not yet include all suppliers, it does include all production suppliers, the main suppliers of raw materials (leather, fabrics, ribbons, precious stones, etc.), Kering Eyewear suppliers and suppliers deemed to be strategic. Suppliers of the Jewelry and Watches Houses are gradually being phased into the system.

**The system (as of 31 December 2021) covers 4,107 suppliers, with the following breakdown:**

- **20% direct suppliers** (a supplier is deemed to be direct when it has a direct business relationship with the Houses rather than working via a subcontractor);
- **18% contractors** (direct suppliers working for one or more Houses and that subcontract part of their production); and
- **62% subcontractors** (suppliers that work for contractors and have no direct business relationship with the Houses).

Direct suppliers with or without subcontracting are T1 suppliers (38% in 2021). Subcontractors are T2 suppliers (62% in 2021). 10% of suppliers were deemed strategic in 2021.

The size and geographical distribution of the Kering Group supply chain is shown below (Figure 4).



(1) Geographical breakdown in 2021 of direct suppliers and contractors, managed within the centralized system introduced by Kering in 2016.

## GOVERNANCE

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

The Group's Chief Executive Officer has overall responsibility for human rights.

Kering takes a cross-functional approach to governance over human rights challenges. Specifically, day-to-day human rights governance spans various departments, including the following:

- The Group Compliance Department is in charge of coordinating the implementation of Kering's Human Rights Policy;
- The Human Resources Department ensures that our social standards comply with (or exceed) applicable regulations, including with respect to human rights;
- The Supply Chain Audit Department is responsible for ensuring that human rights are respected throughout our supply chain;
- The Security Department maintains the safety and security of employees; and
- The Sustainability Department leads Kering's efforts towards sustainable and social development throughout its operations and supply chain. Kering's Sustainability Department defines the Group's sustainability strategy and policies, and supports the Houses by operating as a resource center and sounding board, with a view to set out and build on the initiatives taken individually by each House. The Kering Sustainability Department has developed an internal network dedicated to sustainability, known as the Sustainability Network Meeting (the "SNM"), which meets online every six weeks to present the Group's developments in the field, share best practices internally and spur thinking on new issues, sometimes with the help of external professionals and experts.



## HUMAN RIGHTS RISK ASSESSMENTS

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In 2017, Kering's Sustainability Department analyzed the practices of the Group by comparing them to the United Nations Guiding Principles on Business and Human Rights (the "UNGP"). This assessment enabled Kering to identify specific points for progress in areas such as public commitment and policy, the scope of internal control procedures, grievance and remediation mechanisms, and external communications. Moreover, Kering's Compliance Department, together with Kering's Internal Audit Department and Sustainability Department, took steps to ensure compliance with the requirements of the French Duty of Care Law to identify risks and prevent severe impacts on human rights and fundamental freedoms.

Keen to refine its understanding of human rights issues throughout the supply chain and to learn from good practices on the matter, Kering's Sustainability Department conducted a new study in 2020 focusing on the governance and management of human rights within the supply chain at Group and House level. Carried out with GoodCorporation, an independent organization specializing in business ethics, this study included consultations with various internal stakeholders to gather their feedback. To identify new avenues for progress, the findings from the study were analyzed in light of the recommendations provided for in the UNGP and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector.

In 2020, Kering's Sustainability Department also conducted a study aimed at identifying and assessing human rights risks linked to the supply of certain raw materials. This analysis was carried out in the countries in which the Group's suppliers are located. The findings from these various studies enabled the Group to identify a number of key points and subjects, and the resulting recommendations were shared with members of the Executive Committee.

In January 2021, Kering conducted a new and more in-depth assessment of the risks of severe impacts to human rights and fundamental freedoms, severe harm to the health and safety of individuals, and serious environmental damage, resulting from the operations of the Kering Group as well as of its suppliers or subcontractors. The risks pertaining to child labor and forced labor (including, but not limited to debt bondage, migrant labor, human trafficking, and illegal, clandestine or undeclared employment), as well as decent working conditions (including but not limited to fair wages, working hours, and dignity at work) were expressly evaluated as part of this exercise.

These assessments restate Kering's commitment to ensure that the human rights risks associated with its operations worldwide be properly assessed and mitigated.

# OUR STANDARDS, RISK MANAGEMENT AND RELEVANT ACTIONS ON MODERN SLAVERY AND HUMAN RIGHTS

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## OUR STANDARDS

We manage risks and impacts related to modern slavery and human trafficking as part of our existing programme on labor rights, ethical trade, and human rights.

Kering's approach to responsibility with regard to stakeholders is shaped by the principles set out in its Code of Ethics and by a strong determination to implement these principles internally and externally. The Code of Ethics, which includes the Suppliers' Charter, setting out what is expected of all Kering suppliers, forms the cornerstone of the commitment made by Kering, its Houses and its suppliers, especially with regard to human rights, fundamental freedoms, human health and safety and the environment. Suppliers are required to abide by these principles and to extend these requirements to their own suppliers and subcontractors. Following the 2018 update to the Code of Ethics, the document was reissued to all employees worldwide in 2019. This update reaffirmed Kering's commitment to apply all major international conventions in the pursuit of its activities and to strengthen and clarify its requirements, especially with regard to human rights and fundamental freedoms, health and safety and the environment. These include the International Labor Organization ("ILO") conventions on the eradication of child labor and the abolition of slavery and forced or compulsory labor. The Suppliers' Charter further restates the prohibition of slavery, human trafficking, debt bondage and the use of forced or compulsory labor, and now includes a requirement to pay special attention to categories of workers, such as migrants, who are vulnerable to exploitation. The Code of Ethics and the Suppliers' Charter have been translated into the 14 most widely spoken languages within the Group.

The Human Rights Policy, published in 2021, aims at defining the means by which the Group can ensure its commitments on human rights and fundamental freedoms, health and safety, and the environment are fulfilled. It sets out the fundamental principles with respect to human rights and outlines the Group's policies that go together to form Kering's commitments on the matter. In this respect, the Human Rights Policy restates Kering's commitment to eliminating child labor and prohibiting slavery, human trafficking, debt bondage and the use of forced or compulsory labor throughout the entire supply chain.

Kering has significantly developed its sustainability strategy over the last 20 years. In 2017, it published its 2025 sustainability strategy, which is based on three pillars – environmental, social, and innovation – and which sets ambitious targets for all of the Houses that are part of the Group.

The Sustainability Principles, established for all the Houses in 2015 and last updated in 2021, span human rights and fundamental freedoms, including the elimination of child labor, forced labor, and human trafficking in all its forms. The Sustainability Principles are applicable across all Houses and are part of the contractual relationship with suppliers.

In the pursuit of its commitment and approach to human and environmental concerns, Kering has prepared and published dedicated Standards for Raw Materials and Manufacturing Processes (that are updated on an annual basis), as well as Animal Welfare Standards. The key factors covered by the Kering Standards include environmental impacts, working conditions and human rights in production, and extraction processes for the main raw materials it uses, be they mined, otherwise extracted or of plant or animal origin.

The Charter on the Working Relations with Fashion Models and their Well-Being was introduced in September 2017 to ensure that Kering and its Houses comply with various major principles, including requiring models to present valid medical certificates attesting to their good health, discontinuing the modelling of size 32 clothes for women and size 42 for men, and improving working conditions (*e.g.*, providing a dedicated changing area as well as food and drink). In 2019, Kering and its Houses decided to take their commitments a step further, committing to only hire models aged 18 and over to represent adults at fashion shows and photo shoots as of 2020.

For its part, the Kering Foundation has pursued its commitment to combating violence against women throughout the year. It published a policy on domestic violence in coordination with the Group's Human Resources Department, following its support for the approval of ILO Convention 190 on violence and harassment in the workplace.

## RISK MANAGEMENT SYSTEM

In 2015, Kering and its Houses established a compliance management system, which is intended to provide supply chain analysis within Kering's production processes, as well as create and share relevant best practices. The system is based on the following six key pillars.

### • SUSTAINABILITY

The Sustainability Principles include mandatory expectations, due to requirements imposed by international and national laws, as well as Kering's additional expectations. Suppliers are required to abide by these principles and supplier compliance is evaluated on this basis. Each supplier is in turn tasked with passing on these principles to its own subcontractor network, if it has one. Along with the Code of Ethics, including the Supplier's Charter, the principles are embodied in the Group's template contract with suppliers. They are systematically issued to suppliers and both form an integral part of their contractual relationship with Kering.

### • CENTRALIZED MANAGEMENT

Kering has centralized oversight through a team of 24 people (including twelve auditors specialized in conducting supplier audits and monitoring anomalies). This team may also be assisted by an external service provider.

### • UNIFORM PROCEDURES

There are clear and uniform procedures for all Houses that correspond to the different stages of the supplier relationship, including the activation procedure, monitoring procedure and contract termination procedure.

### • RISK-BASED AUDITING

Risk assessments and audits plans are constructed based on predefined criteria. Audit plans are regularly updated to take into account new suppliers.

### • STANDARDISED AUDITS

Kering uses a single and comprehensive audit methodology with a questionnaire of 97 questions, divided into 13 categories (including child labor and forced labor), which are aligned with the best standards in the field, in particular the SA8000 and SMETA standards. Follow-up audits include a smaller scope focusing on the area(s) in which breaches of compliance were identified or observations made during the first comprehensive audit. In any case, the announced or unannounced audits consist of document reviews, site tours, and worker interviews. Workers are selected to offer a representation of the workforce, notably concerning age and union affiliation, if any. These interviews are confidential.

The frequency of the audits depends on the findings of previous audits. Nevertheless, periodic audits are undertaken regularly to ensure compliance.

5.5% of suppliers were deemed to be at risk in 2021 because they are located in countries considered by the Group to be at risk. A country is deemed to be “at risk” when the indicators contained in various external databases imply that human rights risks are high or very high.

15.3% of suppliers were deemed to be critical in 2021. Suppliers are deemed “critical” when they are strategic and/or at risk. They are given special attention in light of their importance to the business and their location. Subcontracting without prior authorization is not permitted.

Among its suppliers, Kering also singles out raw material suppliers. Raw material suppliers identified as key to the Group represent roughly 20% of all such suppliers, corresponding to approximately 80% of purchases.

For a limited portion of its activities (fragrances and cosmetics), Kering Group also works with licensed suppliers, *i.e.*, those that are under license to the Houses.

Within this portfolio of suppliers, 3,420 audits were conducted in 2021 despite the COVID-19 pandemic (2,399 in 2020), breaking down as 1,727 comprehensive audits and 1,693 follow-up audits. A total of 39% of these audits were carried out by the Kering Internal Audit Department, and 61% by external auditors, with the Group audit protocol applied uniformly for all audits conducted. This means that 64% of suppliers were audited in 2021.

Over the 2015-2021 period, 90% of suppliers were audited, 2% more than in 2015-2020. Moreover, Kering has undertaken to audit all of its key suppliers every two years. It should be noted that “activation” audits for new suppliers are comprehensive audits, and they therefore cover the entire scope of a comprehensive audit. In 2020, audits were extended to Kering Eyewear suppliers.

• **TAKING ACTION**

Supplier non-compliance is classified into four categories:

- Zero tolerance breaches (relating to the most serious potential violations, including child labor, forced labor, irregular work, undeclared subcontractors, threats, discrimination, serious breaches of regulations, counterfeiting, etc.);
- Serious compliance breaches where the supplier is given one month to resolve the serious compliance breach, and a follow-up audit is scheduled to confirm that the issue has been resolved;  
Identification of zero tolerance or serious compliance breaches triggers the immediate establishment of a committee comprising the Kering audit team and the relevant House(s) to decide on the future of the relationship with the supplier. If the supplier is in the process of being activated but has not started working, the response is the immediate shutdown of the approval process. If the supplier is working on one or more orders, the committee will discuss either the possibility of remediation and support for the supplier, or the need to terminate the contractual relationship. The House is the ultimate decision-maker on the most appropriate response;
- Moderate compliance breaches by suppliers. The supplier is given three months to resolve a moderate breach of compliance, and a follow-up audit is scheduled to confirm that the issue has been resolved; and
- Observations. These give rise to a corrective action plan and are the subject of a dedicated checklist at the next audit. The supplier has six months to remedy the observation.

A detailed description of what constitutes zero tolerance breaches, serious breaches of compliance, moderate breaches of compliance and observations has been prepared for each of the 13 categories of the comprehensive audit. Depending on the results of audits, suppliers may be classified as: compliant; partially compliant; progress expected; or zero tolerance.

Additionally, Kering and the Houses encourage a certain number of suppliers to obtain third party certifications covering, *inter alia*, human rights-related issues such as child and forced labor.

## COMPLEMENTARY TOOLS AND ACTIONS

To complement the core Hercules risk management system, Kering has deployed multiple efforts and tools.

### RAISING AWARENESS

Conscious of the importance of raising awareness within its workforce, Kering has established multiple training activities covering multiple human rights-related topics.

- All Group employees take a compulsory annual Ethics & Compliance course based on the principles set out in Kering's Code of Ethics. The course is available in the 14 most widely spoken languages within the Group. The situations and subjects covered vary from year to year, with the common objective of ensuring that employees will adopt appropriate behavior when faced with the ethics dilemmas they might come across in their everyday working experience. In 2021, the course covered (i) compliance and anti-corruption related topics, (ii) diversity and inclusion, and (iii) biodiversity and animal welfare. This training also represented an opportunity to raise awareness on the newly published Human Rights Policy.
- Training on the Kering Standards for employees of Kering and its Houses and their suppliers was developed and published via the Group's internal website in 2018. This ongoing program takes an informative and educational approach to explaining Kering's minimum requirements on sourcing and processes. It provides illustrations and details, notably social, that provide context for why the standards are necessary.
- Kering and its Houses also share their commitment towards sustainability through the company internal social networks and leverage them to create and communicate on relevant events.
- Several times each year, the Kering Foundation also runs training courses for employees of Kering and its Houses on the issue of domestic violence. These courses cover the complexity and impact of domestic violence and provide insight into ways to develop a safe work environment.

## WHISTLEBLOWING SYSTEM

Introduced in 2005, Kering's whistleblowing system was strengthened in 2018 to ensure full compliance with France's Sapin II law. It is accessible to all people working for the Group and external and temporary personnel working for external partners or service providers under contract with the Group and/or its Houses. All employees and direct suppliers may use the system to submit reports. It may be used to report any suspicion related to modern slavery and human trafficking – among other offenses or violations.

A plan for reaching the employees of Kering's and its Houses' direct suppliers was drawn up and rolled out in 2020. Translated into 15 languages, the campaign took two forms: a poster to be displayed in relevant locations at supplier and service provider sites, in order to gain the greatest visibility (cafeteria, locker rooms, site entrance, etc.); and a flyer to be given directly to employees. Both the poster and the flyer listed the six key ethical principles: compliance with laws and regulations; prohibition of any form of corruption, fraud, money laundering or conflict of interest; respect for human rights and fundamental freedoms; protection of the health and safety of all; respect for the integrity and dignity of all; and protection of the environment. The level of detail used in the communication was adapted depending on the recipients to give specific examples of what was expected in each case (including, in particular, the prohibition on forced labor, the prohibition on recruitment fees paid by employees, special attention paid to vulnerable persons, access to suitable washroom facilities and to decent dormitory conditions, where applicable, the availability of pay and personal documentation, the respect for privacy, access to appropriate personal protective equipment, etc.).

The communication plan on the Kering whistleblowing system reached more than 1,500 direct suppliers in 2020, and additional 1,080 direct suppliers in 2021.

Kering is committed to protecting whistleblowers who raised an issue in good faith and prohibits any form of reprisal in its Code of Ethics and associated policies and procedures.



## WORKING WITH STAKEHOLDERS

As a major player in the luxury goods industry and aware of its social responsibility in respect of a wide range of suppliers, subcontractors, and raw material production chains, Kering engages in continuous and collaborative dialogue on human rights and modern slavery with key internal and external stakeholders in its supply chains and beyond.

Kering is a member of the following initiatives, groups and programs:

- The Sustainable Apparel Coalition, which works to reduce the negative environmental and social impacts caused by the industry worldwide;
- Textile Exchange Europe, which works to drive sustainable transformation in the industry. Kering is actively involved in a number of its sub-groups, including the Responsible Cashmere Roundtable, Responsible Leather Roundtable, Responsible Wool Standard, Organic Cotton Roundtable and Responsible Down Standard;
- Business for Social Responsibility (“BSR”);
- The Mekong Club, which tackles problems of modern slavery;
- The OECD consultative group on due diligence for the garment and footwear sectors as part of the sector-by-sector roll-out of the OECD’s guidelines for multinational enterprises;
- The Pledge against Forced Labour in Uzbekistan Cotton and the Pledge against Forced Labour in the Cotton Sector of Turkmenistan;
- Business for Inclusive Growth (B4IG), a coalition of more than 40 multinationals committed to fight against inequality and advancing human rights; and
- The Coloured Gemstones Working Group, designed to build knowledge and capacity around key sustainability topics towards improving social, environmental, and governance performances.

## MONITORING EFFECTIVENESS

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No control system, regardless of how mature and tested it is, can guarantee the absence of risks, whether relating to modern slavery, human trafficking, or other labor or human rights issues. As such, our risk management system and the other mitigation measures in place entail regular assessments of the effectiveness of the measures in place, as well as continuous improvements taking into account feedbacks and best practices.

### • RISK ASSESSMENTS UPDATES

Kering regularly renews and updates the risk assessments described above in order to ensure that the controls in place adequately mitigate relevant human rights risks throughout its operations and supply chains worldwide, including with respect to forced and child labor.

### • IMPLEMENTATION OF ACTION PLANS AND PERFORMANCE OF FOLLOW-UP AUDITS

The identification of a compliance breach as part of supplier audits requires the definition of a robust corrective action plan. Zero tolerance breaches are dealt with immediately, while serious compliance breaches must be resolved by suppliers within one month. Follow-up audits are subsequently conducted to verify that the breaches have been resolved. The identification of a zero tolerance or serious compliance breach also triggers the establishment of a committee (so-called Brand Steering Committee) comprising representatives from Kering Production, Legal, Finance and Supply Chain Audit Departments and the relevant House(s) to discuss potential remediation and decide on the future of the relationship with the supplier. To ensure an efficient resolution of the breaches identified as part of supplier audits, more than 340 Brand Steering Committee meetings were held in 2021. Supplier audits are renewed periodically depending on the relevant risk profile and on the outcome of previous audits. Moreover, Kering has undertaken to audit all of its key suppliers every two years.

### • COST PER MINUTE ANALYSIS

The Kering Supply Chain Audit Department performs a periodic analysis designed to assess the cost of the suppliers' work per minute, which takes into account, *inter alia*, the number of worked hours and the corresponding cost for Kering. A high cost per minute might be an indicator of the use of undeclared suppliers or underpaid workers, which leads to the performance of targeted investigations by the Kering Supply Chain Audit Department to determine the opportunity of corrective actions.

### • ENHANCED MONITORING OF SUPPLIERS

In 2020, Kering established a portal designed to enhance communication with suppliers, as well as to reinforce the monitoring of their operations, based on a self-assessment. Indeed, in addition to providing suppliers with access to relevant training and key Kering documents, the portal fosters a greater transparency on supply chains operations since suppliers are annually asked to complete three questionnaires designed to collect information necessary to further evaluate their practices, including with respect to mitigating the risks of forced and child labor.

**• INTERNAL MONITORING AND OVERSIGHT**

In line with Kering’s cross-functional approach to human rights challenges, the implementation of the risk management system and of the other mitigation measures in place is monitored by the Executive Committee, as well as by other committees established at the Kering Group level. These committees include the Sustainability Committee and the Audit Committee, to whom the Group Internal Audit Executive, the Chief People Officer and the Chief Sustainability Officer regularly provide reporting with respect to human rights. Moreover, a dedicated committee composed of representatives from the Legal, Internal Audit, Sustainability, Security, Sourcing and Procurement functions ensures oversight of the implementation of the Hercules compliance management system and discusses significant findings from the audits performed by the Kering Supply Chain Audit Department.

**KEY PERFORMANCE INDICATORS**

A summary of key performance indicators regarding the mitigation measures described above for both the Kering Group and its supply chain is provided below.

KERING GROUP OPERATIONS	KERING GROUP SUPPLY CHAINS
<ul style="list-style-type: none"> <li>• Update and reissue of the Code of Ethics to all Group employees worldwide in 2019</li> <li>• Completion rate of the annual Ethics &amp; Compliance program for 2021: 96.4%</li> </ul>	<ul style="list-style-type: none"> <li>• Number of supplier audits conducted in 2021 by the Kering Supply Chain Audit Department: 3,420</li> <li>• Percentage of suppliers for which Kering has identified zero tolerance (0.51%), or serious compliance breaches (4.55%)</li> <li>• No proven cases of child or forced labor detected at the end of 2021</li> <li>• The 2021 communication plan on the Kering whistleblowing system reached more than 1,000 direct suppliers</li> <li>• Systematic inclusion of the Sustainability Principles and the Suppliers’ Charter in the contracts entered into with suppliers</li> <li>• The Kering Standards for Raw Materials and Manufacturing Processes were last updated in 2021</li> </ul>

Key indicators: human rights and fundamental freedoms

## ANNEX I

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The following is a list of the Kering Group entities carrying on a business, or part of a business, in the UK that in 2021 had an annual turnover of £36 million or more:

- Autumnpaper Ltd
- Balenciaga UK Ltd
- Bottega Veneta UK Co. Ltd
- Gucci Ltd
- Kering Eyewear UK Ltd
- Luxury Goods Outlet Srl
- Yves Saint Laurent UK Ltd

