

CONFLICT MINERALS STATEMENT

2022

K E R I N G



INTRODUCTION

This statement is made pursuant to Regulation (EU) 2017/821 on Conflict Minerals and sets out the steps that Kering SA and its affiliates have taken up to and during the financial year 2022 to implement relevant supply chain due diligence policies and practices for responsible sourcing with respect to certain minerals.

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

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

(collectively, the “Houses”). Additional information on the Kering Group is publicly available online on Kering’s website (www.kering.com). This statement covers all Kering Group Houses and legal entities, although certain Houses may also issue their own conflict minerals statements.

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

THE EU CONFLICT MINERALS REGULATION

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

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

OUR STANDARDS

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

The **Human Rights Policy**, published in 2021, aims at defining the means by which the Group can ensure its

commitments on human rights and fundamental freedoms, health and safety, and the environment are fulfilled. It sets out the fundamental principles with respect to human rights and outlines the Group's policies that go together to form Kering's commitments on the matter.

As noted above, the Group 2025 **Sustainability Strategy** sets ambitious environmental, social and innovation targets for all Houses.

The **Sustainability Principles**, established in 2015 and last updated in 2021, are applicable across all Houses and span human rights and fundamental freedoms. The Sustainability Principles are part of the agreements entered into with our suppliers and include specific commitments with respect to the sourcing of gold.

Additional information on Kering's ethical standards is publicly available on its website (www.kering.com).

GOVERNANCE

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

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

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

OUR COMMITMENT

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

- Complying with all applicable national and international laws, principles and regulations, notably related to human rights, fundamental freedoms, health and safety, and the environment;
 - Facilitating the sourcing of responsible gold by the Houses via the Kering Responsible Gold Framework;
 - Purchasing recycled gold from refiners who are Responsible Jewellery Council (“RJC”) - Chain-of-Custody (“CoC”) certified, which guarantees legal and conflict-free sourcing;
 - Supporting best practices in the industrial gold mining industry by sourcing from RJC-certified large and medium scale mines and operations;
 - Supporting the social development of artisanal and small-scale miners and their communities by sourcing gold through social programs, such as Fairtrade and Fairmined schemes, and from other eligible initiatives that have been verified by Kering;
 - Guaranteeing due diligence in the supply chain, in accordance with the OECD Due Diligence Guidance; and
 - Achieving the highest levels of transparency within its gold value chain.
- To ensure that such commitments be fully implemented throughout the entire supply chain, Kering and its Houses require their gold suppliers to:
- Comply with its Code of Ethics, including the Suppliers’ Charter;
 - Implement sourcing due diligence protocols, standards and procedures designed to ensure compliance with applicable laws and regulations relating to conflict minerals;
 - Supply the Houses with gold or products in gold that meet at least one of the following requirements: (i) purchased through the Kering Responsible Gold Framework; (ii) Fairmined or Fairtrade certified; (iii) RJC-CoC certified; or (iv) purchased through other initiatives or programs approved by Kering.
 - Ensure complete traceability from the mining phase to any single transformation process;
 - Provide, when requested and to the best of their ability, information on the origin, mining operations and transformation processes of the gold or products in gold that they supply to the Houses and their suppliers. This information may include, but is not limited to: (i) where the gold is mined and by whom; (ii) who has traded the gold and where; (iii) who has refined the gold and where; (iv) what social and environmental standards or initiatives have been applied to mining operations and to the entities that intervene in the subsequent steps of the supply chain;
 - Never knowingly supply Kering or its Houses with gold or products in gold that they know have been associated with human rights abuses during their mining, trading, refining, or manufacturing phases; and
 - Provide information, certifications, or other similar documents as Kering may reasonably request, to ensure compliance with Kering’s conflict minerals reporting obligations.

THE KERING RESPONSIBLE GOLD FRAMEWORK

Kering Houses can source responsible gold in two ways:

- Through the Kering Responsible Gold Framework (“KRGF”), which provides a mix of recycled Chain-of-Custody gold and certified/verified artisanal sources. These sources are mixed at refiner’s level, resulting in a gold mix specific to Kering’s requirements; or
- If there is a need to allocate specific gold up to final product, the Houses can source directly from RJC, Fairtrade and Fairmined-certified mines under their specific traceability programs and licenses.

The KRGF has been developed to create an innovative and smart way to source gold that is ethical, responsible and traceable. This sourcing framework is based on the principle of the RJC CoC certification of gold, supplemented by a financial mechanism that directly supports artisanal and small-scale mining (“ASM”) through the Kering Precious Metals Fund. Kering encourages its Houses to source gold from refiners who are RJC certified under the CoC Standard, and who have been selected by the group to enter the KRGF. Selected refiners engage in supplementing the traditional CoC certified flow of gold with input from ASM mines, supported by Kering and its Houses.

Therefore, Kering has customized its own CoC Gold Mix that may include:

- RJC recycled gold: Gold that is recycled by a CoC-certified entity, based on an audit of the entity’s (usually a gold refiner) due diligence practices that guarantee the legitimate origin of the gold;
- RJC mined gold: Gold that is extracted by an RJC-certified mine or mining company;

- ASM Fairmined or Fairtrade gold: Gold that is extracted by an ASM mine or mining company that is certified under the Fairmined or Fairtrade standards, or well advanced in the process of certification; and
- Verified artisanal gold: Gold that is extracted by ASM miners who work under other responsible programs promoting environmental protection and social development (local schemes, private initiatives, etc.) which have been verified by Kering via a due diligence process.

Kering Precious Metals Fund

The KRGF directly supports ASM that are Fairmined or Fairtrade certified, or are working towards best practices and, ultimately, certification. A “premium,” calculated on the LBMA price of the gold (London Bullion Market daily price quotations), is paid by the brand purchasing responsible gold through the KRGF.

The premium is allocated to the **Kering Precious Metals Fund**, to be invested into sustainability projects in ASMs, both Fairmined and/or Fairtrade, or to ASM communities working towards responsible mining. The Kering Precious Metals Fund is administered by the Kering Precious Metals Fund Steering Committee, composed of collaborators from Kering and from the Houses who meet at least once a year to support sustainable projects targeted at ASM communities. To date, the Kering Precious Metals Fund has supported social and environmental projects for artisanal gold miners in Peru and Colombia, projects supporting women who are part of artisanal gold mining communities in Ghana, as well as reforestation projects in French Guiana.

RISK ASSESSMENT AND MANAGEMENT SYSTEM

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

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

Risk Assessment

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

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

Three of the five main gold suppliers are located in Switzerland, while the remaining two are located in France and Italy. Conversely, all four main suppliers of gold salts are located in Italy. Kering has implemented specific risk management measures *vis-à-vis* all such suppliers, including with respect to those based in France and Italy, which are themselves subject to the obligations set forth by EU Regulation 2017/821.

RJC CoC Certifications

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

One of the suppliers based in Switzerland has also obtained Fairmined and Fairtrade certifications, and one of the suppliers based in Italy has also obtained the Fairmined certification.

Reinforced Contractual Framework

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

Among other things, these framework agreements require that the gold and gold salt supplied to the Houses and their suppliers be RJC CoC, Fairmined, or Fairtrade certified, or sourced through another responsible source identified, verified and validated by Kering. These agreements also include specific reporting obligations requiring suppliers to periodically report and disclose the quantities and sources of gold and gold salts supplied to the Kering Houses and their suppliers.

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

Audits

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

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

Purchases from Other Suppliers

As noted above, if the purchase of gold through the KRGF is not possible, Kering's Houses may purchase gold directly from certified mining sources through the Houses' preferred refiners. Additionally, gold may be purchased from mining operations that are aligned with the CRAFT code of practice and with additional verification from Kering.

These certifications include the following.

- *Fairmined and Fairtrade Gold.* Kering recognizes the valuable contribution that Fairmined and Fairtrade certification standards are playing in improving the working conditions of artisanal and small-scale miners, positively developing their local communities, and encouraging extractive practices that limit and control the use of hazardous chemicals like mercury and cyanide. Some Fairmined and Fairtrade mines may also offer "ecological gold," which goes a step further by avoiding the use of mercury/cyanide in their extractive processes (e.g., water centrifugation and gravimetric techniques).
- *Gold from RJC certified mines.* Kering recognizes the RJC Principles and Certifications (Code of Practice and CoC) as an advanced and independent international program to encourage transparency and traceability in the gold supply chain. This is coherent with Kering's sourcing principles if the refiner providing the gold can guarantee and trace its origin all the way back to a RJC certified mine or mining company, and treat this gold in a segregated way throughout the refining process.

WHISTLEBLOWING SYSTEM

Introduced in 2005, Kering's whistleblowing system is accessible to all individuals working for the Group and external and temporary personnel working for external partners or service providers under contract with the Group and/or its Houses. All employees and direct suppliers may use the system to submit reports relating to, *inter alia*, legal breaches or conduct contrary to the Group's Code of Ethics. Kering is fully committed to protecting whistleblowers who make reports in good faith, and prohibits any form of reprisal against them.

A plan for reaching the employees of more than 1,500 of the Houses' direct suppliers was rolled out in 2020. Translated into 15 languages, the campaign took two forms: a poster to be displayed in relevant locations at supplier and service provider sites, and a flyer to be given directly to employees. Both the poster and the flyer listed the six key ethical principles: compliance with

laws and regulations; prohibition of any form of corruption, fraud, money laundering, or conflict of interest; respect for human rights and fundamental freedoms; protection of the health and safety of all; respect for the integrity and dignity of all; and protection of the environment. The level of detail used in the communication was adapted depending on the recipients to provide specific examples of what was expected in each case (including, in particular, the refusal of forced labor, the refusal of recruitment fees paid by employees, special attention paid to vulnerable persons, access to suitable washroom facilities and to decent dormitory conditions, where applicable, the availability of pay and personal documentation, respect for privacy, access to appropriate personal protective equipment, etc.). This campaign has been renewed in 2021 and will be further renewed in the future to specifically target newly enrolled suppliers.