

KERING STANDARDS

Standards & guidance for
sustainable production

K E R I N G



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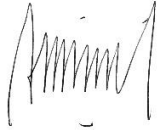
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OVERVIEW

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



François-Henri Pinault, Chairman and Chief Executive Officer, Kering

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

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

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

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

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

Key to meeting these goals by 2025 will be the implementation of industry-leading environmental and social standards across Kering's supply chains. Outlined in detail in this document, the Kering Standards and their accompanying suite of Guidance set the framework for commitment and action for Kering and our brands. In addition, they provide a way of measuring progress and outcomes on traceability, social welfare, environmental protection, animal welfare and chemical use. This document is intended to give clarity and help operationalize Kering's overall long-term commitment to sustainability. The principles that underpin the Kering Standards are integrity, circularity and the application of the precautionary principles. By design, the Kering Standards are specific, and requirement based. Thus, as a reflection of our commitment, Kering is assessing all key suppliers for adherence to our sustainability standards and works with suppliers who have challenges in meeting certain Kering Standards. Guidance sections have an advisory perspective and as such, suppliers' compliance to them is not quantified.

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

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



**INTRODUCTION
FOR USE
BY SUPPLIERS**

The Kering Standards are designed to support all suppliers who work with brands within the Kering Group.

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

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

- The [Kering Code of Ethics](#), which sets out the ethical principles that should be applied everywhere and by everyone, as well as the Group's values, what it believes in and what it does not tolerate. Included in the Code of Ethics is the Suppliers' Charter which sets out in detail Kering's specific expectations of its business partners on ethics, social and environmental issues
- [Kering Human Rights Policy](#) which sets out the key expectations in terms of human rights, fundamental freedoms and health and safety, covering both Kering employees and workers in the supply chain
- [Kering Manufacturing Restricted Substances List \(MRSL\)](#) and [Kering Luxury Product Restricted Substances List \(PRSL\)](#) covers requirements for chemical use and management for manufacturing processes
- [Kering Sustainability Principles](#) (or equivalent document from the brands) which are part of the contractual framework with suppliers. Suppliers are required to abide by these principles. Kering Sustainability Principles are the contractual dual of the Kering Standards. Supplier compliance with the Kering Standards is evaluated on this basis.

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

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

- Application of the precautionary principle to not use a technique until there is a scientific consensus that it is safe for society and the environment.

- Compliance with all national and international laws, conventions, and regulations
- Robust and verifiable transparency across the entire product supply chain
- High standards of animal welfare in all aspects of handling, raising, transportation and slaughtering of animals
- Implementation of circular approach, including stopping single-use plastics and minimizing microfiber leakage
- Ensuring that none of Kering's supply chains contribute to the loss of natural ecosystems or to their degradation – including but not limited to natural forests (deforestation) and to those ecosystems that meet the criteria of Key Biodiversity Areas and High Conservation Value Areas (including High Carbon Stock or Irrecoverable Carbon Areas)
- Promoting the widespread adoption of regenerative agricultural practices to improve and restore soil health, soil carbon sequestration, biodiversity and wider ecosystem function on agricultural lands and rangelands and at landscape level
- Commitment to reducing climate change impacts
- No hazardous or potentially hazardous substances used in production processes or finished products
- Guarantee of ethical treatment of people working in the supply chain as described in the Supplier's Charter of the Kering Code of Ethics and the Kering Human Rights Policy. Support for local communities and cultural practices
- Incorporation, to the extent possible, of new technologies and innovative solutions in the sourcing of raw materials or in processing and manufacturing techniques



Introduction for use by Suppliers

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

The market in general and new regulatory frameworks around the world are moving towards more sustainable practices. Adherence to the Kering Standards and Guidance will prepare suppliers to stay ahead of the curve. All suppliers are evaluated on their alignment with the Kering Standards in the sustainability section of the *Kering Vendor Rating System*, and the alignment of raw material sourcing is monitored through EP&L data campaigns.

Guidance sections have an advisory perspective and as such, suppliers' compliance to them is not quantified. Note that this rating system is also made visible to all Kering brands. This should further incentivize suppliers to implement the Kering Standards with care to potentially attract business across the Kering portfolio.

Each brand is responsible for implementing the Standards, and Kering Sustainability Department has global oversight of definition targets, monitoring performance, and brand support.



Structure of Kering Standards

Requirements for 2025 & Additional Best Practices

Each separate Kering Standard includes a section on “Requirements for 2025”, which a supplier must fulfill in order to be compliant, as well as “Additional Best Practices” and best practices that suppliers should work towards over the coming years.

Requirements for 2025

This section is designed to provide operational guidance to suppliers to comply with the Kering Standard by 2025. If the symbol © (critical) is shown next to a particular requirement, it indicates that it must be met immediately. A failure to comply might be considered as a breach of the undertaking relating to the Kering Sustainability Principles as set forth in the supplier agreement.

Kering brands’ suppliers must already comply with most of the requirements. Additionally, Kering brands’ suppliers shall have a plan in place on how to align with all the requirements by 2025.

Kering expects that suppliers will communicate these commitments and actions to their sub-suppliers to ensure compliance.

Note that “Requirements for 2025” gathers all the actions previously placed in “minimum requirements” and most of the actions of “additional conditions” of the previous version of Kering Standards. This evolution reflects the fact that year after year, Kering raises the bar on sustainability requirements while giving visibility to years to come.

Additional Best Practices

This section provides guidance and recommendations for best practices for suppliers. These should be viewed as additional to the Requirements listed above. This section aims to give visibility to suppliers on where Kering wants to take the Luxury Fashion practices beyond 2025.

Note that suppliers who are fully compliant with “Requirements for 2025” and are already aligned with – at least part of – the Additional Best Practices will receive a higher rating in the Kering Vendor Rating System.

Guidance accompanying the Kering Standards

Starting with the publication of Version 5 of the Kering Standards in 2022, the Standards are accompanied and complemented by a set of "Guidance" – which will continue to be updated and refined annually. They provide general principles and a conceptual approach framework

to address key and overarching sustainability themes such as:

- Circularity
- Innovation
- Sustainability claims

The Guidance is not as operational as the Kering Standards, and thus cannot be similarly broken down between “Requirements for 2025” and “Additional Best Practices”. Just as the Kering Standards, they are updated yearly to reflect the latest improvements.

Due to their informative nature, when calculating the percentage of “alignment with Kering Standards”, the Guidance are not accounted for.

The Appendices, FAQs and Glossary

The attached Appendices play a crucial role and should be shared with your suppliers when relevant to their activities. These Appendices cover topics such as chemical management, animal welfare, social compliance, the environmental profit and loss (EP&L) account, and sustainable innovation, offering in-depth information to complement the Kering Standards.

Additionally, the separate section for FAQs addresses practical questions related to the use, terms, and conditions of the standards, as well as any additional queries that could arise. They serve as a valuable resource for better understanding and implementing the standards.

To further enhance clarity and comprehension, the Glossary provides definitions for all key terms used within the standards, ensuring that everyone involved has a common understanding of the terminology used throughout the document.

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



STANDARDS FOR RAW MATERIALS



INTRODUCTION TO THE STANDARDS FOR RAW MATERIALS

This introduction aims to shed light and provide a concise overview of Kering’s comprehensive indications relating to sourcing, traceability & transparency, no deforestation & no conversion. The information clarifies Kering’s perspective on these three key topics common to all raw materials for: facilitating the operation of Kering’s sustainability commitments; expanding the indications from raw materials to materials and applications; and calling to action brands and suppliers in a comprehensive and overarching manner. Specific preferred options and best practices for each raw material are indicated throughout the Kering Standards.

SOURCING

Kering supports innovative approaches to sourcing raw materials and advanced technological solutions for its supply chains. The below indications are grouped in two macro-categories, prioritizing Kering’s preferences when it comes to sourcing natural and man-made materials.

Since Kering’s vision and high standards of best practices are challenging, Kering primarily advocates and encourages collaborative approaches and relationships among Kering departments, Houses, suppliers and sub-suppliers to create the frameworks for actions and achieving trilateral benefits.

Natural materials:

The indicators below refer to production of natural raw materials such as wool, cotton, cashmere, silk, leather and other materials made of plants or animals. In this macro-category Kering

- Prioritizes natural raw materials produced within regenerative agriculture systems with clearly defined, robustly monitored and evaluated outcomes on Nature.
Kering supports the use of regenerative agricultural practices, which can bring about diverse ecological and social benefits.

These include:

- Ensuring better soil health / quality, including sequestering additional carbon & protecting water cycles
- Reducing the negative impact on biodiversity, or even have a positive impact
- Eliminating the use of synthetic inputs
- Ensuring farmers receive fair payment for improved practices and that local communities are positively impacted
- Ensuring the highest standards of animal welfare

As such, priority shall be given to:

1. Natural raw materials from producers supported by the Regenerative Fund for Nature
2. Natural raw materials from producers following practices and ensuring outcomes that are verified by a third-party
3. Natural raw materials from producers that can demonstrate quantified positive outcomes and validated by the Kering Sustainability Department and in line with Textile Exchange’s Regenerative Agriculture Outcomes Framework

Finally, natural raw materials being produced on farms, ranches, fields or other production landscapes that are actively converting to regenerative agriculture should also be preferred when making sourcing decisions, to support an accelerated transition of these practices. See [BOX 1](#) for information about the Kering Regenerative Fund for Nature initiative.

- Requires ensuring the best treatment for animals throughout the supply chain. As such, Kering expects all suppliers and sub-suppliers that handle live animals to meet the Kering Animal Welfare Standards appropriate to the species of animal and the location of animal production. At the very least suppliers must meet “Bronze level” standards which are entry level and mandatory. Suppliers must also commit to engaging in continuous improvement of their practices and must also be open to regular inspections to show adherence to the Kering Animal Welfare Standards and progress towards improvement.

Based on this, Kering expects all suppliers in the supply chain to:

- Be aware of and commit to respecting the Kering Animal Welfare Standards



- Support traceability in the supply chain so that Kering can verify animal welfare practices

The Kering Animal Welfare Standards are the first comprehensive set of animal welfare standards for luxury and fashion and aim to drive positive change in industry practices and beyond. They cover all the species that are part of the Group's supply chains around the world, namely cattle, calves, sheep, goats, ostriches, and reptilians. For each species, this document highlights specific challenges, lays down breeding, transportation and slaughtering requirements, and lists benchmark certifications.

- Supports collaborations and integration among stakeholders for fiber-to-garment supply chains implementing more sustainable solutions, guarantees transparency, and ensures the supply. Kering's departments support and collaborate with brands, suppliers, and sub-suppliers to enable the creation of integrated supply chains.
- Encourages the usage of a broader diversity of natural raw materials in brands' products and in suppliers' offers, considering the positive impact on biodiversity, water cycles, and the increased resilience of supply chains that leverage a wider variety of materials, particularly in the context of climate change.
- Encourages the usage of fibers known for their lower environmental footprint (for example linen, hemp, kapok, etc. for plant-based fibers or yak, camel, etc. for animal-based fibers) within brands' products and in suppliers' offers alongside the most commonly used fibers blending, for example, cotton with linen, and cashmere with fine wool.

Man-made and recycled materials

The indicators below refer to man-made raw materials and materials, that are: recycled materials made with processed cotton, wool, cashmere, silk, leather, viscose etc., virgin man-made cellulosic fibers (e.g. viscose, cupro, acetate, etc.), synthetics (e.g. polyester, polyamide, etc.) and bio-synthetics. In this macro-category Kering:

- Prioritizes the use of materials with recycled content (specifically preferring post-consumer recycled material feedstock and secondarily pre-consumer feedstock), and as a secondary option, prioritizes the use of materials with bio-based content (specifically preferring second-generation or third-generation bio-feedstock). For the correct interpretation of "recycled content" topic, please refer to the "[Guidance for Circularity](#)" in this document;
- Discourages the usage of non-renewable raw materials, specifically carbon-based fossil content when it comes to conventional synthetic fibers and plastic materials;

- Discourages the promotion of biodegradable or compostable fibers and materials; when it comes to End-of-life, Kering strongly discourages the manufacturing of biodegradable and compostable products;
- Prioritizes recyclable materials referring to recycling processes and technologies in place and at scale;
- Prioritizes recycled content textile materials from fiber-to-fiber recycling technologies both mechanical or chemical. Kering expresses concerns for recycled polyester used in synthetics and plastic materials when derived from packaging circular model, like that of PET bottles - these should be kept in a closed-loop recycling system for materials in contact with food. Suppliers should use recycled materials produced from feedstock which is not used in virtuous packaging cycles. Furthermore, Kering strongly recommends investigating emerging fiber-to-fiber recycling processes; Kering encourages suppliers to support all related initiatives.

TRANSPARENCY & TRACEABILITY

Kering requires suppliers to support any request related to transparency of its supply chains and provide information regarding the traceability of sourced materials in order to:

- Respond to forthcoming regulations on the topic;
- Gather reliable data (high-level for transparency, at product SKU level for traceability) for Kering sustainability operational data management;
- Increase visibility in Kering's supply chains;
- Improve Kering's and its brands' verification programs and document compliance procedures;
- Reduce risks of sourcing from high-risk areas, in terms of social and environmental impact;
- Build stronger and trusted relationships among, brands, suppliers, sub-suppliers and clients.

From this premise Kering:

- Clearly defines how to address both transparency and traceability, and related action frameworks, for each material (refer to the [Glossary](#) in this document for these definitions);
- Requires evidence of transparency in all supply chains and incentivizes any initiative addressing the traceability of the product journey, from the primary production of raw material to the final production of the finished product. Consequently, Kering supports the engagement of sub-suppliers and suppliers to build up integrated supply chains.
- Recognizes the complexity of improving traceability which may rely on chain of custody systems and requires strong collaboration across the entire supply chain (refer to the [Glossary](#) in this document for chain of custody definition);



Standards for Raw Materials

- Runs internal verification programs like forensic audit practices, on specific material categories (e.g. organic cotton) to verify and provide consistency of declared raw materials claims related to sustainability. Kering strongly suggests sub-suppliers and suppliers undertake and implement verification or testing practices as carried out by different certification/standard schemes.

NO-DEFORESTATION & NO CONVERSION

Kering is committed to ensuring that its natural raw material sourcing is not linked to deforestation or conversion of natural ecosystems (including land, freshwater and marine ecosystems). This covers all natural ecosystems, including but not limited to ancient and endangered forests, and to those ecosystems that meet the criteria of Key Biodiversity Areas, High Conservation Value areas, High Carbon Stock areas of Irrecoverable Carbon areas.

Kering has adopted a deforestation- and conversion-free commitment with a cut-off date of 31st December 2020 at the latest. This means that areas where natural ecosystems have been cleared or degraded since a 31st December 2020 are deemed non-compliant with the commitment, and raw materials produced in such areas cannot enter Kering's supply chains. This backdrop cut-off date does not supersede earlier existing cut-off dates: in biomes or certification schemes where an earlier cut-off date may apply, this must be upheld. Direct suppliers must cascade this requirement upstream to ensure that this holds true for the entire supply chain.

Refer to Material Innovation Lab for further information about the above topics (See [BOX 2](#)).



BOX 1: The Kering Regenerative Fund for Nature

Launched in January 2021, the Regenerative Fund for Nature illustrates the Group's commitment to biodiversity, which is inextricably linked to the future of the luxury industry.

The Regenerative Fund for Nature seeks to transform agricultural practices by sourcing raw materials such as leather, cotton, wool and cashmere from producers that are ensuring better soil and ecosystems health, improving biodiversity and community livelihoods.

Managed by Conservation International, the Regenerative Fund for Nature aims to transform 1 million hectares of agricultural lands using regenerative practices by 2025.

In practice, the Fund provides grants to farming groups, project leaders, NGOs and other stakeholders who are ready to test, prove and scale regenerative practices, which focus on working in harmony with natural systems.

All grantees are located in one or more of the priority countries determined by Conservation International. Within these high-priority geographies, grantees are selected by Kering using a science-based analysis that assesses three criteria: the importance of the material for fashion supply chains, the feasibility of implementing sustainability projects, and the potential positive impact on biodiversity, water cycles, climate change, and soil health.

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BOX 2: The Kering Material Innovation Lab

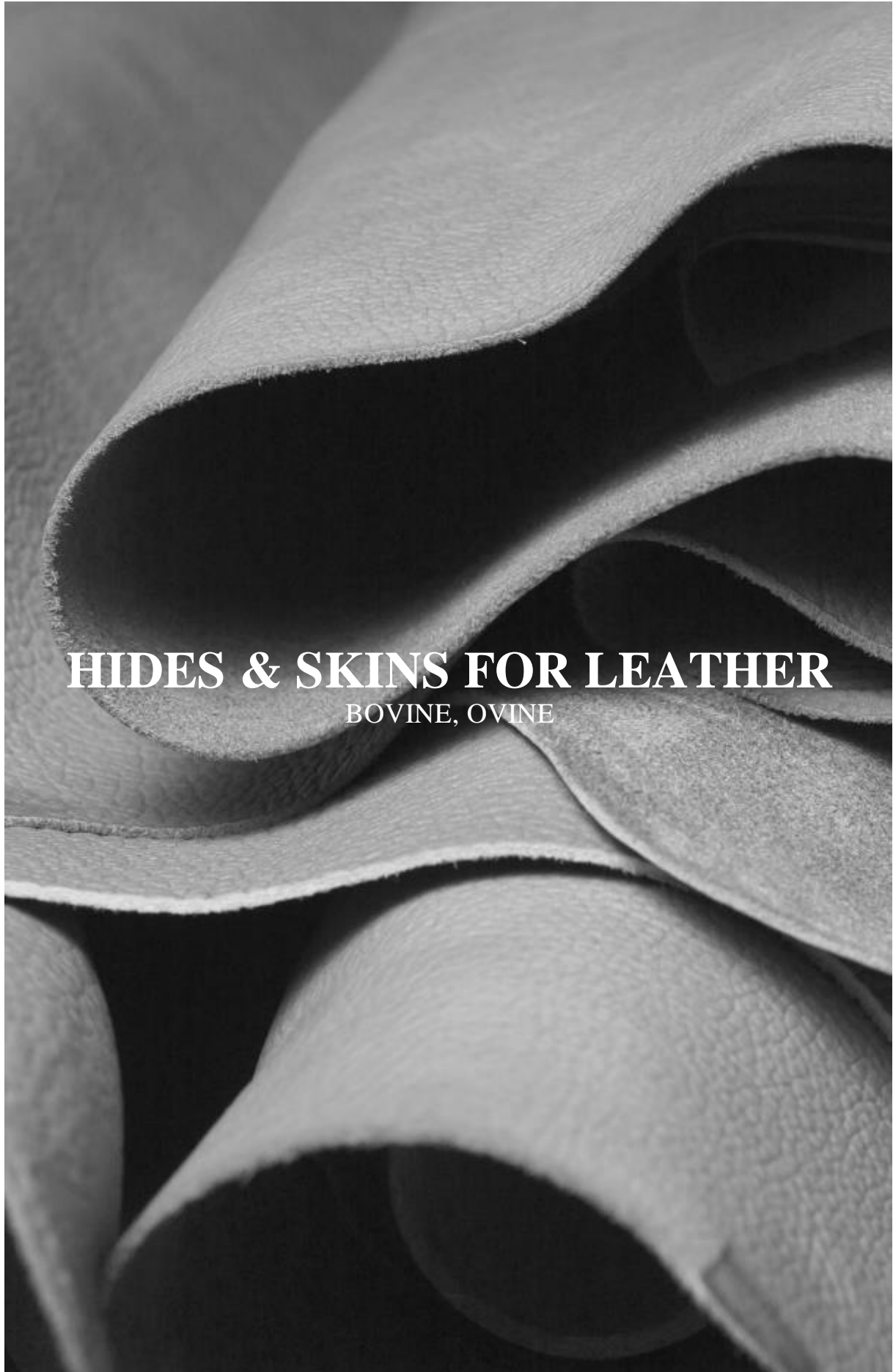
The Kering Material Innovation Lab (MIL) was established in 2013 and is currently based in Milan.

The MIL's main aim is to support the integration of more sustainable and innovative textile solutions into Kering Houses' collections and supply chains.

The MIL operationalizes Kering sustainability strategy related to textile materials through three main pillars: sourcing, R&D and piloting. The MIL cooperates with Kering's Houses to enable sustainable sourcing transformation building up supply chains, partnering with upstream stakeholders, and increasing transparency and traceability. The MIL collaborates with manufacturers for special textile developments and investigates future frontiers of sustainability. MIL steers innovation in luxury partnering with innovators and stakeholders scouting, nurturing and piloting the most promising technologies.

The MIL promotes sustainability and innovation culture in textile industry as a result. In addition, the MIL continuously updates a library of more sustainable and innovative solutions (textiles, trims, non-woven material, processing technologies, etc.) evaluated against both internal and external sustainability standards.





HIDES & SKINS FOR LEATHER
BOVINE, OVINE



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

This Standard delineates Kering's specifications for sourcing hides and skins used in leather, a critical raw material with wide-ranging applications across our product portfolio—from leather goods and shoes to ready-to-wear and accessories.

The Standard specifically applies to livestock production of bovine leather (beef, cow, calf), ovine leather and shearling (sheep, lamb) and caprine leather (goat), and is relevant up until the slaughter of the animals.

It provides guidance on how to mitigate the direct and indirect social, environmental and animal welfare impacts of livestock farming. Beyond its farming-related requirements, this Standard also includes requirements on transparency and traceability across the supply chain.

Additional Kering Standards are available for the processing of hides and tanning of leather (See [Kering Standard for Tanning](#) and [Kering Standard for Leather Goods and Shoe Manufacturing](#)).

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

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



REQUIREMENTS FOR 2025

© Provide minimum information on the origin of the hides

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

- Location and name of finishing tannery
- Locations and names of all the tanneries upstream of the finishing
- Location (country, region) and name of the slaughterhouse
- Country of origin (e.g. country of farming)

Only source from Kering preferred countries, or from specific sources that have been verified by Kering

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

All suppliers are required to only source leather/hides for Kering from:

- Either a preferred country as listed in [BOX 1](#). Among these countries, certified operations listed in [BOX 2](#) are preferred to non-certified sources. Note that the type of farm production system and the mitigation of direct impacts (e.g. planned grazing, no conversion of natural habitats and animal welfare practices) and indirect negative impacts (e.g. locally sourced, more sustainable feedstock, wildlife friendlier practices) is considered in the evaluation of “preferred” sources

And/or from any country considered a medium risk based on the process described in [BOX 1](#) as long as the source of the hides/ leather (e.g. the farm and slaughterhouse) are verified as more sustainable than conventional practices.

- Pre-existing 3rd party certifications or standards listed in [BOX 2](#);
- 2nd party audit carried out by the food industry (or other industry if relevant);
- Kering’s own audits when necessary.

© Ensure that no sourcing activities are linked with deforestation or the conversion of natural ecosystems

As mentioned in the [Introduction section to Standards for Raw Materials](#), Kering has committed to ensuring no deforestation or conversion in its supply chains.

When it comes to hides and skins for leather, Kering takes a risk-based approach to the implementation of this commitment for leather: we map our leather supply chains at least to the slaughterhouse as detailed in earlier sections and prioritize sourcing from the Indicative List of Preferred Sourcing Countries for Leather presented in [BOX 1](#).

Recognizing that we cannot address deforestation and conversion risks by acting alone, Kering highly values the industry-level call to action on Deforestation-Free Leather convened by Textile Exchange and urges its suppliers and peers to join and actively contribute to the individual and collective implementation of such commitments.

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

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

© Ensure that animal welfare practices are aligned with Kering Standards

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



ADDITIONAL BEST PRACTICES

Use best efforts to provide additional information on the origin of the hides

Kering is committed to achieving the highest levels of transparency within its leather supply chain. In this context, leather suppliers should use their best efforts to provide Kering with additional information when requested about the origin of the hides. This additional information includes:

- Location (country, area) of the farms (from finishing farm to breeding farm)

Use best efforts to provide full traceability of the hides

Kering expects to have full traceability of hides up to the farm level, supported by physical and digital traceability mechanisms and verification. This will require collaboration within the entire leather supply chain.

Leather suppliers are strongly encouraged to work with existing traceability systems such as ICEC (Istituto di Certificazione della Qualità per l'Industria Conciaria), LWG traceability or CSCB (Certificação de Sustentabilidade do Couro Brasileiro). See [BOX 3: Recommended certifications for traceability](#).

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

Ensure the use of regenerative agriculture practices

As mentioned in the [Introduction section to Standards for Raw Materials](#), Kering is committed to prioritizing raw materials produced within regenerative agriculture systems with clearly defined, robustly monitored, and evaluated outcomes for nature.

When it comes to leather, priority is given to natural raw materials from

- Producers supported by the Regenerative Fund for Nature.
- Producers following practices and ensuring outcomes that are verified by a third-party such as Ecological Outcome Verification (EOV) by Savory Institute's Land to Market program or Regenerative Organic Certified by the Regenerative Organic Alliance



BOX 1: Indicative List of Preferred Sourcing Countries for Leather

Kering supports ongoing research to evaluate the risk of sourcing leather from different countries. Using the best available information, we maintain a list of low-, medium- and high-risk countries for leather sourcing, which takes into consideration the following risks:

- Risk of conversion of sensitive ecosystems (notably natural forests and grasslands) into grazing lands for farming
- Risk that farming practices present serious environmental impacts (e.g., significant water pollution, high greenhouse gas emissions, etc.)
- Risk of forced labor or child labor
- Risk of occupying land disputed by indigenous groups or areas protected by federal, state or municipal legislation
- Risk of poor animal welfare due to weak regulatory frameworks, or inadequate local practices
- Traceability-related risk (lack of specific food chain certification, no governmental regulation, etc.)

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

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










BOX 2: Recommended Certifications for leather

Kering encourages suppliers to source skins from farms with voluntary certifications listed in the table which verify criteria for more sustainable practices regarding animal welfare, biodiversity conservation and farming.

Name	Standard or Organization	Logo	Geographic Scope
CATTLE: BEEF, COW, CALF, VEAL, BUFFALO from REGENERATIVE AGRICULTURE			
Ecological Outcomes Verification (EOV)	Savory Institute's Land to Market program		Global <i>Note: EOV being focused on environmental aspects, it should be associated with other relevant certifications indicating Animal Welfare</i>
Regenerative Organic Certified	Regenerative Organic Alliance		Global
CATTLE: BEEF, COW, CALF, VEAL, BUFFALO			
EU Organic Certification Regulation 2018/848 and 889/2008	EU Organic Certification		Global
Beter Leven (Beef cattle, Calves)	Dutch Society for the Protection of Animals		The Netherlands
Label Rouge Viandes (Cattle, Calf)	Label Rouge Viandes		France
Certified Animal welfare approved by AGW	A Greener World standards		Global
Certified Grassfed by AGW	A Greener World standards		Global
Certified Humane	Humane Farm Animal Care		Global



Animal Welfare Certified	Global Animal Partnership		Global
RSPCA Assured – for Beef cattle	RSPCA welfare standards		UK
Le Veau sous la mère	Comité Interprofessionnel Veau sous la Mère		France
Classyfarm	Centro di Referenza Nazionale per il Benessere Animale (Italy)		Italy
Pasture for Life	Pasture Fed Livestock Association		UK and Ireland
American Humane Certified	American Humane		USA
SPCA Certified Beef Cattle	SPCA (New Zealand)		New Zealand
SMALL RUMINANTS: SHEEP, LAMB, MUTTON, GOAT from REGENERATIVE AGRICULTURE			
@Fundación Global Nature	Regenerative Fund for Nature		Spain
Epiterre	Regenerative Fund for Nature		France
Ecological Outcomes Verification (EOV)	Savory Institute's Land to Market program		Global <i>Note: EOV being focused on environmental aspects, it should be associated with other relevant certifications indicating Animal Welfare</i>
Regenerative Organic Certified	Regenerative Organic Alliance		Global



Animal Welfare Certified	Global Animal Partnership		Global
RSPCA Assured Standards for Sheep	RSPCA welfare standards		UK
Certified Karoo Meat	Karoo Development Foundation/Karoo Lamb Consortium		South Africa
Pasture for Life	Pasture Fed Livestock Association		UK and Ireland
SPCA Certified [Meat] Sheep	SPCA (New Zealand)		New Zealand
SMALL RUMINANTS: SHEEP, LAMB, MUTTON, GOAT			
EU Organic Certification Regulation 2018/848 and 889/2008	EU Organic Certification		Global
Label Rouge Viandes Agneau	Label Rouge Viandes		France
Certified Animal welfare approved by AGW	A Greener World standards		Global
Certified Grassfed by AGW	A Greener World standards		Global
Certified Humane	Humane Farm Animal Care		Global



BOX 3: Recommended Certifications for Leather Traceability

Name	Status	Certifier	Scope
LWG	Private Standard	Leather Working Group	Applicable internationally
ICEC	Private Standard	Institute of Quality Certification for the Leather Sector	Applicable internationally, started with tanneries in Italy
CSCB	National Standard	Certificação de sustentabilidade do Couro Brasileiro	Focuses on practices in Brazilian tanneries



BOX 4: Best practices on claims regarding recycled materials from leather source

Research on valorization routes of leather is on the increase. However, making claims about recycled content requires careful consideration to ensure accuracy, credibility, and compliance with regulatory standards.

These recommendations must be considered in conjunction with BOX 3 of the Guidance for Sustainability Claims, especially:

- only recycled content derived from post-consumer waste recycling or brand's external pre-consumer waste recycling can be considered for recycled content claims (ISO 14021). This means that brands' internal pre-consumer waste is excluded from the scope of the recycled content claim, specifically material derived from the recycling of unsold products and/or leftover materials.
- only upcycled content derived from post-consumer waste recycling or brand's external recycling of pre-consumer waste can be considered for upcycled content claims.
 - Brand's Internal pre-consumer waste is excluded from the scope of the upcycled content claim, in particular material obtained from the dismantling of unsold products.
 - Kering does not consider the use of a brand's unused materials (from previous collections) as upcycling

Considering three cases in which leather can be recycled, as well as the bellow definitions, the following table must be referred to:

CASE	CLAIMS	NOTES
Dismantling of a finished product to make a new one, without shredding	Material with x % recycled content	The percentage of recycled/upcycled material should be specified. The origin of the material should be specified (e.g. scraps, semi-finished products, used uniforms, etc.)
Reuse of leather scraps from a product to make a new product, without shredding	<ul style="list-style-type: none"> • Recovered leather 	The origin of the material should be specified
Reuse of leather scraps and slits, with shredding	<ul style="list-style-type: none"> • Synderme 	Only if leather fibers content > 50% (by anhydrous weight)

Definitions**Leather*****International Council of Tanners (ICT) - International Glossary of Leather Terms***

A general term for a hide or skin with its original fibrous structure more or less intact, tanned to be rot-proof. The hair or wool may or may not have been removed. Leather is also made from a hide or skin which has been split into layers or segmented either before or after tanning, but if the tanned hide or skin is disintegrated mechanically and/or chemically into fibrous particles, small pieces, or powders and then with or without the combination of a binding agent is made into sheets or other forms, such sheets or forms are not leather. If the leather has a surface coating, this surface layer, however applied, must not be thicker than 0.15mm.



Note: The European *Directive 94/11/CE* and European Norm *EN 15987 – October 2022* use also the above definition

French Decree No 2010-29 of 8 January 2010

The product made from animal hide by means of tanning, or by impregnation preserving the natural structure of the hide, and that has kept all or part of its grain.

Textile Exchange Recycled Leather Definition

Leather module Companion Guide 2022

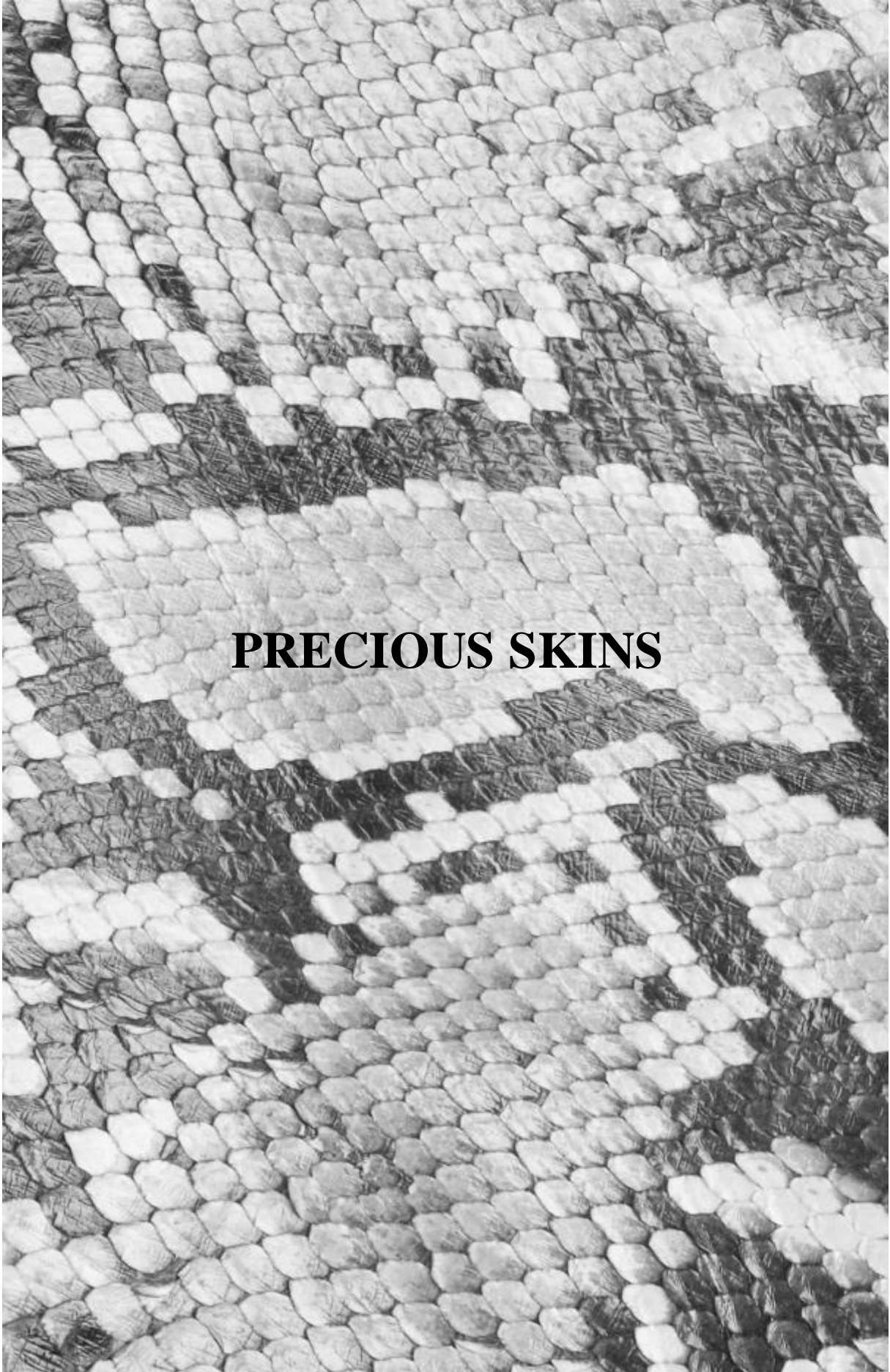
- Recycled leather: Leather recycled through a process that ensures that the fiber structure remains intact. Leather that has been ground up and reformed cannot be called recycled leather.
- Recycled leather fiber: Material having a minimum amount of 50% in weight of dry leather fibers, where tanned hides or skins are disintegrated mechanically and/or chemically into fibrous particles, small pieces or powders and then, with or without the combination of chemical binding agent, are made into sheets

Synderm

French Decree No 2010-29 of 8 January 2010

Material consisting of leather fibers agglomerated with a suitable binder and with a fiber content of not less than 50% by anhydrous weight.





Precious skins from several species of animals are used in some of Kering's brands' products. Kering is committed to strictly ensuring that these skins are sourced according to the highest standards of animal welfare, environmental impacts and working conditions. Regarding animal welfare, maintaining the highest standards in the way the animals are managed, handled, harvested, transported and slaughtered is fundamental to Kering's principles and, more broadly, to the long-term success of the precious skin trade. Additionally, it is imperative that these supply chains are managed so that there is the risk of any negative impacts on wild animal populations or their habitats is reduced to a minimum.

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

The Kering Standard for Precious Skins sets out stringent criteria for sourcing skins from the following categories of species:

- Crocodilians (crocodiles, caiman & alligators)
- Snakes (e.g., pythons, anacondas, etc.)
- Lizards (e.g., tejus, varanids, etc.)
- Birds (e.g., ostrich)
- Other (e.g., fish, including salmon and sturgeon)

It applies to all products that may be made using precious skins, such as bags, watches and accessories.

This Standard focuses on strict, animal welfare, traceability, environmental impact, and human rights and social requirements. It applies to both farmed and wild-harvested animals.

Additional Kering Standards are available for the processing of hides and tanning of leather (See [Kering Standard for Tanning](#), which applies to leather and precious skins).

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

- Complying with all national and international laws, principles and regulations notably relating to human rights, fundamental freedom, health and safety and the environment, as set out in the [Suppliers' Charter of the Kering Code of Ethics](#)
- Ensuring the highest standards of animal welfare
- Ensuring that there detrimental impacts on wild populations and their habitat are kept to a minimum



REQUIREMENTS FOR 2025

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

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

© Do not source any species that are threatened with extinction

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

- Species listed on the CITES Appendix I must not be used
- Species listed on CITES Appendix II and Appendix III can be used by suppliers as long as CITES procedures are strictly adhered to and as long as suppliers are willing and able to share certain information about their sourcing (see “Ensure complete traceability of all skins”)

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

For snakes reptiles and crocodylians, Kering doesn't allow sourcing of non-CITES. For birds, fish and other species, it is possible to source non-CITES. However, in such cases, Kering requires extreme caution and suppliers to provide the following: detailed information on the location (country/region) of the source (farm or wild caught) and on animal welfare practices in advance for verification.

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

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

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

Source from Kering preferred countries and operations

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

Sourcing through Kering preferred operations/facilities will ensure that suppliers meet all Kering's Requirements for 2025 to meet the Kering Standards. This means that there will be no sourcing through re-export permits or from sources that cannot identify and verify the original source of the animal.

© Ensure complete traceability of all skins

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

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

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

Note that sourcing from countries that “re-export” under CITES (such as Singapore) should be avoided due to the higher risk of potential loss of integrity in the supply chain.



REQUIREMENTS FOR 2025

© Ensure that animal welfare practices are aligned with Kering Standards

Suppliers must be aware of Kering’s Species - Specific Animal Welfare Standards.

All suppliers/sub-suppliers dealing with live animals (e.g. farm and processing facilities) will agree to the implementation and verification by Kering or a third-party of Kering’s Species-Specific Animal Welfare Standards, which outline the specific requirements for management practices in place to ensure there is no detriment to wild populations as well as animal welfare in farms, ranches, processing facilities and for wild harvest. For Crocodylians, this includes the new International Crocodile Farmers Association (ICFA) standards and requirements for farmed crocodiles and alligators, and for farmed ostriches, the South African Ostrich Business Chamber (SAOBC). The International Multistakeholder Alliance for Reptile Conservation (IMARC, former SARCA) is a multi stakeholder association that operates as a technical platform for a multi-stakeholder mission to advance responsible and transparent supply chains of reptile skins from Southeast Asia and drive improvements in the trade’s operating environment. IMARC is in the process of developing a Responsible Reptile Sourcing Standard (RRSS) for reptiles in the skin trade. The standard covers four modules: business integrity, animal welfare, social responsibility, and environmental responsibility. See [Appendix: Animal Welfare](#).

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

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

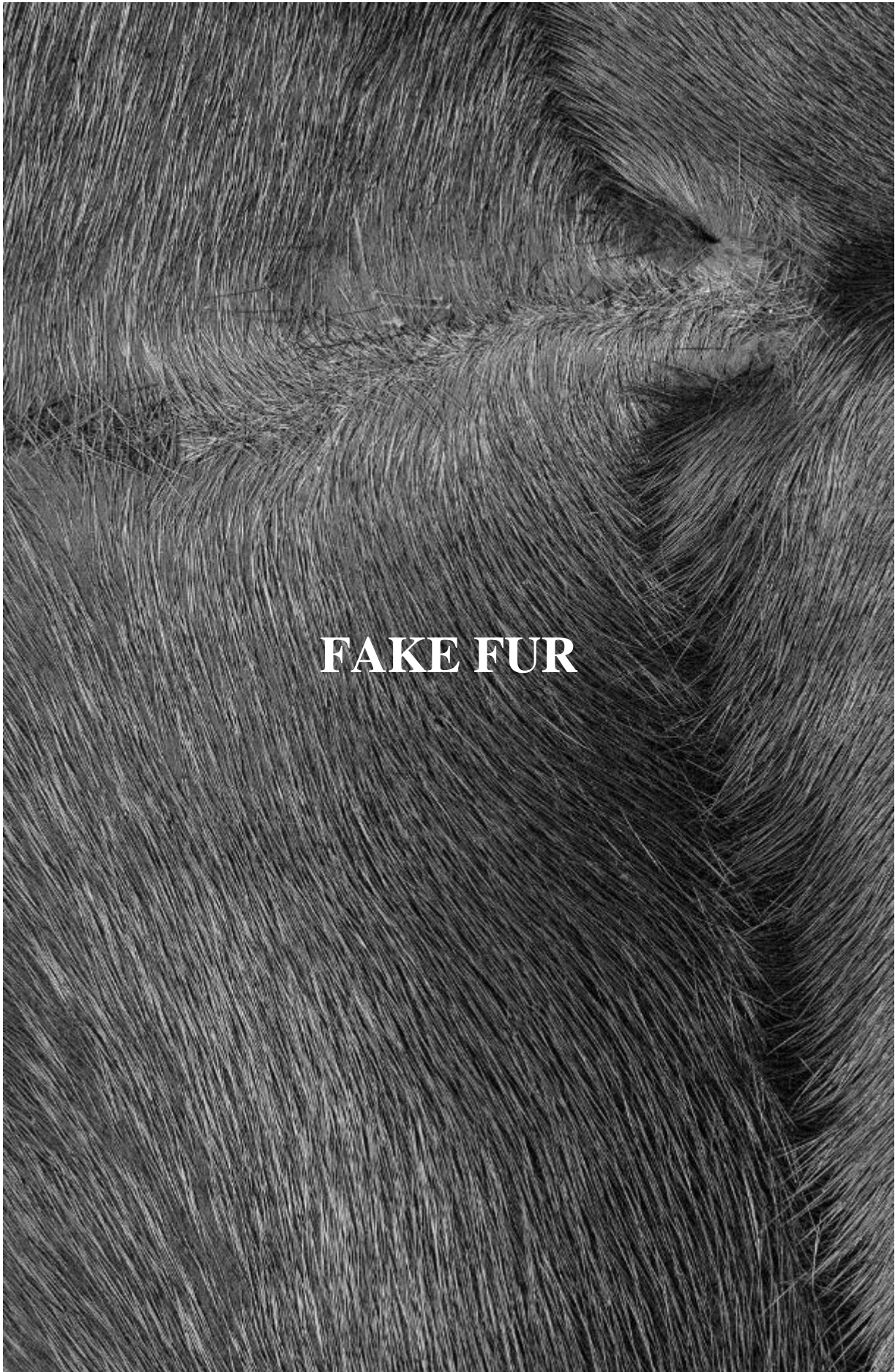


BOX 1: Indicative List of Preferred Sources for Precious Skins

This table lists the sources for key species that are preferred by Kering as they are most likely to fulfill the requirements for 2025 for precious skins. This list reflects the best knowledge available to Kering when writing this document. This list may evolve in the future based on third-party auditing at farms and/or processing facilities. Every source of precious skin, whether on the list below or not, will need to be verified against the Kering Standards.

Common Name	Scientific Name	Source Location	Source Type	CITES Certificate required?
OSTRICH	Struthio camelus	South Africa	Farmed	No, but need SAOBC certification
AMERICAN ALLIGATOR	Alligator mississippiensis	USA (Louisiana, Georgia) USA	Captive Bred Wild	Yes, Appendix II
NILE CROCODILE	Crocodylus niloticus	South Africa, Zimbabwe	Captive Bred	Yes, Appendix II
YELLOW ANACONDA	Eunectes notaeus	Argentina	Wild	Yes, Appendix II
BURMESE PYTHON	Python molurus bivittatus	Vietnam	Captive Bred	Yes, Appendix II
		Thailand	Captive Bred	
RETICULATED PYTHON	Python reticulatus	Thailand, Vietnam	Captive Bred	Yes, Appendix II





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

Brands’ decisions and legal considerations, such as certain cities banning the sale of fur, are increasingly leading to a demand for “fake fur” or fur alternatives that do not use animal- based sources. Note that the terms “fake fur” or “eco fur” have to be carefully used, as such references are not allowed by law in several countries.

Fake fur is a type of textile fabric manufactured to replicate genuine animal fur. Over the past decade their popularity has increased as a result of growing concerns over the environment and animal rights. Fake furs were introduced in the fashion industry in 1929 and were made of alpaca, in order to offer a more affordable and available solution to real fur. But the low quality and dull colors pushed the industry to create synthetic fibers that allowed fake furs to be much lighter and more accurately imitate real fur.

Fake furs are manufactured using yarn circular knitting or sliver circular knitting machines. The backing of the fabrics is coated to reduce fiber leakage during product manufacturing and use. Different fur effects can be achieved combining natural, cellulosic and synthetic fibers to create “fur like” options such as:

- Long straight fur effect similar to fox generally uses synthetic fibers (polyester, modacrylic, acrylic)
- Short type fur effect similar to shearling generally uses natural (wool, mohair, alpaca) and cellulosic (viscose, lyocell) fibers

Such fur alternatives also have sustainability considerations since most fur alternatives are composed of synthetic fibers such as acrylic, modacrylic, and polyester, which are petroleum-based. Kering recommends that suppliers take a cautionary approach to sourcing fur alternatives.

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The requirements outlined below for the Kering Standard for Fake Fur focus on the various materials involved in their production, considering that Fake Fur is a type of textile structure, not a specific material category, and encompass the related textile processing steps.

Additional Kering Standards are available for [Textile Processing](#) and for the sourcing of [Synthetics](#), [Cellulosic Fibers](#), [Cashmere](#), [Wool](#), [Silk](#), and [Other Raw Materials](#).

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

- Complying with all national and international laws, principles and regulations notably related to human rights, fundamental freedom, health and safety and the environment as set out in the Suppliers’ Charter of the Kering Code of Ethics
- Supporting natural fiber production that does not degrade natural ecosystems but rather contributes to restoring soil plants and wildlife
- Ensuring high standards of animal welfare when it comes to animal fibers
- Advocating the use of recycled content
- Phasing out hazardous substances in product use and manufacturing through a Product Restricted Substances List (PRSL) and Manufacturing Restricted Substances List (MRSL)
- Improving resources efficiency levels throughout the textile processes



REQUIREMENTS FOR 2025

© Provide minimum information on supply chain transparency

Kering is committed to achieving the highest levels of transparency within its product supply chains. In this context, suppliers will provide Kering with a set of information from raw materials to related products. This information includes:

- Name and location of finished product manufacturer
- Name and location of textile dyeing manufacturer
- Name and location of textile weaving/knitting manufacturer
- Country of origin of natural fibers (i.e., country of farm)
- Country of origin of synthetic polymer producer (e.g. chips producer)
- Country of cellulosic pulp producer(s)

Only source from Kering preferred sources

All suppliers are required to only source materials for fake fur from sources with certifications listed in each chapter of Kering Standards for materials and recapped in BOX 1.

Suppliers shall refer to single chapter of Kering Standards when sourcing materials used in fake fur textile products such as:

- For all indications on wool refer to Kering Standard for Wool
- For all indications on cashmere refer to Kering Standard for Cashmere
- For all indications on silk refer to Kering Standard for Silk
- For all indications on alpaca and mohair refer to Kering Standard for Other Raw Materials

- For all indications on cellulosic refer to Kering Standard for Cellulosic Fibers
- For all indications on synthetics refer to Kering Standard for Synthetics

© Ensure that no sourcing activities are linked with deforestation or the conversion of natural ecosystems

As mentioned in the Introduction section to Standards for Raw Materials, Kering has committed to ensuring no deforestation or conversion in its supply chains.

When it comes to fake fur, this applies to any material used to produce it. Please refer to the appropriate material-specific sections of these Standards for recommendations on what standards can ensure compliance.

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

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



REQUIREMENTS FOR 2025

Use materials with recycled content

Kering supports the use of material with recycled content of natural fibers such as wool, cashmere, silk, mohair, alpaca. When using recycled content in a product, the recycled content of the material should be at least 20%.

Please be aware and align with any national and local legislation about recycled natural fibers. Where possible, Kering recommends the use of post-consumer waste feedstock.

- For information on how to source recycled wool refer to the dedicated chapter in [Kering Standard for Wool](#)
- For information on how to source recycled cashmere refer to the dedicated chapter in [Kering Standard for Cashmere](#)
- For information on how to source recycled silk refer to the dedicated chapter in [Kering Standard for Silk](#)
- For all information on how to source recycled alpaca and mohair refer to the dedicated chapter in [Kering Standard for Other Raw Materials](#)

Kering encourages the use of cellulosic fibers made from recycled materials, agricultural residues or other non-wood sources, to reduce dependence on natural resources and associated environmental and social impacts. The recycled content of the material should be at least 20%, and ideally higher wherever possible. This should increase to a minimum of 50% after 2025. Where possible, Kering recommends the use of post-consumer waste feedstock. For information on how to source recycled cellulosic refer to the dedicated chapter in [Kering Standard for Cellulosic Fibers](#).

Kering supports the use of material with recycled content for synthetic fibers. Suppliers should propose preferred sources over conventional fossil-based synthetics materials with the highest possible recycled content (aim for 100%). Kering has concerns over 'recycled polyester' used in synthetics and plastic materials when the feedstock is from post-consumer clean packaging, specifically PET bottles. PET bottles should be kept in a closed loop recycling systems for materials that are in contact with food. For information on how to source recycled synthetics refer to the dedicated chapter in [Kering Standard for Synthetics](#).

Ensure best environmental practices of raw material processes

Fiber processing can have a significant impact on the environment mostly due to water use, energy use and chemicals. Ensure that these impacts are monitored and minimized. In particular:

- Require suppliers to use best efforts to establish a closed-loop chemical management system, so that chemicals that are used and produced during the transformation of wood pulp to cellulosic filament and the production of synthetic fibers, do not escape into the environment and also potentially harm workers. A closed-loop chemical management system means preventing and reducing chemical air emissions, decreasing water consumption, minimizing chemical impacts and phasing out and eliminating hazardous waste
- Engage with the 'Clean by Design' program for water and energy efficiency
- © Ensure that the chemicals used are verified against the Kering Manufacturing Restricted Substances List (MRSL). See [Appendix: Summary of Kering Chemical Management Policy](#) for more info on the MRSL
- © Ensure compliance with the Kering Product Restricted Substances List (PRSL). Compliance with the PRSL must be ensured by the supplier through product testing and each Kering supplier must guarantee PRSL compliance of its products. Moreover, Kering will oversee an internal testing program of the products as an additional auditing measure
- Address microfiber and microplastic leakage pollution, for further indications refer to "Avoid microfiber leakage throughout the products' lifecycle" paragraph in [Guidance for Circularity](#) chapter.

For additional information about requirements for raw material processing, please refer to [Kering Standard for Textile Processing](#).

Do not use modacrylic in Kering products

Modacrylic polymers are copolymers obtained by (ISO 2076) the reaction of acrylonitrile, accounting for at least 50% and less than 85% by mass, and halogen comonomers that can be polyvinyl chloride or polyvinylidene chloride. Due to the usage of these comonomers, modacrylic poses potential environmental and health threats, mainly at its end of life. Beyond the carcinogen risk for workers, if the comonomers are not carefully handled during the production process, modacrylic poses threats for its pyrolysis behavior during its disposal through incineration emitting dioxin. Thermal processes (such as pyrolysis) or chemical recycling of these materials, do not permit the extraction (valorization) of basic chemical components like other polymers. Finally, modacrylic doesn't offer any recovery opportunity by mechanical recycling. For these reasons, Kering brands aim to phase out modacrylic from their collections and products by 2025.



ADDITIONAL BEST PRACTICES

Use best efforts to provide full transparency of supply chains

Kering is committed to achieving the highest levels of transparency within its fake fur supply chains. In this context, suppliers will provide Kering with a set of information from raw materials to related products. This information includes in addition to the Requirements for 2025:

- For transparency requirements on cashmere refer to the dedicated chapter in [Kering Standard for Cashmere](#)
- For transparency requirements on wool refer to the dedicated chapter in [Kering Standard for Wool](#)
- For transparency requirements on silk refer to the dedicated chapter in [Kering Standard for Silk](#)
- For transparency requirements on alpaca and mohair refer to the dedicated chapter in [Kering Standard for Other Raw Materials](#)
- For transparency requirements on cellulosic refer to the dedicated chapter in [Kering Standard for Cellulosic Fibers](#)
- For transparency requirements on synthetics refer to the dedicated chapter in [Kering Standard for Synthetics](#)

Use best efforts to ensure full traceability of products

Kering expects to have full traceability of fake fur from raw material production level supported by physical and digital systems (platforms, tools, programs, etc.), preferably third-party verified.

Traceability consists of the ability to follow products or their components through all stages of the supply chain, starting at the raw material production stage. Improving traceability may rely on a range of tools and activities to gather evidence on the production history and requires collaboration across the entire supply chain.

Ensure the use of regenerative agriculture practices for natural fibers

Kering requires suppliers to engage in farming practices that improve and restore ecosystem function on the farm. Kering supports the use of regenerative agricultural practices which can bring about diverse ecological and social benefits. This includes:

- Ensuring better soil health, water cycles & sequestering additional carbon
- Reducing the negative impacts on biodiversity or even have a positive impact

- Eliminating the use of synthetic inputs
- Ensuring farmers receive fair payment for improved practices
- Ensuring the highest standards of animal welfare

As such, raw materials from producers supported by the [Regenerative Fund for Nature](#), should be prioritized. Whenever possible, practices and outcomes that are verified by a third-party are preferred. This includes the Ecological Outcome Verification (EOV) by Savory Institute's Land to Market program.

Finally, materials produced on farms, ranches, fields or other production landscapes that are actively converting to regenerative agriculture should also be preferred when making sourcing decision, to support an accelerated transition to these practices.

Use materials with higher recycled content

For natural and cellulosic fibers, the recycled content should be at least 50%. Kering requires that suppliers prioritize the highest possible use of post-consumer waste feedstock.

- For additional information on recycled wool refer to the dedicated chapter in [Kering Standard for Wool](#)
- For additional information on recycled cashmere refer to the dedicated chapter in [Kering Standard for Cashmere](#)
- For additional information on recycled silk refer to the dedicated chapter in [Kering Standard for Silk](#)
- For additional information on recycled alpaca and mohair refer to the dedicated chapter in [Kering Standard for Other Raw Materials](#)
- For additional information on recycled cellulosic refer to the dedicated chapter in [Kering Standard for Cellulosic Fibers](#)
- For synthetics fibers Kering require suppliers to prioritize materials using the highest possible post-consumer recycled content coming from emerging fiber-to-fiber recycling processes and feedstock not related to circular economy clean packaging (e.g. PET bottles). As second option, suppliers shall use materials with the highest possible bio-based content aiming for at least 70%. For additional information on recycled synthetics refer to the dedicated chapter in [Kering Standard for Synthetics](#).



ADDITIONAL BEST PRACTICES

Ensure best environmental practices of the fake fur processes

Several options might be implemented at processing level and production techniques in order to lower environmental impact and microfiber leakage. There are two main knitting techniques, from fibers (sliver knitting), from yarns (yarns knitting). Sliver knitting generates more fiber leakage than yarn knitting as textile construction is looser. Yarn knitting with tightly constructed yarns generate less fiber leakage.

Manufacturing with an in-line vacuum system for eliminating of loose fibers via air filtration and exhaustion, is preferred. Please refer to the [Guidance for Circularity](#) for further info about microfiber leakage.

Options to lower the environmental impact of fur dyeing exist depending on the raw material, e.g.:

- Natural fibers: natural dyeing or no dyeing can be viable options mainly for alpaca and mohair
- Synthetic fibers: dope dyeing shall be used wherever possible
- Polyester fibers (virgin, recycled or bio-based): water-efficiency dyeing technologies

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



BOX 1: Recommended Certifications for Fake Fur

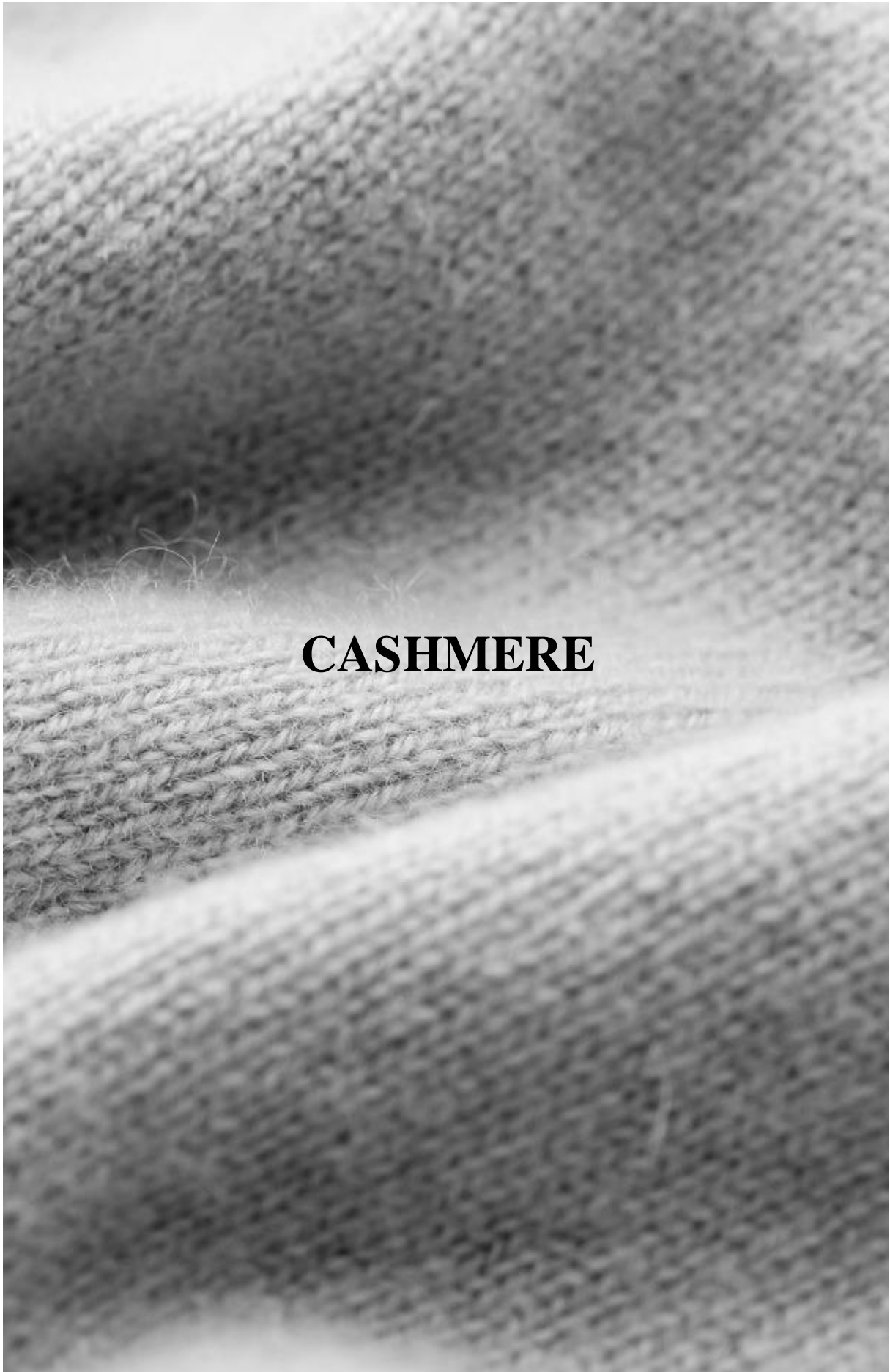
Kering encourages suppliers to source natural, cellulosic and synthetic fibers carrying the voluntary certifications listed in each chapter of Kering Standards for materials and recapped in BOX 1.

These certifications verify criteria for more sustainable practices regarding animal welfare, biodiversity conservation and farming for virgin material and third-party verification of recycled content.

Kering encourages suppliers to source synthetics carrying the voluntary certification listed in the table which provide third-party verification of recycled and bio-based carbon content. Do not use Modacrylic fibers in Kering’s brands products, Kering set a public target to phase out Modacrylic fiber by 2025.

Fiber Type	Link to the relevant Kering Raw Materials Standards
NATURAL VIRGIN MATERIAL	
Cashmere	Standards for Raw Materials / Cashmere BOX 1
Wool	Standards for Raw Materials / Wool BOX 1
Mohair / Alpaca	Standards for Raw Materials / Other Raw Materials
Silk	Standards for Materials / Silk BOX 1
NATURAL RECYCLED CONTENT	
Cashmere, Wool, Mohair, Alpaca, Silk	Standards for Materials / Cashmere BOX 1 Wool BOX 1 Other Raw Materials Silk BOX 1
CELLULOSIC VIRGIN MATERIAL	
Cellulosic	Standards for Materials / Cashmere BOX 1
CELLULOSIC RECYCLED CONTENT	
Cellulosic	Standards for Materials / Cashmere BOX 1
SYNTHETIC BIO-BASED MATERIAL	
Synthetic	Standards for Materials / Synthetic BOX 1
SYNTHETIC RECYCLED CONTENT	
Synthetic	Standards for Materials / Synthetic BOX 1





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

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

This Standard outlines Kering's criteria for sourcing cashmere, a key raw material in Kering's brands portfolios. Cashmere refers to the fine, luxurious textile fiber derived from the soft undercoat of cashmere goats.

The Standard applies to all product categories that may contain cashmere, primarily fashion items and accessories. The main focus of this document is the raw material production stage of cashmere, spanning activities from goat herding to the dehairing of the cashmere goat to obtain the cashmere fiber. It sets out requirements for environmental, social, and animal welfare, while also emphasizing transparency and traceability across the supply chain and encouraging the use of a certain level of recycled content.

Additional Kering Standards are available for the processing of dehaired cashmere further down the supply chain (See [Kering Standard for Textile Processing](#)).

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

- Complying with all national and international laws, principles and regulations notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the [Suppliers' Charter of the Kering Code of Ethics](#)
- Support cashmere production that significantly reduces negative impacts on soil, plants and wildlife, and even generates positive impacts.
- Ensuring the highest standards of animal welfare
- Encouraging the use of a certain percentage of recycled content



REQUIREMENTS FOR 2025

© Provide minimum information on supply chain transparency

Kering is committed to achieving transparency within its cashmere supply chains. In this context, suppliers will provide Kering with a set of information from raw materials to related production. This information includes:

- Name and location of finished product manufacturer
- Name and location of textile dyeing manufacturer
- Name and location of textile weaving/knitting manufacturer
- Country of origin of cashmere (i.e., Mongolia)
- For recycled content, country of origin of recycled fiber producer

Only source from Kering preferred sources

All suppliers are required to only source cashmere for Kering from sources with certifications listed in [BOX 1](#). These certifications cover both virgin and recycled materials. Note that the type of farm production system and the mitigation of direct impacts (e.g. planned grazing, no conversion of natural habitats and animal welfare practices) and indirect negative impacts (e.g. locally sourced, more sustainable feedstock, wildlife friendlier practices) are considered in the evaluation of “preferred” sources.

© Ensure that no sourcing activities are linked with deforestation or the conversion of natural ecosystems

As mentioned in the [Introduction section to Standards for Raw Materials](#), Kering has committed to ensuring no deforestation or the conversion of natural ecosystems in its supply chains.

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

Kering is committed to respecting and ensuring internationally recognized human rights, both in its activities and through its business relationships. Therefore, suppliers must adopt and implement sourcing practices

which include high expectations regarding the social and labor conditions of the workers in the supply chain, in accordance with the principles set out in the Kering Code of Ethics and its Suppliers’ Charter. See [Appendix: Social Compliance and Enforcement of the Kering Code of Ethics in Supply Chain](#).

© Ensure that animal welfare practices are aligned with Kering Standards

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

Use cashmere material with recycled content where possible

Kering supports the use of material with recycled content for cashmere, alongside regenerative sourcing. Both options (regenerative and recycled) are aligned with Kering Standards. The recycled contents can be either pre-consumer or post-consumer or a combination of the two. Where possible, Kering recommends the use of post-consumer waste feedstock thereby reducing the demand for virgin cashmere and the associated environmental and social impacts. For recycled cashmere, GRS certification is required.

When using recycled content in a product, the recycled content of the material should be at least 20%.

Please be aware and align with any national and local legislation for recycled cashmere.



REQUIREMENTS FOR 2025

Ensure best environmental practices of the raw material processes

Cashmere processing can have a significant impact on the environment mostly due to water use, energy use and chemicals. Ensure these impacts are monitored and minimized. In particular:

- Engage with the 'Clean by Design' program for water and energy efficiency
- © Ensure the chemicals used are verified against the Kering Manufacturing Restricted Substances List (MRSL). See [Appendix: Summary of Kering Chemical Management Policy](#) for more info on the MRSL
- © Ensure compliance with the [Kering Product Restricted Substances List \(PRSL\)](#). Compliance with the PRSL must be ensured by the supplier through product testing and each Kering supplier must guarantee PRSL compliance of its products. Moreover, Kering will oversee an internal testing program of the products as an additional auditing measure
- Address microfiber leakage pollution
- Consider integrating best available technologies which help reduce water use and water pollution in cashmere processing steps

For additional information about requirements for raw material processing, please refer to the [Manufacturing Processes](#) section of these standards.



ADDITIONAL BEST PRACTICES

Use best efforts to provide full transparency on the supply chain

Kering is committed to achieving the highest levels of transparency within its cashmere supply chains. In this context, suppliers will provide Kering with a set of information from raw materials to production. This information includes, in addition to Requirements for 2025:

- Name and location of livestock farmer (herders, Pasture User Groups and/or cooperatives)
- Name and location of sorting and/or dehairing manufacturer
- Name and location of processor and/or spinner
- For recycled content, name and location of recycled fiber producer

Use best efforts to ensure full traceability of products

As mentioned in the [Introduction section to Standards for Raw Materials](#), Kering expects to have full traceability of cashmere from raw material to production level, relying on a chain of custody supported by physical and digital systems (platforms, tools, programs, etc.), preferably third-party verified.

Ensure the use of regenerative agriculture practices

As mentioned in the [Introduction section to Standards for Raw Materials](#), Kering is committed to prioritizing raw materials produced within regenerative agriculture systems with clearly defined, robustly monitored and evaluated outcomes on Nature.

When it comes to cashmere, priority is given to natural raw materials from producers supported by the Regenerative Fund for Nature.

Use cashmere material with higher recycled content







Kering supports the use of material with recycled content for cashmere. This type of cashmere can be either pre-consumer or post-consumer cashmere or a combination of the two. Kering requires that suppliers prioritize the highest possible use of post-consumer waste feedstock thereby reducing demand for virgin cashmere and the associated environmental and social impacts. For recycled cashmere, GRS certification is required. As an additional requirement, the recycled content of the material should be at least 50%.

Please be aware and align with any national and local legislation for recycled cashmere.

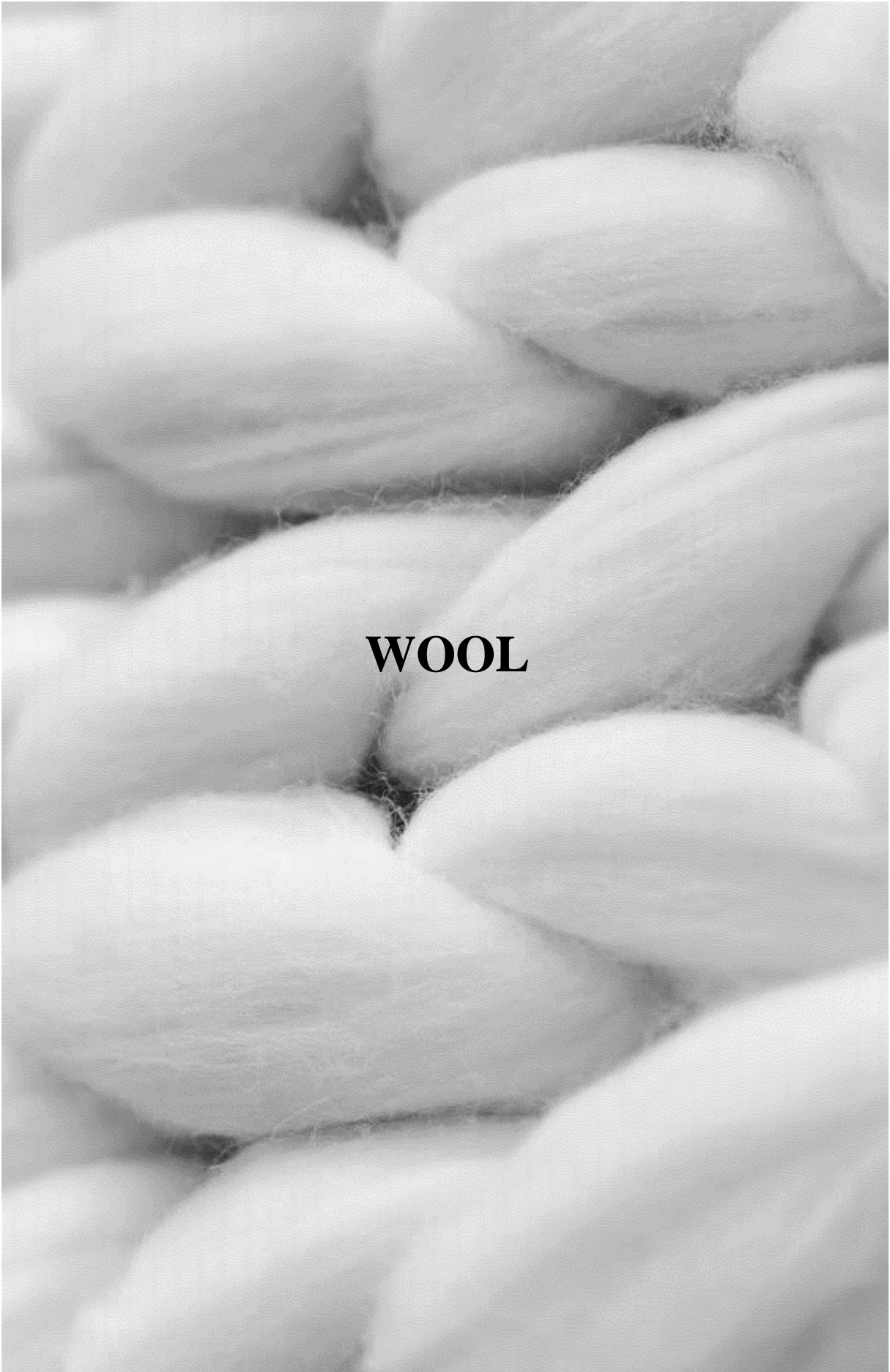


BOX 1: Recommended Certifications for cashmere

Kering encourages suppliers to source cashmere carrying the voluntary certifications listed in the table which verify criteria for more sustainable practices regarding animal welfare, biodiversity conservation and farming for virgin material and third-party verification of recycled content

Name	Standard or Organization	Logo	Geographic Scope	Notes
VIRGIN MATERIAL from REGENERATIVE AGRICULTURE				
Good Growth	Regenerative Fund for Nature		Mongolia	
VIRGIN MATERIAL				
EU Organic Certification Regulation 2018/848 and 889/2008	EU Organic Certification		Global	
Global Organic Textile Standard (GOTS)	Global Organic Textile Standard (GOTS)		Global	In countries where the national organic standard (at farm level) does not include criteria on animal welfare and land management/ grazing, GOTS must not be used on its own. In such cases, GOTS must be associated other relevant certifications available.
The Good Cashmere Standard® (GCS) by AbTF	The Good Cashmere Standard® (GCS)		China	
Sustainable Cashmere certification by S3C	AVSF		Mongolia	
RECYCLED CONTENT				
Global Recycled Standard (GRS)	Textile Exchange		Global	





WOOL



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

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

This Wool Standard outlines Kering's specifications for sourcing wool, a key natural fiber in our product portfolio. The Standard covers wool's various applications across the full spectrum of Kering's offerings, including ready-to-wear garments, accessories, and to a lesser extent, packaging. Wool has the potential to be a natural raw material with reduced environmental impacts if the chemical inputs are limited, the scouring process is well managed and more sustainable grazing practices are put in place.

The primary focus of this Standard is on the raw material stage – specifically, from sheep farms to the scouring or combing phases. "Scouring" refers to the process of washing raw wool to remove natural impurities such as grease, sweat, and soil. This step is critical for preparing the wool for subsequent manufacturing processes. "Combing" is the practice of aligning wool fibers in a parallel manner to create a continuous strand, making it easier to spin into yarn.

Additional Kering Standards are available for the processing of wool further down the supply chain (See [Kering Standard for Textile Processing](#)).

This Standard considers environmental, social, and animal welfare issues. It also includes requirements on transparency and traceability across the supply chain and encourages the use of recycled wool.

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

- Complying with all national and international laws, principles and regulations notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the [Suppliers' Charter of the Kering Code of Ethics](#)
- Support wool production that significantly reduces negative impacts on soil, plants and wildlife, and even generates positive impacts
- Reducing chemical inputs: wool production with limited use of toxic chemicals
- Ensuring high standards of animal welfare
- Using water efficiently at farm level and scouring level



REQUIREMENTS FOR 2025

© Provide minimum information on supply chain transparency

Kering is committed to achieving transparency within its wool supply chains. In this context, suppliers will provide Kering a set of information from raw materials up to production. This information includes:

- Name and location of finished product manufacturer
- Name and location of textile dyeing manufacturer
- Name and location of textile weaving/knitting manufacturer
- Country of origin of wool (i.e., Australia)
- For recycled content, country of origin of recycled fiber producer

Only source from Kering preferred sources

All suppliers are required to only source wool for Kering from sources with certifications listed in [BOX 1](#). These certifications cover both virgin and recycled materials. Note that the type of farm production system and the mitigation of direct impacts (e.g. planned grazing, no conversion of natural habitats and animal welfare practices) and indirect negative impacts (e.g. locally sourced, more sustainable feedstock, wildlife-friendlier practices) are considered in the evaluation of “preferred” sources.

© Ensure that no sourcing activities are linked with deforestation or the conversion of natural ecosystems

As mentioned in the [Introduction section to Standards for Raw Materials](#), Kering has committed to ensuring no deforestation or the conversion of natural ecosystems in its supply chains.

When it comes to wool, this can be ensured through certifications such as:

- Responsible Wool Standard (RWS)
- ZQ and ZQRX
- Nativa
- Authentico

Wool certified to these standards is therefore fully compliant with this deforestation- and conversion-free commitment.

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

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

© Ensure that animal welfare practices are aligned with Kering Standards

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

Use wool material with recycled content where possible

Kering supports the use of material with recycled content for wool, alongside regenerative sourcing. Both options (regenerative and recycled) are aligned with Kering Standards. The recycled contents can be either pre-consumer or post-consumer or a combination of the two thereby reducing the demand for virgin wool and the associated environmental and social impacts. For recycled wool, GRS certification is required.

When using recycled content in a product, the recycled content of the material should be of at least 20%.

Please be aware and align with any national and local legislation for recycled wool.



REQUIREMENTS FOR 2025

Ensure best environmental practices for raw material processing

For additional information about requirements for raw material processing, please refer to the Manufacturing Processes section of these standards.

Wool processing can have a significant impact on the environment mostly due to water use, energy use and chemicals. Ensure that these impacts are monitored and minimized. In particular:

- Engage with the 'Clean by Design' program for water and energy efficiency
- © Ensure that the chemicals used are verified against the Kering Manufacturing Restricted Substances List (MRSL). See Appendix: Summary of Kering Chemical Management Policy for more info on the MRSL
- © Ensure compliance with the Kering Product Restricted Substances List (PRSL). Compliance with the PRSL must be ensured by the supplier through product testing and each Kering supplier must guarantee PRSL compliance of its products. Moreover, Kering will oversee an internal testing program of the products as an additional auditing measure
- Address microfiber shedding pollution
- Consider integrating best available technologies (BATs, see BOX XX in Textile processing chapter) which help reduce water use and water pollution in wool processing steps (particularly scouring and dyeing)



ADDITIONAL BEST PRACTICES

Use best efforts to provide full transparency of the supply chain

Kering is committed to achieving the highest levels of transparency within its wool supply chains. In this context, suppliers will provide Kering a set of information from raw materials up to production. This information includes, in addition to Requirements for 2025:

- Name and location of livestock farmer (cooperatives, sheep farms)
- Name and location of sorting and/or cleaning/scouring manufacturer
- Name and location of processor and/or spinner
- For recycled content, name and location of recycled fiber producer

Use best efforts to ensure full traceability of products

As mentioned in the Introduction section to Standards for Raw Materials, Kering expects to have full traceability of wool from raw material to production level, relying on a chain of custody supported by physical and digital systems (platforms, tools, programs, etc.), preferably third-party verified.

Ensure the use of regenerative agriculture practices

As mentioned in the Introduction section to Standards for Raw Materials, Kering is committed to prioritizing raw materials produced within regenerative agriculture systems with clearly defined, robustly monitored and evaluated outcomes on Nature.

When it comes to wool, priority is given to natural raw materials coming from:

- Producers supported by the Regenerative Fund for Nature.
- Producers following practices and ensuring outcomes that are verified by a third-party such as Ecological Outcome Verification (EOV) by Savory Institute's Land to Market program or ZQRX by The New Zealand Merino Company

Use wool material with higher recycled content





Kering supports the use of material with recycled content for wool. This type of wool can be either pre-consumer or post-consumer wool or a combination of the two. Where possible, Kering recommends the use of post-consumer waste feedstock thereby reduce the demand for virgin wool and the associated environmental and social impacts. For recycled wool, GRS certification is required. As an additional requirement, the recycled content of the material should be at least 50%.

Please be aware and align with any national and local legislation for recycled wool.






BOX 1: Recommended Certifications for Wool

Kering encourages suppliers to source wool carrying the voluntary certifications listed in the table which verify criteria for more sustainable practices regarding animal welfare, biodiversity conservation and farming for virgin material and third-party verification of recycled content.

Name	Standard or Organization	Logo	Geographic Scope	Notes
VIRGIN MATERIAL from REGENERATIVE AGRICULTURE				
Wildlife Conservation Society & Wildlife Friendly Enterprise Network	Regenerative Fund for Nature		Argentina	
Conservation South Africa	Regenerative Fund for Nature		South Africa	
Ecological Outcomes Verification (EOV)	Savory Institute's Land to Market program		Global	EOV being focused on environmental aspects, it should be associated with other relevant certifications indicating Animal Welfare
VIRGIN MATERIAL				
EU Organic Certification Regulation 2018/848 and 889/2008	EU Organic Certification		Global	



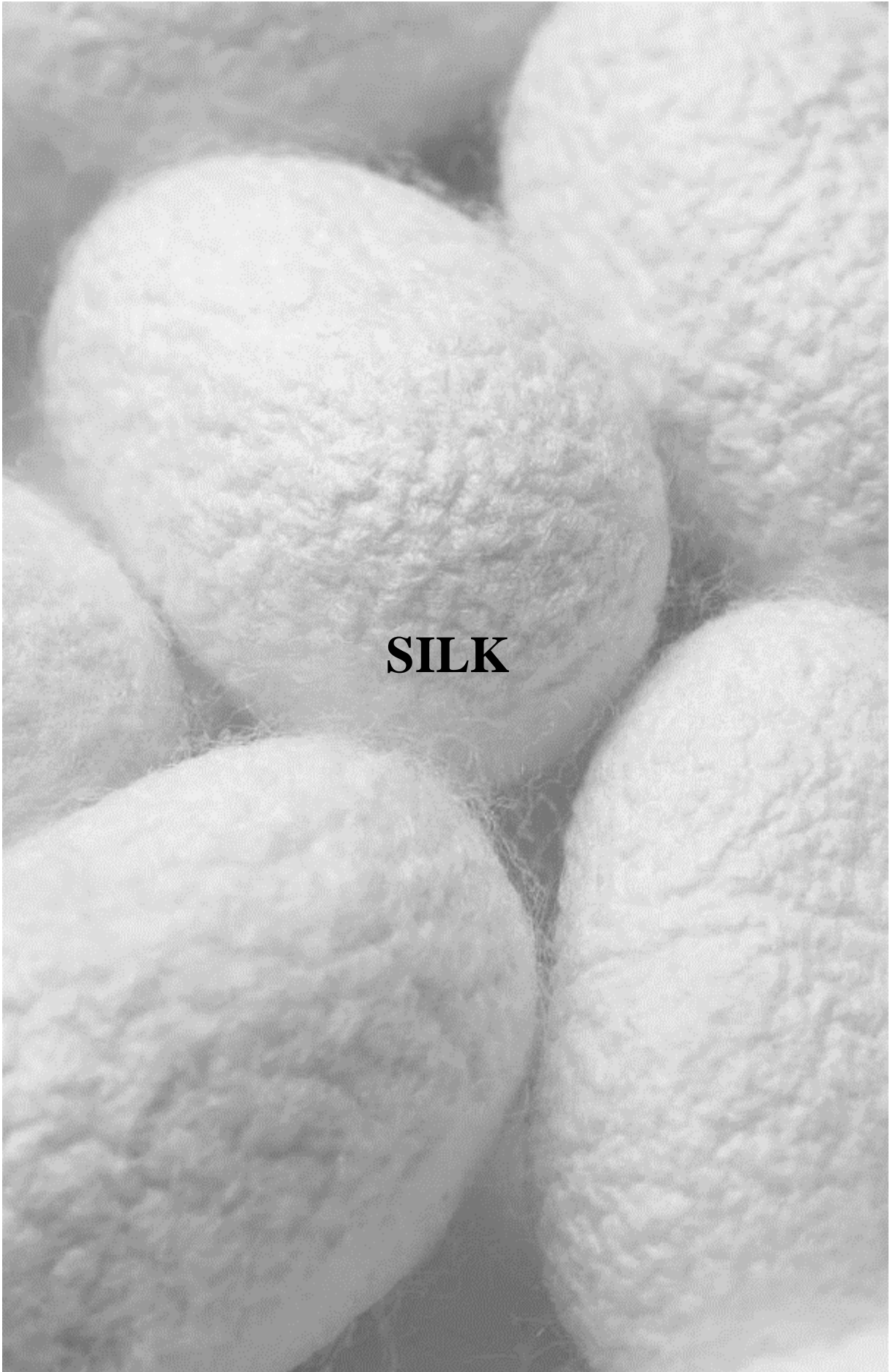
Global Organic Textile Standard (GOTS)	Global Organic Textile Standard (GOTS)		Global	In countries where the national organic standard (at farm level) does not include criteria on animal welfare and land management/ grazing, GOTS must not be used on its own. In such cases, GOTS must be associated with other relevant certifications available.
Responsible Wool Standard (RWS)	Textile Exchange		Global	
ZQ	The New Zealand Merino Company		Global	
ZQRX	The New Zealand Merino Company		Global	
NATIVA™	Chargeurs Luxury Materials		Global	

VIRGIN MATERIAL <i>(continued)</i>				
New Merino Standards for Responsible Wool Production in Australia	New Merino		Australia	
Sustainable Cape Wool Standard	Cape Wools SA NPC		South Africa	
Abelusi Wool Audit Standard	Segard Masurel		South Africa	



Authentico	Schneider Group		Global	
RECYCLED CONTENT				
Global Recycled Standard (GRS)	Textile Exchange		Global	





SILK



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

The Kering Standard for Silk is focused on the commercial production of “mulberry silk”, derived from the *Bombyx mori* moths, which accounts for around 95% of global silk production. The production of mulberry silk is a complex and multi-step process, and this Standard addresses the initial steps of silk production (known as “sericulture”), including:

1. Cocoon cultivation: This covers the breeding of silkworms from eggs, the cultivation of mulberry trees, and the production of cocoons.
2. Filature operations: This includes the sorting of cocoons, steam or hot air treatment to terminate the larvae, de-gumming with a soap solution to loosen the sericin, and reeling, which is the extraction and combination of silk filaments.

This Standard considers environmental and social impact, supply chain transparency and traceability, as well as recycled content.

Please note that the subsequent stages in the silk production process, including spinning/twisting, the use of silk schappe, as well as dyeing and finishing, are covered in the [Kering Standard for Textile Processing](#).

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

- Complying with all national and international laws, principles and regulations notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the [Suppliers’ Charter of the Kering Code of Ethics](#)
- Support silk production that significantly reduces negative impacts on soil, plants and wildlife, and even generates positive impacts
- Reducing chemical inputs: silk production with no use of toxic chemicals including synthetic pesticides and fertilizers in mulberry cultivation and chemicals in the initial stages of sericulture processing
- Using water and renewable energy efficiently at the farm level and in the filature process



REQUIREMENTS FOR 2025

© Provide minimum information on supply chain transparency

Kering is committed to achieving transparency within its silk supply chains. In this context, suppliers will provide Kering with a set of information from raw materials to production. This information includes:

- Name and location of finished product manufacturer
- Name and location of textile dyeing manufacturer
- Name and location of textile weaving/knitting manufacturer
- Country of origin of silk
- For recycled content, Country of recycled fiber producer

Only source from Kering preferred sources

All suppliers are required to only source silk for Kering from sources with certifications listed in [BOX 1](#). These certifications cover both virgin and recycled materials. Note that the type of farm production system and the mitigation of direct impacts (e.g. no conversion of natural habitats) and indirect negative impacts (e.g. locally sourced, wildlife friendlier practices) is considered in the evaluation of “preferred” sources.

© Ensure that no sourcing activities are linked with deforestation or conversion of natural ecosystems

As mentioned in the [Introduction section to Standards for Raw Materials](#), Kering has committed to ensuring no deforestation or conversion in its supply chains. When it comes to silk, this commitment is particularly relevant to the cultivation of mulberry trees.

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

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

Use silk material with recycled content where possible

Kering supports the use of material with recycled content for silk, alongside organic sourcing. Both options (organic and recycled) are aligned with Kering Standards. The recycled contents can be either pre-consumer or post-consumer silk or a combination of the two. Where possible, Kering recommends the use of post-consumer waste feedstock thereby reducing the demand for virgin silk and the associated environmental and social impacts. For recycled silk, GRS certification is required.

When using recycled content, the recycled content of the material should be at least 20%.

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

Ensure best environmental practices of the raw material processes

Fiber processing can have a significant impact on the environment mostly due to water use, energy use and chemicals. Ensure that these impacts are monitored and minimized. In particular:

- Engage with the ‘Clean by Design’ program for water and energy efficiency
- © Ensure that the chemicals used are verified against the Kering Manufacturing Restricted Substances List (MRSL). See [Appendix: Summary of Kering Chemical Management Policy for more info on the MRSL](#)
- © Ensure compliance with the [Kering Product Restricted Substances List \(PRSL\)](#). Compliance with the PRSL must be ensured by the supplier through product testing and each Kering supplier must guarantee PRSL compliance of its products. Moreover, Kering will oversee an internal testing program of the products as an additional auditing measure
- Address microfiber leakage pollution

For additional information about requirements for raw material processing, please refer to the [Manufacturing Processes](#) section of these standards.



ADDITIONAL BEST PRACTICES

Use best efforts to provide full transparency on the supply chain

Kering is committed to achieving the highest levels of transparency within its silk supply chains. In this context, suppliers will provide Kering with a set of information from raw materials to production. This information includes, in addition to Requirements for 2025:

- Name and location of silkworm rearing facilities
- Name and location of reeling manufacturer
- Name and location of processor and/or twister and/or spinner
- For recycled content, name and location of recycled fiber producer

Use best efforts to ensure full traceability of products

As mentioned in the [Introduction section to Standards for Raw Materials](#), Kering expects to have full traceability of silk from raw material to production level, relying on chain of custody supported by physical and digital systems (platforms, tools, programs, etc.), preferably third-party verified.

Ensure the use of regenerative agriculture practices

As mentioned in the [Introduction section to Standards for Raw Materials](#), Kering is committed to prioritizing raw materials produced within regenerative agriculture systems with clearly defined, robustly monitored and evaluated outcomes on Nature.

When it comes to silk, this particularly applies to the land where the mulberry trees, the leaves of which are used to feed the silkworms, are grown. Priority is given to silk coming from producers who can demonstrate quantified positive outcomes from regenerative practices implemented in the mulberry fields, which should be in close geographic proximity to the silkworm rearing facilities.

Use silk material with higher recycled content

Kering supports the use of material with recycled content for silk. This type of silk can be either pre-consumer or post-consumer or a combination of the two. Kering requires that suppliers prioritize the highest possible use of post-consumer waste feedstock thereby reducing the demand for virgin silk and the associated environmental and social impacts. For recycled silk, GRS certification is required. As an additional requirement, the recycled content of the material should be of at least 50%.

Please be aware and align with any national and local legislation for recycled silk.

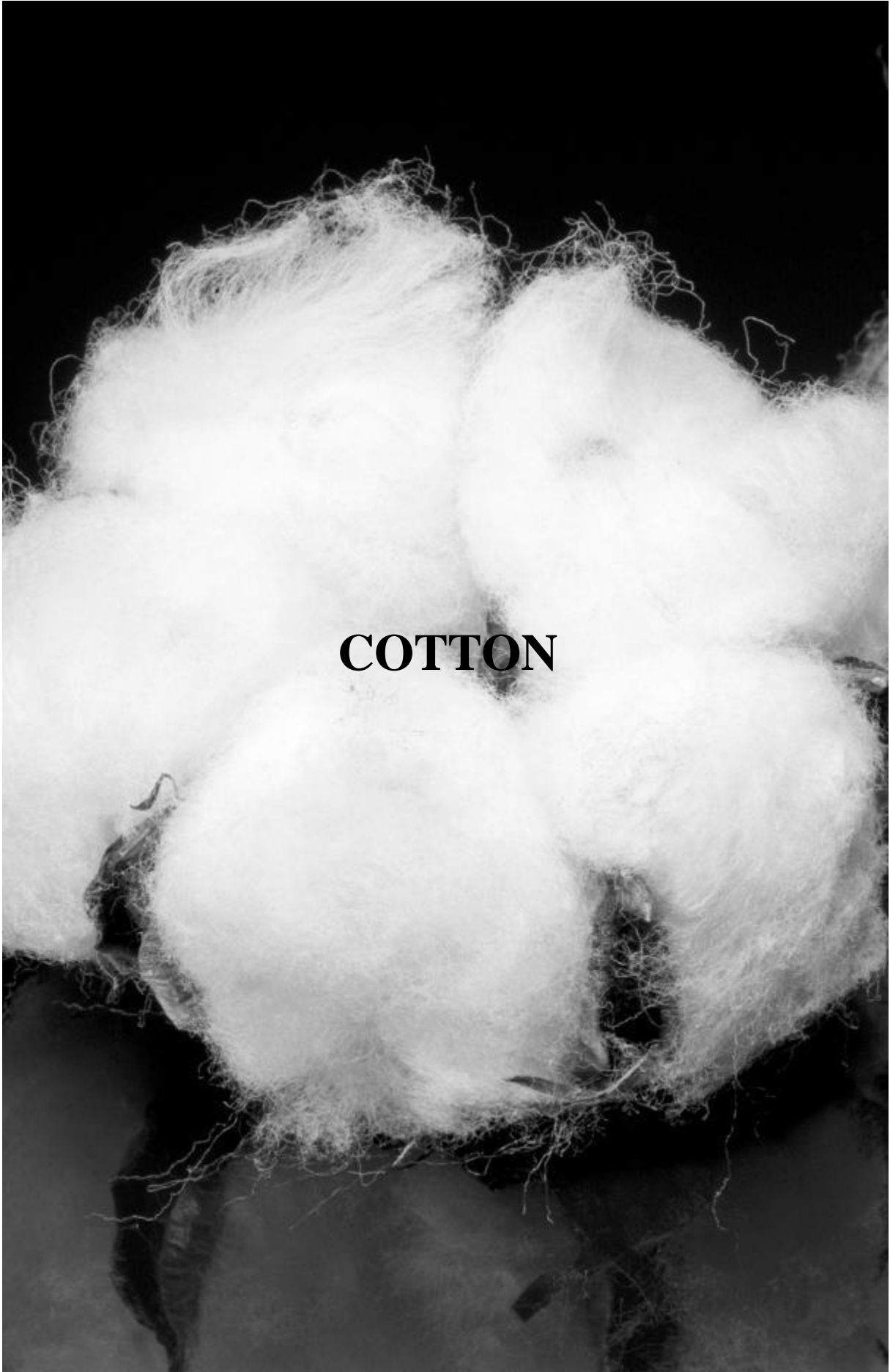


BOX 1: Recommended Certifications for silk

Kering encourages suppliers to source silk carrying the voluntary certifications listed in the table which verify criteria for more sustainable practices regarding animal welfare, biodiversity conservation and farming for virgin material and third-party verification of recycled content.

Name	Standard or Organization	Logo	Geographic Scope
VIRGIN MATERIAL			
Global Organic Textile Standard (GOTS)	Global Organic Textile Standard (GOTS)		Global
RECYCLED CONTENT			
Global Recycled Standard (GRS)	Textile Exchange		Global





Cotton is an important basic raw material for Kering's brands' products. Globally, approximately 24 million tons of cotton are grown each year, in about 100 countries, on over 30 million hectares (around 2% of global arable land). Cotton represents about 22% of the global fiber production. Most of the cotton grown in the world is grown with the use of vast quantities of pesticides and fertilizers. Compounding the obvious environmental and human health impacts of this synthetic chemical use, is the unsustainable water use for much of this cotton cultivation. Additionally, cotton supply chains represent significant ethical challenges with examples of forced labor and child labor in cotton cultivation. A very small proportion of cotton is produced using significantly more responsible practices: for example, only 1.4% of the global production of cotton is estimated to be organic. Examples of more sustainably produced cotton include "regenerative" or organic and/or Fairtrade certified production, where the cultivation is done without synthetic chemicals, water use is reduced, soil health is improved, and/or social/labor conditions are better-managed. Going above and beyond organic growing, Kering also places central importance in supporting the wider adoption of holistic farming practices, known as "regenerative" agriculture, – to protect and improve biodiversity (soil biodiversity, and biodiversity of plant and animal species, both on- and off-farm), to build measurable improvements in soil health (assessed through proxies such as the capacity of soil to retain water, and soil carbon content, which can be enhanced by maintaining year-round vegetative cover on all cultivated land, using crop rotations or minimizing soil disturbance, for example), and to ensure farmers are fairly rewarded for their adoption of such practices. Both social and environmental considerations are driving Kering's strong commitment to using only traceable and better cultivated cotton in its supply chains, and to foster a transition towards transformative farming practices.

This Standard outlines Kering's requirements for sourcing cotton, a key raw material. It covers all cotton's possible applications across Kering's product range, including in garments, accessories and packaging, but also to a lesser extent in leather goods or shoes.

This Standard serves as an operational guide for our suppliers, focusing on a range of material topics, from the environmental and social impacts of cotton cultivation to recycled content and the transparency and traceability of our entire supply chain.

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

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

- Complying with all national and international laws, principles and regulations notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the [Suppliers' Charter of the Kering Code of Ethics](#)
- Ensuring high standards of labor and working conditions for farm workers
- Reducing the environmental and health impacts of synthetic chemicals
- Using water efficiently
- Improving soil biodiversity and reducing damage to natural ecosystems



REQUIREMENTS FOR 2025

© Provide minimum information on supply chain transparency

Kering is committed to achieving the highest levels of transparency within its cotton supply chains. In this context, suppliers are required to provide Kering with key information to enable an assessment of potential sourcing risks -- from the origin of the raw materials to the finished products. This must include:

- Name and location of finished product manufacturer
- Name and location of textile dyeing manufacturer
- Name and location of textile weaving/knitting manufacturer
- Location (country, area) of origin of the cotton (i.e., U.S.A. / California)
- For recycled content, country of recycled fiber producer

© Do not source cotton from high-risk countries

No cotton should be sourced from Uzbekistan, Syria, Turkmenistan, Tajikistan or from any country under international or national sanctions . Kering will aim to update suppliers as necessary on sourcing countries that are considered "high risk". Kering is a signatory to the Pledge Against Forced Child Labor in Uzbekistan Cotton and the Pledge against Forced Labor in the Cotton Sector of Turkmenistan and is firmly opposed of the use of forced labor and/or child labor in the cotton supply chain.

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

Only source from sources with certifications, selected by Kering

All suppliers are required to only source cotton for Kering from sources with certifications listed in [BOX 1](#). These certifications cover both virgin and recycled materials. Note that the type of production system and the mitigation of direct and indirect impacts (e.g. use of cover crops, low to no-till farming, composting, crop rotation, intercropping) is considered in the evaluation of "preferred" sources.

© Ensure that no sourcing activities are linked with deforestation or the conversion of natural ecosystems

As mentioned in the [Introduction section to Standards for Raw Materials](#), Kering has committed to ensuring no deforestation or conversion in its supply chains.

When it comes to cotton, Regenerative Organic Certification, which has a cut-off date of January 1st, 2015 (earlier therefore than our backdrop cut-off date of January 1st, 2020), ensures full compliance with this deforestation- and conversion-free commitment.

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

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



REQUIREMENTS FOR 2025

Use cotton material with recycled content where possible

Kering supports the use of material with recycled content for cotton, alongside organic & regenerative sourcing. All three options (organic, regenerative and recycled) are aligned with Kering Standards. The recycled contents can be either pre-consumer or post-consumer cotton, or a combination of the two. Where possible, Kering recommends the use of post-consumer waste feedstock. Thereby enabling the reduction of the demand for virgin cotton and the associated environmental and social impacts. For recycled cotton, GRS certification is required.

When using recycled content in a product, the recycled content of the material should be at least 20%.

Please be aware and align with any national and local legislation for recycled cotton.

Ensure best environmental practices of the raw material processes

Cotton processing can have a significant impact on the environment mostly due to water use, energy use and chemicals. Ensure that these impacts are monitored and minimized. In particular:

- Engage with the 'Clean by Design' program for water and energy efficiency
- © Ensure that the chemicals used are verified against the Kering Manufacturing Restricted Substances List (MRSL). See [Appendix: Summary of Kering Chemical Management Policy](#) for more info on the MRSL
- © Ensure compliance with the [Kering Product Restricted Substances List \(PRSL\)](#). Compliance with the PRSL must be ensured by the supplier through product testing and each Kering supplier must guarantee PRSL compliance of its products. Moreover, Kering will oversee an internal testing program of the products as an additional auditing measure
- Address microfiber leakage pollution

For additional information about requirements for raw material processing, please refer to the [Kering Standards for Manufacturing Processes](#) section of these standards.



ADDITIONAL BEST PRACTICES

Use best efforts to provide full transparency on the supply chain

Kering is committed to achieving the highest levels of transparency within its cotton supply chains. In this context, suppliers must provide Kering with key information to enable an assessment of potential sourcing risks - from the origin of the raw materials to the finished products. This information must include, in addition to Requirements for 2025:

- Name and location of the cotton farmers
- Name and location of sorting and/or ginning manufacturer
- Name and location of processor and/or spinner
- For recycled content, name and location of recycled fiber producer

Use best efforts to ensure full traceability of products

As mentioned in the [Introduction section to Standards for Raw Materials](#), Kering expects to have full traceability of cotton from raw material to production level, relying on a chain of custody supported by physical and digital systems (platforms, tools, programs, etc.), preferably third-party verified.

Ensure the use of regenerative agriculture practices

As mentioned in the [Introduction section to Standards for Raw Materials](#), Kering is committed to prioritizing raw materials produced within transformative agriculture systems with clearly defined, robustly monitored and evaluated outcomes on nature (so-called “regenerative” practices).

When it comes to cotton, priority is given to natural raw materials coming from:

- Producers supported by the Regenerative Fund for Nature.
- Producers following practices and ensuring outcomes that are verified by a third-party such as the Regenerative Organic Certified™ certification by the Regenerative Organic Alliance (ROA) and the Ecological Outcome Verification (EOV) by Savory Institute’s Land to Market program

Support in-conversion / transition cotton programs

Cotton being produced on farms that are actively converting to better practices (such as organic or “regenerative”) should also be prioritized to support an accelerated adoption of these practices. Currently, less than 1.4% of cotton is organically grown; and the percentage of “regenerative” cotton is much lower. To increase this percentage in the future, it is particularly important to help support programs and farmers that are making this transition. The conversion process takes about three years and can sometimes mean that farmers see a drop in yields in the first couple of years while their crops adjust to organic and “regenerative” farming practices. However, long-term benefits outweigh this possibility. Kering encourages suppliers and brands to source from verified in-conversion/transitional cotton programs to ensure a robust supply of organic and regenerative cotton for the future. For more information on potential sources of in-conversion cotton, please ask the Kering Material Innovation Lab.

Use cotton material with higher recycled content

Kering supports the use of material with recycled content for cotton. Kering requires that suppliers prioritize the highest possible use of post-consumer waste feedstock.







For recycled cotton, GRS certification is required. As additional best practice, the recycled content of the material should be at least 50%.

Please be aware and align with any national and local legislation for recycled cotton.



BOX 1: Recommended Certifications for Cotton

Kering encourages suppliers to source cotton carrying the voluntary certifications listed in the table below, which verify sustainability criteria such as the health of ecosystems, soils and people or third-party verification of recycled content. Alongside certifications Kering Sustainability Department will evaluate alignment of specific programs case by case.

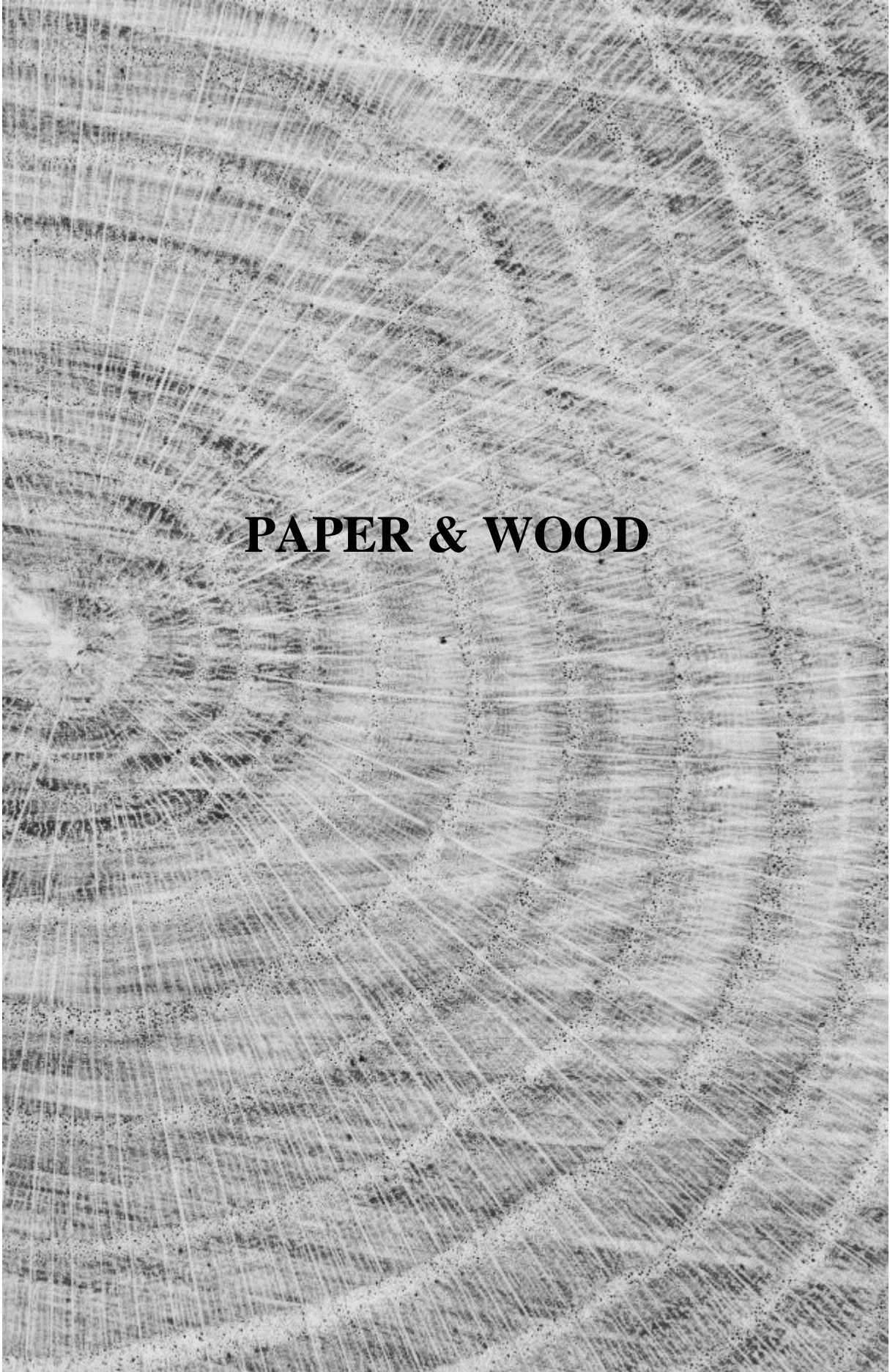
Name	Standard or Organization	Logo	Geographic Scope
VIRGIN MATERIAL from REGENERATIVE AGRICULTURE			
Organic Cotton Accelerator	Regenerative Fund for Nature		India & Pakistan
Regenerative Organic Certified™ (ROC)	Regenerative Organic Alliance		Global
<ul style="list-style-type: none"> Regenagri with: 100% organically grown material (with GOTS or OCS 100), or with proof of no GMO use and evaluation by Kering. 	Regenagri		Global
VIRGIN MATERIAL			
Global Organic Textile Standard (GOTS)	Global Organic Textile Standard (GOTS)		Global
OEKO-TEX® Organic	OEKO-TEX®		Global
Organic Content Standard (OCS) 100, with 100% organically grown material¹	Textile Exchange		Global
COMBINED CERTIFICATIONS			

¹ Where possible, we encourage a combination of GOTS certified and Organic Content Standard (OCS) certified organic cotton (i.e., products can have GOTS certification through to yarn or fabric and OCS certification for all other processes such as dyeing, finishing, etc.) for the final product. This will ensure the integrity of the organic cotton at each level of the supply chain. In case of blended options (e.g. 50% OCS100 cotton + 50% RWS wool) is possible to use OCS BLEND after evaluating case by case with Kering MIL.



<p>Regenagri with:</p> <ul style="list-style-type: none"> • 100% organically grown material (with GOTS or OCS 100), • or with proof of no GMO use and evaluation by Kering. 	<p>Regenagri</p>		<p>Global</p>
<p>Fairtrade with 100% organically grown material (combined with GOTS or OCS 100)</p>	<p>Fairtrade International</p>		<p>Global</p>
<p>RECYCLED CONTENT</p>			
<p>Global Recycled Standard (GRS)</p>	<p>Textile Exchange</p>		<p>Global</p>





PAPER & WOOD



The degradation and destruction of forests and other natural ecosystems leads to the significant loss of important biodiversity and ecosystems that offer a range of “services” that are essential for survival, including regulating the climate. The unsustainable expansion of plantations and the extraction of wood for paper and pulp production is a significant driver of deforestation and of the loss or degradation of other natural ecosystems, particularly in tropical countries.

Kering is committed to ensuring that its sourcing does not contribute to the loss or degradation or destruction of forest ecosystems and that opportunities for more sustainable forest management are maximized. The Kering Standard for sourcing paper and wood-based products is grounded on a commitment to source from forests managed to high environmental, social and economic standards, as well as a commitment to reduce Kering’s need for forest-based natural resources through increasing the amount of recycled content of paper and packaging.

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

This Standard focuses on a range of topics from supply chain transparency to environmental and social considerations, also including the prioritization to use recycled paper and wood.

In summary, the key principles that underpin the Kering Standard for Paper and Wood are:

- Complying with all national and international laws, principles and regulations notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the [Suppliers’ Charter of the Kering Code of Ethics](#)
- Reducing pressure on forest ecosystems by decreasing the amount of paper and packaging we use, where possible, and prioritizing the use of recycled content and next-generation feedstocks (including agricultural residues)
- Preferring virgin wood products from certified managed forests
- Ensuring no forced labor in making forestry products
- Complying with Kering Chemical Management policies to control dangerous substances



REQUIREMENTS FOR 2025

© Provide minimum information on supply chain transparency

Kering is committed to achieving high levels of transparency within its paper and wood supply chains, to achieve and demonstrate full alignment with these Standards. In this context, suppliers of paper and wood must provide Kering with key information to enable an assessment of potential sourcing risks. This must include:

- Proof of certification (FSC or Blue Angel for recycled paper or wood- based products)
- For recycled & virgin paper: Sourcing country for all paper and cardboard purchased: i.e for virgin material refers to the country of origin of the pulp, while for recycled materials refers to the country of recycling.
- For virgin paper only:
 - For each country, list of regions from which paper is sourced.
 - Information on the pulp producers (including name and country) supplying Kering paper suppliers. For this information, it would be desirable to have the volumes for each pulp producer; however, if not feasible, the supplier information and the list of regions are a minimum requirement.

© Do not source any tree species that are threatened with extinction

For any wood sourced, suppliers are required to provide the scientific names of the species used.

If sourcing from the wild, wood and any other materials obtained from species that are listed on the IUCN Red List as “near threatened”, “vulnerable” or “endangered” or “critically endangered”, or on CITES Appendix I cannot be sourced under any circumstances.

If sourcing from plantations, Kering requires extreme caution any species which are listed as “near threatened”, “vulnerable”, “endangered” or “critically endangered” on the IUCN Red List, or on CITES Appendices II or III. Suppliers must ensure that any such materials come from plantations with 100% FSC certification, with full supply chain transparency.

Only source from sources with certifications, selected by Kering

All suppliers are required to only source paper and wood for Kering from sources with certifications listed in [BOX 1](#) – with particular attention to zero illegality, zero deforestation or conversion of natural ecosystems, and to the exclusive use of either products from forests managed to high environmental, social and economic standards or recycled/reclaimed (under an internationally recognized certification scheme).

The certification that Kering requires is from the Forest Stewardship Council (FSC). An essential feature of certification is that it can provide traceability of the raw material.

Having confidence in the traceability of Kering’s raw materials and therefore the ability to verify their level of sustainability is critical for Kering. FSC certification is in line with Kering’s commitment to more sustainable forest management and helps avoid the most destructive forestry practices: illegal logging, natural forest conversion to other land uses, liquidation of high conservation value forests, civil rights violations, and genetic modification of forest species. It also guarantees adequate stakeholder management principles such as the right of Indigenous People and rural communities to give or withhold their Free, Prior and Informed Consent (FPIC) before undertaking forestry management activities.

FSC Recycled is the preferred certification, followed by FSC 100%, which is preferred to FSC Mix. See [BOX 1: Explanation of FSC Labels](#).

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

© Ensure that no sourcing activities are linked with deforestation or the conversion of natural ecosystems

As mentioned in the [Introduction section to Standards for Raw Materials](#), Kering has committed to ensuring no deforestation or conversion in its supply chains. When it comes to paper and wood, the cut-off date associated with this commitment is November 1994. Sourcing FSC certified material ensures full compliance with this deforestation- and conversion-free commitment.



REQUIREMENTS FOR 2025

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

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

Use recycled paper and wood

Kering is committed to reducing its dependency on primary ("virgin") raw materials, and therefore supports the use of recycled or reclaimed paper and wood. The recycled contents can be either pre-consumer or post-consumer, or a combination of the two. Kering requires that suppliers prioritize the highest possible use of post-consumer waste feedstock.

As a requirement for 2025, recycled content should be greater than 50% and up to 100%, especially for products such as office paper, B2B packaging and hangtags and labels.

For recycled paper and wood-based products, Forest Stewardship Council (FSC) recycled and Blue Angel are the preferred certifications.

Please be aware and align with any national and local legislation for recycled paper and wood.

Ensure best environmental practices of the raw material processes

- © Wood-based products must comply with the [Kering Product Restricted Substances List \(PRSL\)](#). Compliance with the PRSL is requested for all wood-based products, whether a raw material, component or finished product. Compliance with the PRSL must be ensured by the supplier through product testing and each Kering supplier must guarantee PRSL compliance of its brands' products. Moreover, Kering oversees an internal testing program of the products as an additional auditing measure. The PRSL is an appendix to your supplier agreement (contract or purchasing terms and conditions) with Kering brands. More information is available in the [Appendix: Summary of Kering Chemical Management Policy](#)
- © Comply with the [Kering Manufacturing Restricted Substances List \(MRSL\)](#), and in particular, make sure paper and paper products are processed without chlorine. Kering is committed to eliminating all hazardous chemicals from its brands' processes and products. To this end, Kering has adopted a [Manufacturing Restricted Substances List \(MRSL\)](#). Suppliers will be required to ensure that all chemicals listed in the Kering MRSL are not intentionally used in the various process steps of production. This is the case whether the processing takes place under the suppliers' control or upstream in the supply chain with sub-suppliers. When chlorine is used to bleach paper, the process can result in the formation of harmful chemicals such as dioxins and furans which are known to cause cancer in humans. It is recommended to source paper that has been produced using a bleaching process that has been verified as totally chlorine-free (TCF) or process chlorine-free (PCF)
- Engage with the 'Clean by Design' program for water and energy efficiency

For additional information about requirements for raw material processing, please refer to the [Kering Standards for Manufacturing Processes](#) section of these standards.



ADDITIONAL BEST PRACTICES

Use best efforts to ensure full traceability of products

As mentioned in the [Introduction section to Standards for Raw Materials](#), Kering expects to have full traceability of paper and wood products from raw material to production level, relying on a chain of custody supported by physical and digital systems (platforms, tools, programs, etc.), preferably third-party verified.

Use paper and wood with higher recycled content,

Kering is committed to reducing its dependency on primary (“virgin”) raw materials, and therefore supports the use of recycled or reclaimed paper and wood. The recycled contents can be either pre-consumer or post-consumer, or a combination of the two. Kering requires suppliers to prioritize the highest possible use of post-consumer waste feedstock.

As an additional best practice, recycled content should be greater than 70% and ideally 100%, for all paper-based products. For recycled paper and wood-based products, Forest Stewardship Council (FSC) recycled and Blue Angel are the preferred certifications.

Please be aware and align with any national and local legislation for recycled paper and wood.

Explore next-generation alternative feedstocks for paper production, but verify their environmental impact

To reduce its dependency on primary raw materials, Kering encourages the use of alternative bio-based feedstocks for paper production, such as agricultural residues and non-wood fibers, including wheat straw, rice straw, hemp and flax. However, it is imperative that these alternatives are produced with a reduced environmental impact, adhering to our strict sustainability standards. No GMO materials must be used as bio-based feedstocks, and certifications such as RSB (Roundtable on Sustainable Biomaterials), ISCC Plus (International Sustainability and Carbon Certification Plus), or FSC (Forestry Stewardship Council) for wood-derived materials are appreciated. Suppliers must ensure that these bio-based feedstocks are sourced with full transparency or traceability throughout the supply chain.

Preferentially source FSC-certified wood from smallholders

Sourcing FSC-certified wood is a proven way to ensure healthy and resilient forests, but there may be opportunities to do more by supporting certified small-scale forestry operations. Where possible, Kering recommends that suppliers seek to source wood products made from FSC-certified “small and low intensity forest management systems” and/ or FSC-certified community-managed forestry production.



BOX 1: Explanation of FSC Labels

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

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





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

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



BOX 2: Recommended certifications for paper & wood

Kering encourages suppliers to source paper and wood carrying the voluntary certifications listed in the table below, which provide third-party verification on sustainable forest management standards or recycled content.

Name	Standard or Organization	Logo	Geographic Scope
VIRGIN MATERIAL			
Forest Stewardship Council’s (FSC) forest management certification: FSC 100%	Forest Stewardship Council		Global
Forest Stewardship Council’s (FSC) forest management certification: FSC Mix	Forest Stewardship Council		Global
RECYCLED CONTENT			
Forest Stewardship Council’s (FSC) forest management certification: FSC Recycled	Forest Stewardship Council		Global
Blue Angel	German Federal Government		Global





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

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

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

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

- Complying with all national and international laws, principles and regulations notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the Suppliers’ Charter of the Kering Code of Ethics
- Not using PVC
- Avoiding the most damaging substances in product use and manufacture through a Product Restricted Substances List (PRSL) and Manufacturing Restricted Substances List (MRSL)
- Encouraging the use of recycled content plastics, or bio-based plastics as a second choice, rather than virgin
- Addressing the end-of-life of plastics



REQUIREMENTS FOR 2025

© Do not use PVC (Polyvinyl Chloride) in Kering's brands products and packaging

PVC poses several environmental and health threats. The chlorine contained in the polymer itself may cause the formation of harmful chlorine containing by-products (e.g. dioxins) during the manufacturing of PVC and the burning of products containing PVC. Chlorine by-products are carcinogenic and extremely dangerous to human health, the environment, and wildlife more broadly.

Because of these risks, Kering set a public target in 2012 of eliminating PVC from collections and products.

Moreover, plasticizers must be added to PVC polymer to achieve softness and flexibility, properties needed in textile products, these usually belonging to the category of phthalates. The amount of phthalates used is generally between 30% and 50% by weight of the polymer. Phthalates are chemicals with disrupting hormone characteristics. The toxicity of phthalates to reproductive systems, as well as other dangerous endocrine effects, has been known for many years. It is also well known that phthalates are substances which tend to migrate from PVC materials to those who come into contact with the user of the PVC product. For these reasons phthalates have been included in the Kering MRSLS since its first release and are expected not to be used in any stage of the production processes for Kering Brands products and in any connected activities relating to Kering brands.

© Ban oxo-degradable plastics

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

Discourage the use of biodegradable and compostable plastic

The environmental benefits of biodegradable and compostable plastics have not been proven and might be considered a false promise. Thus, Kering does not promote the use of biodegradable and compostable plastic, but the use of recyclable plastics.

Ensure best environmental practices of the raw material processes

Fiber processing can have a significant impact on the environment mostly due to water use, energy use and

chemicals. Ensure that these impacts are monitored and minimized. In particular:

- Engage with the 'Clean by Design' program for water and energy efficiency
- © Ensure that the chemicals used are verified against the Kering Manufacturing Restricted Substances List (MRSLS). See [Appendix: Summary of Kering Chemical Management Policy](#) for more info on the MRSLS. This requirement does not apply to packaging supplier
- © Ensure compliance with the [Kering Product Restricted Substances List \(PRSL\)](#). Compliance with the PRSL must be ensured by the supplier through product testing and each Kering supplier must guarantee PRSL compliance of its products. Moreover, Kering will oversee an internal testing program of the products as an additional auditing measure
- Address microfiber leakage pollution

For additional information about requirements for raw material processing, please refer to the [Kering Standards for Manufacturing Processes](#) section of these standards.

© Apply the precautionary principle for nanotechnologies

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

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

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



REQUIREMENTS FOR 2025

Prioritize the use of recycled plastics first and bio-based plastics second

Suppliers should choose recycled plastics and bio-based plastics over conventional fossil-based plastics. These features are listed below with a decreasing level of importance for Kering.

- Choose plastics made with recycled content and certified (see BOX 2), ideally post-consumer recycled material feedstock and then pre-consumer feedstock, aiming to achieve material with 100% recycled content
- If recycled content is not available, source plastics with bio-content, i.e., without any fossil/petrol content, and certified (see BOX 2)

Bio-based plastics may comprise a mix of fossil fuel content and bio-based content. When sourcing this type of plastic, suppliers should maximize the percentage of non-fossil fuel content and inquire about the feedstock that goes into producing the biological component of the plastic (crops, organic wastes, proteins, etc.).

When sourcing bio-based plastics, prefer second-generation plastics (using feedstock that is not a food source but the non-edible parts of plants, resources from forestry, proteins from discarded sources, etc.) or third-generation plastics (using feedstocks from non-land-based crops such as biomass derived from algae, fungi and bacteria). See [Kering Guidance for Innovation](#) for more information on alternative feedstock.

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

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

Suppliers should use an official test method to assess the percentage of bio-content (i.e., method ASTM D6866) and should be able to provide test results that assess the percentage of bio-content.



ADDITIONAL BEST PRACTICES

Use best efforts to provide transparency on supply chain

Kering is committed to achieving high levels of transparency within its plastic supply chain, to achieve and demonstrate full alignment with these Standards. In this context, suppliers of plastic must provide Kering with key information to enable an assessment of potential sourcing risks. This should include, in addition to Requirements for 2025:

- Name and location of finished product manufacturer
- Country of origin of plastic flakes or chips production

Minimize amount of critical ingredients

Choose plastics with minimal amount of plasticizers and chlorine.

Minimize plastic leakage

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

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

Prioritize the use of recycled plastics from closed-loop recycling processes

Kering is concerned about 'recycled polyester' used in synthetics and plastic materials when the feedstock is from post-consumer clean packaging circular systems, specifically PET bottles. In these situations, PET bottles should be kept in closed loop recycling systems for materials that are in contact with food and drinks.

Suppliers should choose recycled plastic from emerging fiber-to-fiber recycling processes (or other closed loop recycling processes).

Address the end-of-life of plastics

Consider the end of life of the product and the material when choosing plastics.

The choice of material and its combination with others during product design impacts the product's durability and recyclability; refer to the 'Guidance on Circularity' chapter for making the right design choices.

Discourage the use of Polystyrene (PS)

Polystyrene takes the form of a solid or a foam (EPS). Its manufacturing contains hazardous risks.

Polystyrene is not recyclable and has risk of plastic leakage in nature. Therefore, Kering encourages alternatives to polystyrene.



BOX 1: Plastics and bio-plastics, definitions

Plastic

Plastic is a chemically modified polymer. According to this definition: biodegradable plastics and bio-based plastics are considered plastics just like the other plastic resins (PLA,...), coatings varnishes and laminates. However, NOT considered plastic are:

- Paints, inks and adhesives
- Natural polymers that have not been chemically modified (e.g. lyocell, viscose)

Types of plastics: PET, PP, HDPE, LDPE, PS, PVC, PVOH, PHA, PLA, recycled or biobased PET, PP and PE etc. (non-exhaustive list)

Bioplastics refer to two types of plastics:

(although some suppliers may use this designation, Kering advises against its use as it may be confusing)

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

Some plastics can be both bio-based and biodegradable.

A **biodegradable** plastic is a plastic that can be broken down by microorganisms (bacteria or fungi) into water, gases (carbon dioxide and methane) and biomass. Biodegradability depends strongly on the environmental conditions in which they are placed such as temperature, presence of microorganisms, presence of oxygen and water. Please note that the French regulation bans the use of the claim “biodegradable plastic”.

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

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









All biobased plastics are not biodegradable. Some petrol-based plastics are biodegradable.

All compostable plastics are biodegradable, but not all biodegradable plastics are compostable.

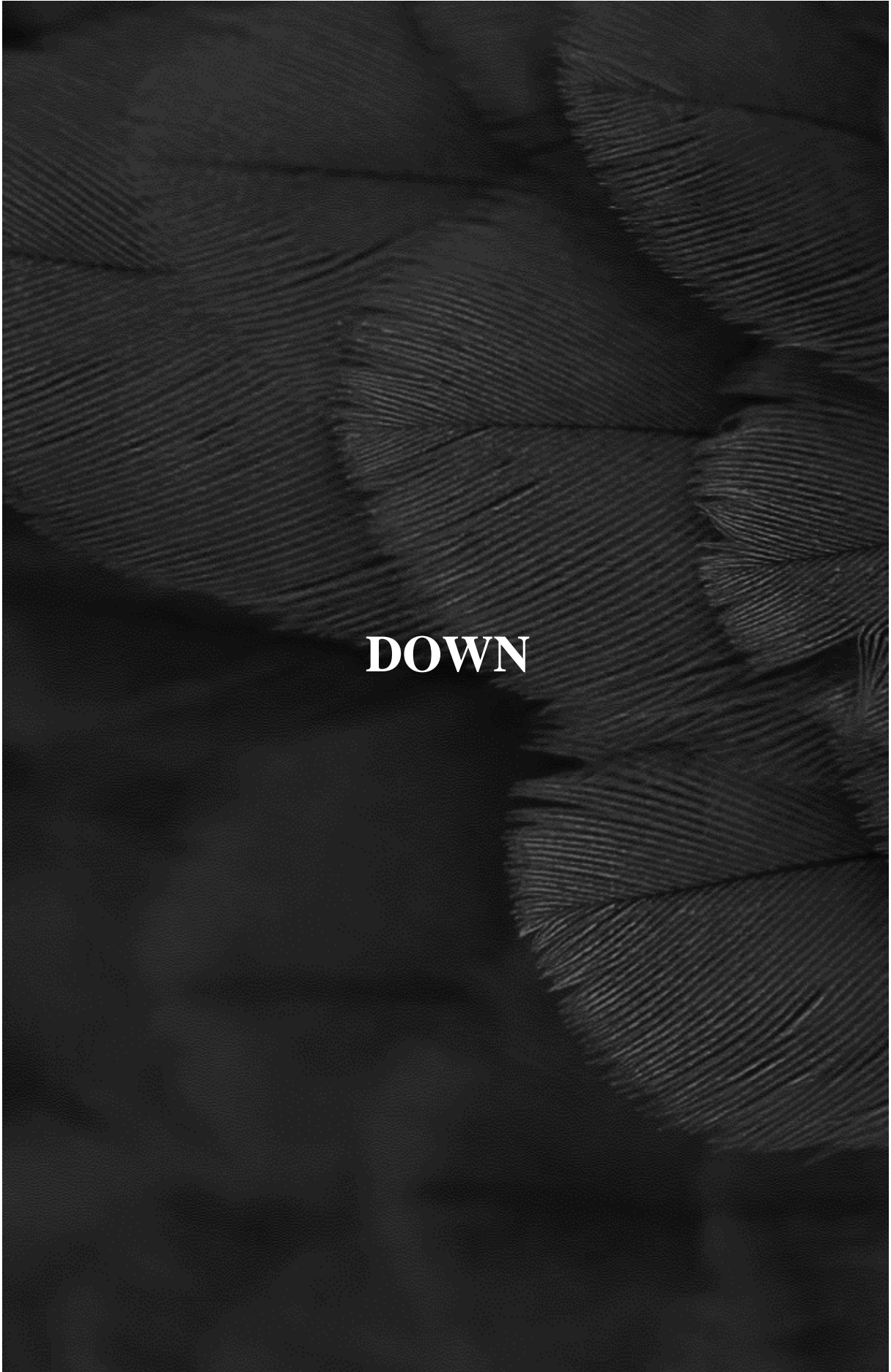


BOX 2: Recommended certifications for plastics

Kering encourages suppliers to source plastic carrying the voluntary certifications listed in this table which verify criteria such as biobased contents, biomass management and recycled content.

Name	Standard or Organization	Logo	Geographic Scope
BIO-BASED MATERIAL			
OK Biobased	TUV Austria		World
DIN CERTCO Biobased	DIN CERTCO		World
BIOMASS MANAGEMENT			
Forest Stewardship Council's (FSC) forest management certification: FSC 100%	Forest Stewardship Council		World
ISCC Plus	ISCC Systems		World
Roundtable on Sustainable Biomaterials	RSB		World
RECYCLED CONTENT			
Products made from Recycled Plastics (DE-UZ 30a)	Blue Angel		Europe
Flustix Recycled	Flustix Recycled		Europe
PSV – Plastica Seconda Vita	IPPR		Italia
Global Recycled Standard (GRS)	Textile Exchange		Global





DOWN



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

This Kering Standard for Down covers down from geese and ducks used in any product. Kering only accepts down that is from certified and verified sources. This Standard also includes requirements for supply chain transparency and traceability, and a preference to use recycled content.

See the [Appendix: Animal Welfare](#) for more information.

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

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



REQUIREMENTS FOR 2025

© Provide full transparency of supply chain

Kering is committed to achieving the highest levels of transparency within its down supply chains. In this context, suppliers will provide Kering with a set of information from raw materials to production. This information includes:

- Name and location of finished product manufacturer
- Name and location of down processors
- Location (country, region) and name of the slaughterhouse
- Country of origin

Use best efforts to ensure full traceability of products

As mentioned in the [Introduction to Standards for Raw Materials](#), Kering expects to have full traceability of down from raw material to production level, relying on a chain of custody supported by physical and digital systems (platforms, tools, programs, etc.), preferably third-party verified.

Only source from sources with certifications, selected by Kering

All suppliers are required to only source down for Kering brands from sources with certifications listed in [BOX 1](#). Note that the type of farm production system and the mitigation of direct impacts (e.g. planned grazing, no conversion of natural habitats and animal welfare practices) and indirect negative impacts (e.g. locally sourced, more sustainable feedstock, wildlife friendlier practices) is considered in the evaluation of “preferred” sources.

© Ensure that no sourcing activities are linked with deforestation or conversion of natural ecosystems

As mentioned in the [Introduction section to Standards for Raw Materials](#), Kering has committed to ensuring no deforestation or conversion in its supply chains.

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

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

© Ensure that animal welfare practices are aligned with Kering Standards

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



REQUIREMENTS FOR 2025

Use recycled down content

Kering supports the use of material with recycled content for down. The recycled down contents can be either pre-consumer or post-consumer or a combination of the two. Where possible, Kering recommends the use of post-consumer waste feedstock. This would lead to a reduction in the demand for virgin down and the associated environmental and social impacts. For recycled down, GRS certification and Neøkdun is required. The recycled content of the material should be at least 50%.

Please be aware and align with any national and local legislation for recycled down.

Ensure best environmental practices of the raw material processes

Down processing can have a significant impact on the environment mostly due to water and energy use and chemicals. Ensure these impacts are monitored and minimized. In particular:





- Engage with the ‘Clean by Design’ program for water and energy efficiency
- © Ensure that the chemicals used are verified against the Kering Manufacturing Restricted Substances List (MRSL). See [Appendix: Summary of Kering Chemical Management Policy](#) for more info on the MRSL
- © Ensure compliance with the [Kering Product Restricted Substances List \(PRSL\)](#). Compliance with the PRSL must be ensured by the supplier through product testing and each Kering supplier must guarantee PRSL compliance of its products. Moreover, Kering will oversee an internal testing program of the products as an additional auditing measure
- Address microfiber leakage pollution

For additional information about requirements for raw material processing, please refer to the [Kering Standards for Manufacturing Processes](#) section of these standards.



BOX 1: Recommended Certifications for down

Kering encourages suppliers to source down carrying the voluntary certifications listed in this table which verify criteria for more sustainable practices regarding animal welfare, biodiversity conservation and farming for virgin material and third-party verification of recycled content.

Name	Standard or Organization	Logo	Geographic Scope
VIRGIN MATERIAL			
Responsible Down Standard (RDS)	Textile Exchange		Global
Global Traceable Down Standard (Global TDS)	NSF International		Global
RECYCLED CONTENT			
Global Recycled Standard (GRS)	Textile Exchange		Global
Neøkdun	NVP Traceability Standard		Global



CELLULOSIC FIBERS



The Kering Standard for Cellulosic Fibers covers man-made cellulosic fibers (MMCF) from forestry sources, including viscose, rayon, lyocell, modal, acetate, and other trademarked brands of these fibers. Forestry is where the risks are the highest in terms of environmental and social aspects. One of the main issues with these fibers is the wood pulp that may be sourced from endangered forests such as the Canadian and Russian Boreal Forests, Coastal Temperate Rainforests of British Columbia, Alaska and Chile, and the tropical forests and peat lands of Indonesia, the Amazon and West Africa. Kering is supporting approaches and systems that do not use ancient and endangered forests in MMCF. Another key issue of cellulosic fibers occurs from the production process during which the cellulose of the wood pulp is turned into a liquid from which the fiber is then extruded. Numerous chemicals are used to dissolve the pulp and obtain a finished filament; the chemical substances and gases produced during this process can potentially harm the environment and the workers.

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

Kering is aware that both the wood feedstock for cellulosic fibers and chemicals used to turn that feedstock into fiber must be considered in order to improve the total sustainability of cellulosic fibers including viscose. By design, Kering has split these issues across two Standards: 1) the [Kering Standard for Cellulosic Fibers](#), which focuses on sourcing wood pulp from forests managed to high environmental, social and economic standards, as well as investigating new feedstocks that may be more sustainable, and 2) the [Kering Standard for Textile Processing](#).

This Standard operationalizes Kering’s commitment to improving the environmental and social impact of the cellulosic supply chain. It includes requirements applying to:

- The sustainability performance of direct and indirect suppliers (e.g., requiring that pulp suppliers be highly rated by CanopyStyle, an initiative seeking to eliminate the use of ancient and endangered forests in the production of viscose and rayon textiles, and to promote the full integration of ethical and environmental criteria and transparency in the cellulosic supply chain)
- The feedstock used to produce the cellulosic fibers (e.g., requiring sustainability certifications; and encouraging the use of recycled materials and/or agricultural residues for “next-generation” cellulosic fibers).

Please note that, non-wood cellulosic fibers (e.g., cupro) could have differences in supply chain and impacts depending on the feedstock used (cotton linters, agri-waste, cellulosic-based fibers, etc.).

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

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

- Complying with all national and international laws, principles and regulations notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the [Suppliers’ Charter of the Kering Code of Ethics](#)
- Eliminating controversial supply chains that may negatively impact forest resources or endangered species habitats
- Ensuring that the processes used during fiber production significantly reduces negative impacts on the environment or on the health of factory workers
- Relying on third-party methodologies to select the best managed forest resources
- Exploring alternative raw materials (i.e., recycled, agricultural residues)



REQUIREMENTS FOR 2025

© Provide minimum information on supply chain transparency

Kering is committed to achieving the highest levels of transparency within its cellulosic fiber supply chains. In this context, suppliers are required to provide Kering with information to enable an assessment of potential sourcing risks -- from the origin of the raw materials to the finished products. This information must include:

- Name and location of finished product manufacturer
- Name and location of textile dyeing manufacturer
- Name and location of textile weaving/knitting manufacturer
- Name and location of fiber producer
- Country of pulp producer(s)
- Company name and country of recycled fiber producer

Only source from sources with certifications, selected by Kering

With regards to tree fibers, suppliers are required to only source cellulosic fibers for Kering from sources with certifications listed in [BOX 1](#). For virgin fibers, this includes Forest Stewardship Council certified fibers and fibers made from verified feedstock meeting the CanopyStyle audit expectations (sourced from producers that are verified to be aligned with these expectations).

Forest Stewardship Council's (FSC) forest management certification is in line with Kering's commitment to more sustainable forest management and avoiding destructive forestry practices such as illegal logging, natural forest conversion to other land uses, destruction of high conservation value forests, civil rights violations, and genetic modification of forest species standards. Suppliers should request fibers sourced from forests that are

certified to FSC forestry standards when sourcing virgin tree cellulosic fibers. Please note that this forestry practices standard is different from the FSC chain-of-custody certification, which applies to businesses that manufacture or sell forest products and confirms that FSC-certified material is handled and tracked correctly throughout the entire supply chain.

It is best to opt for FSC 100% certification, to guarantee that the entirety of the product is aligned with the FSC standards. If FSC 100% is not available, FSC Mix is acceptable.

As suppliers move towards FSC-certified sourcing, please refer to the Kering Material Innovation Lab for updated information.

© Ensure that no sourcing activities are linked with deforestation or the conversion of natural ecosystems

As mentioned in the [Introduction to Standards for Raw Materials](#), Kering has committed to ensuring no deforestation or conversion in its supply chains.

When it comes to cellulosic fibers, the cut-off date associated with this commitment is November 1994. Sourcing from pulp suppliers having achieved "dark green shirt" rating in Canopy's latest Hot Button report, as well as ensuring FSC certification of the feedstock, can ensure full compliance with this deforestation- and conversion-free commitment.



REQUIREMENTS FOR 2025

© Source from producers that are committed to protecting ancient and endangered forests

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

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

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

Source from producers that evaluate their supply chain according to the CanopyStyle methodology

Kering requests its suppliers to evaluate their own supply chain against the CanopyStyle methodology and aim for continuous improvement. This means sourcing only from the highest-ranked producers and supporting current producers to improve their practices further. Producers must score 25 points/"buttons" or more (a "dark green" t-shirt score) in Canopy's yearly Hot Button Report to be eligible.

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

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

Use cellulosic fibers made from recycled materials or agricultural residues

Kering encourages the use of cellulosic fibers made from recycled materials, agricultural residues, or other non-wood sources, in order to reduce dependence on natural resources and associated environmental and social impacts. The recycled contents can be either pre-consumer or post-consumer fibers or a combination of the two. Where possible, Kering recommends the use of post-consumer waste feedstock. Today, several initiatives offer cellulosic materials with recycled contents, for example through textile-to-textile chemical recycling processes, using a variety of more sustainable feedstocks, including production scraps. For recycled cellulosic fabrics, Recycled Claim Standard (RCS) certification is required. As cellulosic sources from agricultural waste become available, we will investigate new certifications to address any potential sustainability risks and verify positive impacts.

We encourage our suppliers to participate in trials, R&D and investments to accelerate the commercially competitive availability of these next generation cellulosic alternatives.

The recycled content of the material should be at least 20% - and more wherever possible. This will increase to a minimum of 50% before 2025.

Please be aware and align with any national and local legislation about recycled fibers.



REQUIREMENTS FOR 2025

Ensure best environmental practices of raw material processes

Fiber processing can have a significant impact on the environment mostly due to water use, energy use and chemicals. Ensure that these impacts are monitored and minimized. In particular:

- Require suppliers to use best efforts to establish a closed-loop chemical management system, so the chemicals that are used and produced during the transformation of wood pulp to cellulosic filament do not escape into the environment and also potentially harm workers. A closed-loop chemical management system means preventing and reducing chemical air emissions, decreasing water use, minimizing chemical impacts and phasing out and eliminating hazardous waste
- Engage with the ‘Clean by Design’ program for water and energy efficiency
- © Ensure that the chemicals used are verified against the Kering Manufacturing Restricted Substances List (MRSL). See [Appendix: Summary of Kering Chemical Management Policy](#) for more info on the MRSL
- © Ensure compliance with the Kering [Product Restricted Substances List \(PRSL\)](#). Compliance with the PRSL must be ensured by the supplier through product testing and each Kering supplier must guarantee PRSL compliance of its products. Moreover, Kering will oversee an internal testing program of the products as an additional auditing measure
- Address microfiber leakage pollution

For additional information about requirements for raw material processing, please refer to the [Kering Standards for Manufacturing Processes](#) section of these standards.



ADDITIONAL BEST PRACTICES

Use best efforts to provide full transparency on the supply chain

Kering is committed to achieving the highest levels of transparency within its cellulosic fiber supply chains. In this context, suppliers will provide Kering with information from raw materials to product produced. This information includes, in addition to Requirements for 2025:

- Name and location of processor and/or twister and/or spinner
- Name and location of pulp producer(s)
- For virgin fibers, location of plantation(s)
- For cellulosic from cotton linters, Location (country, area) of origin of the cotton (i.e., U.S.A. / California)
- For recycled content, name and location of recycled fiber producer

Use best efforts to ensure full traceability of products

As mentioned in the Introduction to Standards for Raw Materials, Kering expects to have full traceability of cellulosic fibers from raw material to production level, relying on a chain of custody supported by physical and digital systems (platforms, tools, programs, etc.), preferably third-party verified.

Use cellulosic fibers made from recycled materials or agricultural residues

Kering supports the use of cellulosic fibers made from recycled materials and agricultural residues to reduce dependence on natural resources and associated environmental and social impacts. The recycled contents can be either pre-consumer or post-consumer fibers or a combination of the two. Kering requires that suppliers prioritize the highest possible use of post-consumer waste feedstock. Today, several initiatives offer cellulosic materials with recycled contents, for example through textile-to-textile chemical recycling processes or using a variety of more sustainable feedstocks, including production scraps. For recycled cellulosic fabrics, Recycled Claim Standard (RCS) certification is required.

As an additional requirement, the recycled content of the material should be at least 50%.






Please be aware and align with any national and local legislation for recycled fibers.



BOX 1: Recommended Certifications for cellulosic fibers

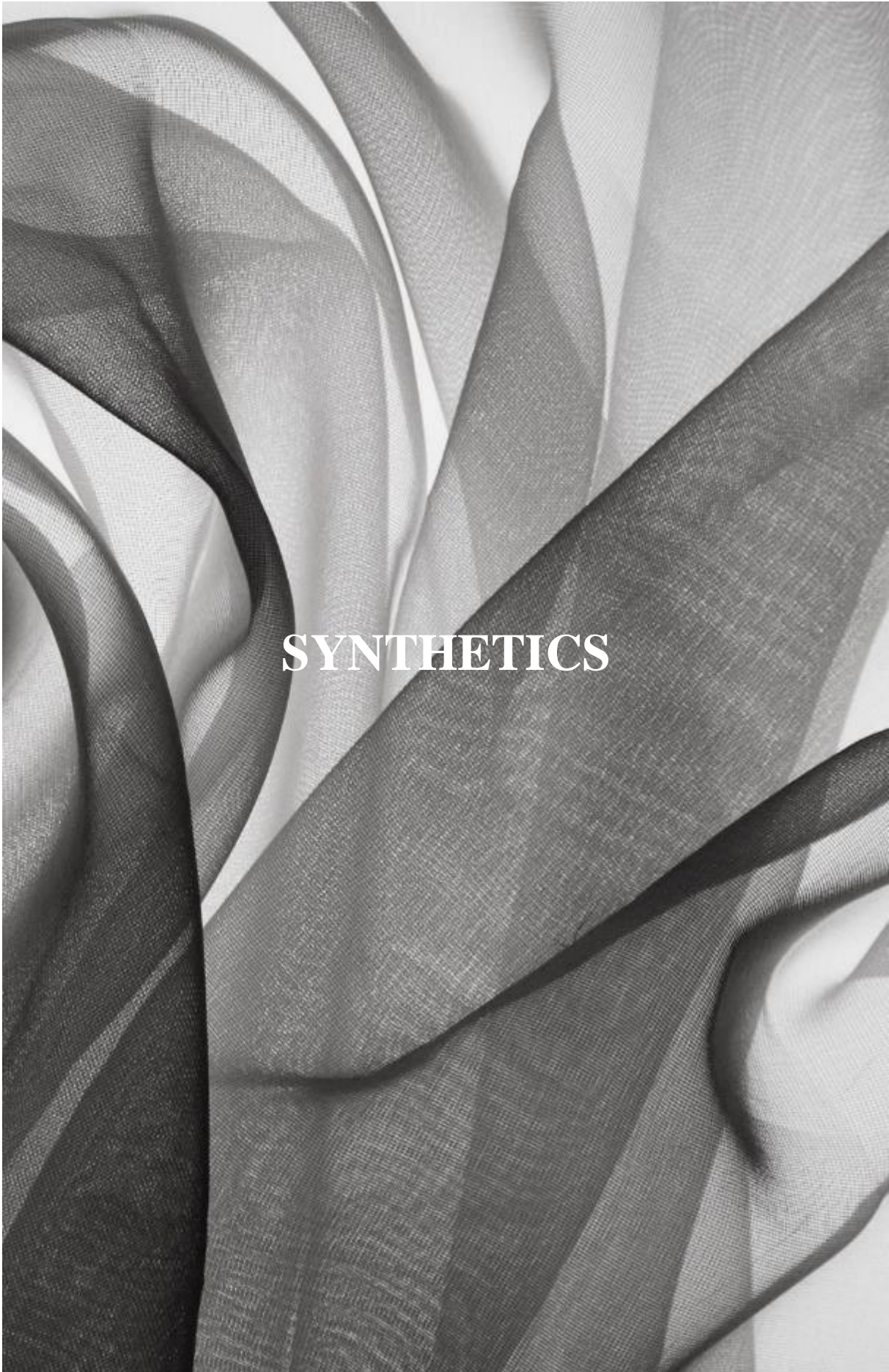
Kering encourages suppliers to source cellulosic fibers carrying the voluntary certifications or risk verification tools listed in the table below, which verify criteria for more sustainable practices related to the protection of ancient and endangered forests and forest management for virgin material and third-party verification of recycled content.

Please note that the CanopyStyle Audit assesses cellulosic fiber producers' practices rather than the fiber itself. A CanopyStyle Audit is not a certification, but a risk verification tool which feeds into Canopy's Hot Button Report.

Name	Standard or Organization	Logo	Geographic Scope
VIRGIN MATERIAL			
Forest Stewardship Council's (FSC) forest management certification: FSC 100% or FSC Mix	Forest Stewardship Council		Global
Canopy <i>Hot Button Report</i>: sourcing from suppliers scoring 25 points or more² ("green shirt" or "dark green shirt")	Canopy		Global
RECYCLED CONTENT			
Forest Stewardship Council's (FSC) forest management certification: FSC Recycled	Forest Stewardship Council		Global
Recycled Claim Standard (RCS)	Textile Exchange		Global
Global Recycled Standard (GRS)	Textile Exchange		Global

² To be aligned with the Kering Standards, any man-made cellulose sourced must be either certified recycled (FSC Recycled, RCS) or at the same time (1) sourced from a supplier scoring 25 points or more at Canopy's annual Hot Button report ("green shirt" or "dark green shirt" rating), AND (2) certified FSC.





Unlike natural fibers, such as cotton, wool and silk, which are cultivated from plants or animals, synthetic fibers are manmade. They are created through polymerization, which is the process of chemically combining monomers, or building block molecules, that can bind together creating polymer chains. Conventional synthetics such as nylon, acrylic, polyester, and elastane are produced using by-products of petroleum and/or natural gas. The manufacturing process of synthetic yarns includes chemical polymerization, drying into chips, and the liquification of the chips prior to a melt spinning process. Synthetic yarns developed from petrochemicals were commercially introduced in the early to mid-20th century and created new alternatives to natural fiber-based fabrics with different performance attributes. Synthetic fibers currently account for approximately 64% of the total worldwide fiber use and polyester accounts for over 54% of all synthetic fibers. Synthetic fibers provide valuable performance attributes such as strength, abrasion resistance, stretch and recovery, as well as other important characteristics like flame resistance. There are several sustainability issues associated with conventional synthetic fibers, including the use of fossil fuels as their raw material feedstock (a non-renewable resource), the amount of carbon emissions released during production, as well as chemical, energy and water use. Furthermore, synthetic fibers do not biodegrade and shed microfibers.

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

The Kering Standard for Synthetics comprises synthetic fibers from petroleum (fossil fuels), recycled materials and biobased feedstock. The fibers covered in the Kering Standard for Synthetics include polyester, polyamide (nylon), acrylic, modacrylic, elastane (spandex), polyurethane, metallic yarns (i.e., Lurex) and other trademarked brands associated with these fabrics. Kering is aware that synthetic feedstocks and chemicals used to turn those feedstocks into fabrics must be addressed to assess and minimize the environmental impacts of its synthetic fabrics. By design, Kering has split these issues across two Kering Standards: 1) the Kering Standard for Synthetics, which focuses on sourcing feedstock from recycled or bio-based materials and extrusion of the fiber and 2) the [Kering Standard for Textile Processing](#).

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

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

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



REQUIREMENTS FOR 2025

© Provide minimum information on supply chain transparency

Kering is committed to achieving the highest levels of transparency within its synthetic supply chains. In this context, suppliers will provide Kering with a set of information from raw materials to finished products. This information includes:

- Name and location of finished product manufacturer
- Name and location of textile dyeing manufacturer
- Name and location of textile weaving/knitting manufacturer
- Country of origin of synthetic polymer producer (chips)
- Country of origin of recycled fiber producer
- Country of origin of bio feedstock

Prioritize the use of materials with recycled content

Suppliers should propose recycled over conventional fossil-based synthetics materials with the highest possible recycled content (aim for 100%). It's recommended to:

- Prioritize synthetics with recycled content over synthetics with biobased content
- Use, when possible, materials with recycled contents from post-consumer waste feedstock
- Choose synthetics that are recyclable

Kering has concerns over recycled polyester used in synthetics and plastic materials when the feedstock is from post-consumer clean packaging virtuous circles, specifically PET bottles. In these circular models, PET bottles are fit to be kept in closed loop recycling systems for use in materials used for food/drink containers.

Suppliers should choose recycled materials from emerging fiber-to-fiber recycling processes.

As second option - prioritize the use of materials with biobased content

Suppliers should propose synthetics materials with the highest possible bio-based content (at least 30%) rather than conventional fossil-based ones.

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

Choose second-generation or third-generation synthetics using feedstock that is not a food source but from non-edible parts of the plant, resources from forestry, proteins from discarded sources, biomass derived from algae, fungi and bacteria, etc. Ask the supplier of synthetics for information about the bio-content of their products.

Make all efforts to ensure that the feedstock is not from genetically modified organisms (GMO). Kering does not support GMO.

Suppliers should use an official test method to assess the percentage of bio-based content, such as ASTM D6866 method (American Society of Testing and Materials) or EN 16785- 1:2015 and should be able to provide test results of the percentage of bio-based content.

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

Only source from sources with certifications, selected by Kering

As for recycled and biobased materials, all suppliers are required to only source synthetics from sources with certifications listed in [BOX 1](#). Considering that these certifications verify only the recycled and bio-based carbon content of materials, suppliers should provide Kering brands whenever possible, with any additional information and/or certifications about the biomass feedstock management. In particular, Kering does not accept synthetic materials produced from coal or oil sourced from conflict-affected regions.



REQUIREMENTS FOR 2025

© Ensure that no sourcing activities are linked with deforestation or the conversion of natural ecosystems

As mentioned in the [Introduction to Standards for Raw Materials](#), Kering has committed to ensuring no deforestation or conversion in its supply chains.

When it comes to biobased synthetic fibers, this applies to any natural feedstocks used. Compliance for these feedstocks can be ensured through certifications such as:

- Roundtable for Sustainable Biomaterials
- International Sustainability & Carbon Certification (ISCC Plus)
- Forest Stewardship Council (FSC) for forest-derived feedstocks

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

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

Do not use modacrylic in Kering products

Modacrylic polymers are copolymers obtained by the reaction of acrylonitrile, accounting for at least 50% and less than 85% by mass, and halogen comonomers that can be polyvinyl chloride or polyvinylidene chloride (ISO 2076). Due to the use of these comonomers, modacrylic poses potential environmental and health threats mainly at its end of life. Beyond the carcinogen risk for workers, if the comonomers are not carefully handled during the production process, modacrylic poses threats for its

pyrolysis behavior during the disposal through incineration emitting dioxins. Thermal processes (such as pyrolysis) or chemical recycling of these materials do not permit the extraction (valorization) of basic chemical components like other polymers. Consequently, modacrylic cannot be mechanically recycled. Kering aims to phase out modacrylic from its collections and products by 2025.

Ensure best environmental practices of the raw material processes

Fiber processing can have a significant impact on the environment mostly due to water use, energy use and chemicals. Ensure that these impacts are monitored and minimized. In particular:

- Engage with the 'Clean by Design' program for water and energy efficiency
- Require suppliers to use their best efforts to establish a closed-loop chemical management system, so that chemicals that are used and produced during the production of synthetics fibers do not escape into the environment and potentially harm workers. A closed-loop chemical management system means using few chemicals, preventing and reducing chemical air emissions, decreasing water consumption, minimizing chemical impacts and phasing out and eliminating hazardous waste
- Address microfiber shedding pollution
- © Ensure that the chemicals used are verified against the Kering Manufacturing Restricted Substances List (MRSL). See [Appendix: Summary of Kering Chemical Management Policy](#) for more info on the MRSL. In particular for synthetics, chemical categories of concern include aromatic and aliphatic VOCs, azo dyes, ortho-phthalates, PAH, heavy metals, flame retardants, alkylphenols and organotins
- © Ensure compliance with the Kering [Product Restricted Substances List](#) (PRSL). Compliance with the PRSL must be ensured by the supplier through product testing and each Kering supplier must guarantee PRSL compliance of its products. Moreover, Kering will oversee an internal testing program of the products as an additional auditing measure



ADDITIONAL BEST PRACTICES

Use best efforts to provide full transparency on supply chain

Kering is committed to achieving the highest levels of transparency within its material supply chains. In this context, suppliers will provide Kering with a set of information from raw materials to finished products. This information includes in addition to Requirements for 2025:

- Name and location of processor and/or twister and/or spinner
- Name and location of polymer producer (chips)
- For recycled content, name and location of recycled fiber producer

Use best efforts to ensure full traceability of products

As mentioned in the Introduction section to Standards for Raw Materials, Kering expects to have full traceability of synthetic fibers from raw material to production level, relying on a chain of custody supported by physical and digital systems (platforms, tools, programs, etc.), preferably third-party verified.






Use best effort to ensure the use of synthetic materials with higher recycled and biobased content

Regarding synthetics with recycled content, Kering requires suppliers to prioritize materials using the highest possible post-consumer recycled content coming from emerging fiber-to-fiber recycling processes and feedstock not related to clean food or drink packaging (e.g. PET bottles). As a second option suppliers shall choose materials using the highest possible biobased content.

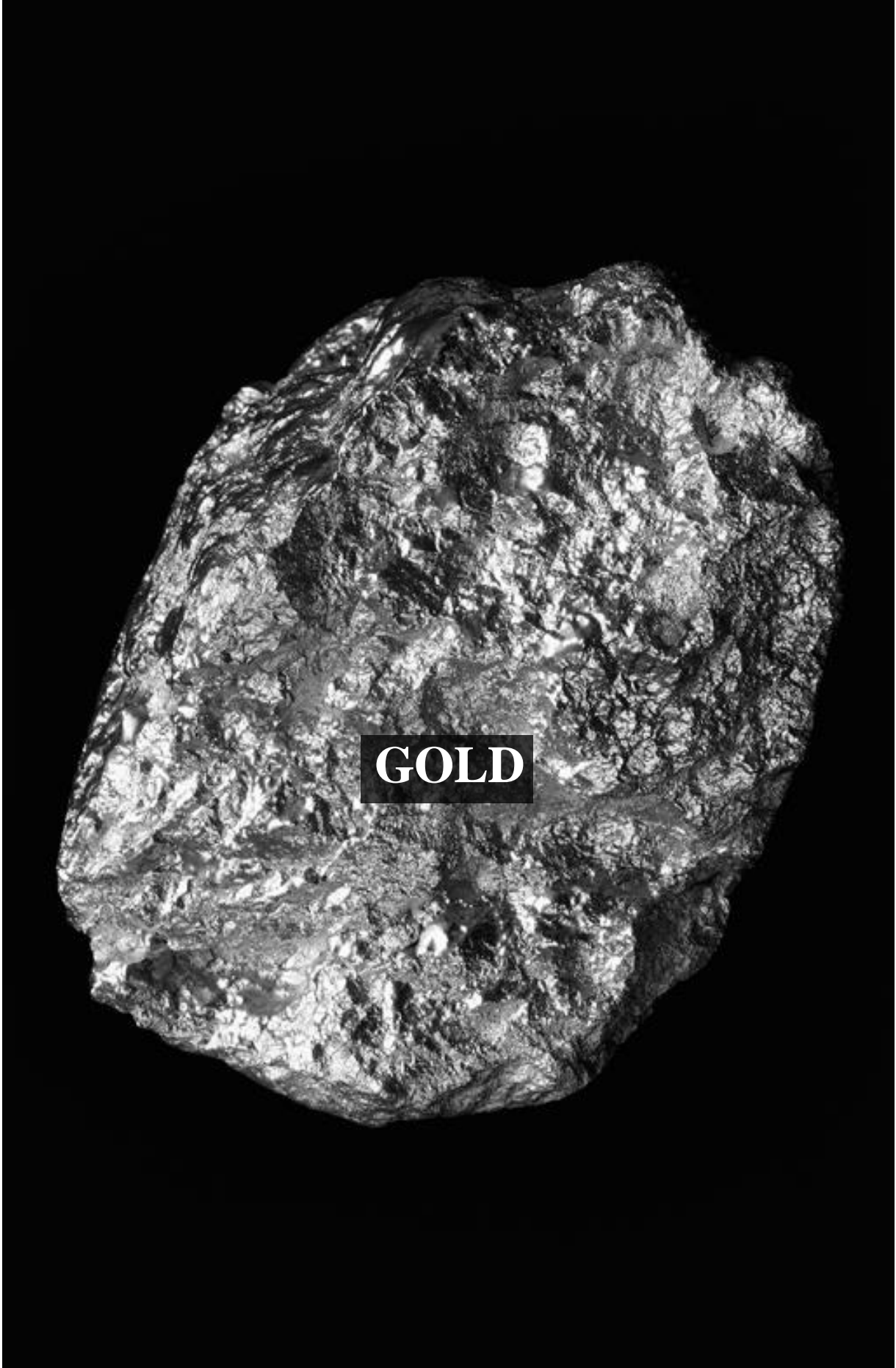


BOX 1: Recommended certifications for synthetics

Kering encourages suppliers to source synthetics carrying the voluntary certification listed in the table which provide third-party verification.

Name	Standard or Organization	Logo	Geographic Scope
BIO-BASED CONTENT			
Biobased	DIN CERTCO		Global
OK Biobased	TUV		Global
CERTIFICATION (INC. LAND MANAGEMENT) FOR BIO-MASS MANAGEMENT			
Roundtable on Sustainable Biomaterials (RSB)	RSB		Global
International Sustainability & Carbon Certification (ISCC Plus)	ISCC		Global
Forest Stewardship Council (FSC) (for forest-derived feedstocks)	FSC	 FSC 100 preferred; FSC Mix accepted	Global
RECYCLED CONTENT			
Global Recycled Standard (GRS)	Textile Exchange		Global





Several Kering brands use gold in their jewelry and watches and in the metallic accessories of leather goods. Gold is mined in many countries around the world and on every continent except Antarctica, with China being the largest producer with over 450 tons of pure gold mined each year. The global average production of gold over the past ten years is around 4000 tons per year, 66% coming from mining and the remaining 34% from recycling. The mining of gold can be associated with social issues linked to the difficult working conditions of miners and to environmental damage of the natural zones where mining occurs. Most of the gold used by the Kering brands comes from recycled sources transformed by refiners; however, Kering’s sustainability strategy also includes sourcing new gold from mines that operate under good environmental and social conditions. Millions of miners worldwide depend on gold mining, with 80% of them working in Artisanal and Small-Scale Mines (ASM) and producing less than 20% of newly mined gold. The remaining 80% of newly mined gold is extracted by Large-Scale Mining operations (LSM), mostly in large open-pit surface mines.

Kering brands can source responsible gold according to the Kering Standards through the Kering Precious Metals Platform (PMP). Sourcing options within the platform include Fairmined and Fairtrade gold, verified artisanal gold, verified 100% e-waste recycled gold and RJC Chain-of-custody (CoC) certified 100% recycled gold from e-waste and jewelry.

This Standard applies both to gold sourced directly from selected refiners, as well as to gold sourced indirectly through components or finished products suppliers.

Strategically, Kering focuses its sourcing of gold within two possible streams: (1) recycled gold and (2) artisanal, small-scale mined gold.

Kering recognizes the potential of recycled gold as an environmentally friendly alternative to mined gold and is committed to rigorously verifying the authenticity of recycled gold sources to avoid unknowingly endorsing unethical practices. Our due diligence ensures that any recycled gold used is responsibly sourced, and genuinely originates from recycled e-waste or jewelry. In parallel, Kering is also strongly committed to supporting artisanal small-scale gold mining (ASM) communities to transition towards more sustainable practices. ASM represents a significant proportion of global gold production and serves as a lifeline for many impoverished communities. However, these activities often face challenges linked to health and safety, human rights, and environmental degradation. Kering sources ethically mined gold from ASM and provides financial aid to these communities through the Kering Precious Metals Platform, further underscoring our commitment to a more sustainable and ethical gold industry.

- Complying with all national and international laws, principles and regulations notably related to human rights, fundamental freedoms, health and safety and the environment, as set out in the Suppliers’ Charter of the Kering Code of Ethics
- Ensuring conflict-free sourcing
- Facilitating the sourcing of responsible gold by its brands through the Kering Precious Metals Platform (PMP)
- 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

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



REQUIREMENTS FOR 2025

© Source gold through Kering approved suppliers within the Kering Precious Metals Platform (PMP) framework

Kering brands can source gold directly or indirectly from Kering approved and selected refiners, following the Kering Precious Metals Platform (see [BOX 1](#)). This platform has been developed to create an innovative way to source gold and other precious metals (silver, platinum and palladium) in an ethical, responsible and transparent manner. The platform enables Kering brands to source responsible gold directly from selected refiners, or indirectly through components or finished products suppliers. The platform is designed to fit both sourcing avenues.

Written agreements have been developed to clearly define this innovative sourcing framework for refiners and to provide access to Kering’s customized Responsible Gold Mix to suppliers of components and finished products containing gold. Kering requires gold suppliers to support the PMP and to facilitate its expansion within their own supply chains.

The types of gold allowed under the platform include:

Fairmined and Fairtrade Gold:

Kering recognizes the valuable contribution that Fairmined (FM) and Fairtrade (FT) certification standards are playing in improving the working conditions of artisanal and small-scale miners, positively developing their local communities, as well as encouraging extractive practices that limit and control the use of hazardous chemicals like mercury and cyanide.

Some FM/FT mines may also offer mercury-free and/or “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). This is strongly encouraged and supported within the Kering Precious Metals Platform (PMP), as mercury and cyanide contamination represent a major global health and ecological problem.

Gold from artisanal, small-scale mines (ASM) verified by Kering:

Additionally, gold may be purchased from artisanal, small-scale mines (ASM) that are aligned with robust standards, such as the CRAFT code of practice. In this case, additional verification from Kering is mandatory to ensure improved environmental, social impact, and integrity of the chain of custody at least from cooperative mining level.

100% e-waste recycled gold, verified by Kering

Kering wishes to promote the use of verified recycled gold from e-waste, which represents a significant breakthrough towards a more sustainable and responsible gold industry. Discarded electronic devices like smartphones and

computers represent a rapidly growing waste stream that often contains precious metals including gold. Tapping into this reservoir offers the dual benefit of reducing the demand for newly mined gold and addressing the escalating global e-waste problem. Through rigorous verification processes, we can ensure that the gold sourced from e-waste is genuinely recycled and responsibly sourced, thereby circumventing the associated social and environmental risks prevalent in conventional mining. Moreover, it provides a chance to promote circular economy principles, transforming waste into a valuable resource. This practice could also stimulate the creation of green jobs in the e-waste recycling sector, thereby driving socio-economic growth. Sourcing recycled gold from e-waste, therefore, presents a potent combination of environmental stewardship, ethical sourcing, and economic opportunity.

Gold from verified recycled e-waste sources is one of the approved and encouraged sourcing options under the Kering Precious Metals Platform. This must be sourced through suppliers and sub-suppliers who have been assessed and approved by Kering, ensuring their compliance with rigorous due diligence and audit standards.

RJC CoC certified recycled gold from e-waste and jewelry

The Precious Metals Fund also allows the use of 100% recycled gold with RJC CoC certification, originating from both e-waste and former jewelry sources, and verified to be genuinely recycled.

It is important to note that Kering does not accept “grandfathered gold” as a permissible source of recycled gold (even with RJC CoC certification). This term refers to gold that was mined or acquired before the implementation of current regulations or standards. Because this gold wasn’t subject to the same stringent sourcing and ethical criteria, its use can potentially perpetuate environmental damage and social injustice associated with historical mining practices. Therefore, it is not compatible with the drive toward a more responsible and transparent gold industry. Suppliers of gold to Kering brands must therefore ensure that any RJC CoC-certified recycled gold supplied does not contain grandfathered gold.

© When purchasing gold outside of the Kering Precious Metals Platform (PMP), strictly follow these Standards

The preferred gold sourcing route for Kering brands is the Precious Metals Platform (PMP). In the exceptional eventuality that purchasing through the Kering Precious Metals Platform (PMP) is not possible, suppliers must purchase gold through refineries that fully meet these Standards and provide evidence of alignment to Kering Standards.



REQUIREMENTS FOR 2025

© Source gold in a way that meets all legal requirements (See BOX 2)

Kering eschews corruption in all its forms. As such, gold suppliers will:

- Comply with all relevant laws in all of their activities, including (but not limited to) those relating to anti-corruption, anti-money laundering and counter-terrorist financing;
- Fully implement the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas;
- Never knowingly supply gold or products containing gold to Kering or its brands that have been subject to or involved in any form of bribery or corruption;
- Actively avoid any conflict of interest or the exercise of illegitimate influence when doing business with Kering and its brands, including as a result of payments and gifts made or received, pre-existing relationships or other means;
- Inform Kering as soon as the supplier becomes aware of any incident in which it has not met, or is not likely to meet, these requirements.

© Ensure human rights are respected in the entire gold supply chain

Kering is committed to respecting internationally recognized human rights, both in its own business activities and through its business relationships. Gold suppliers will:

- Never knowingly supply Kering or its brands with gold or products in gold that they know have been associated with human rights abuses during their mining, trading, refining and manufacturing phases
- Confirm that all the gold and products in gold that they supply to Kering are free from association with human rights abuses at all stages of the value chain and provide relevant evidence to support their statement.

© Allow inspection and auditing

Gold suppliers will:

- Allow Kering, its brands and their representatives to check the supplier's adherence to this Kering Standard for Gold, including by physical and documented inspections
- When requested, provide, if applicable, their RJC, Fairtrade, Fairmined or any other applicable certifications' latest reports and Codes of Practice, including major and minor non-compliances sections
- Correct any identified instances of non-compliance with this Kering Standard for Gold and enhance

- existing practices, where Kering and its brands have identified non-conformities but have decided not to exercise their resulting right to terminate contractual relations.

© Achieve transparency in the brands' gold supply chains

Kering is committed to achieving the highest levels of transparency within its gold value chain. In this context, gold suppliers will:

- Work in constructive, pragmatic and mutually beneficial partnerships with Kering to continuously improve transparency within gold supply chains, working towards industry best practices
- Provide Kering with information when requested about the origin and the journey of the gold that they supply to Kering brands. This information may include but is not limited to:
 - Where gold is mined and by whom
 - Who has traded gold and where
 - Who has refined gold and where
 - What social and environmental standards or initiatives have been applied to mining operations and to entities that handle gold during each step of the supply chain (e.g. RJC certifications, Fairmined or Fairtrade certifications, OECD Guidance and Supplement on Gold applications, CRAFT or other relevant standards and initiatives such as the LBMA, IRMA and RBA-RMI programs).

Suppliers must be able to provide documentation that verifies the information above, including for instance transaction certificates, audit reports, or other forms of third-party verification.

Actively participate in the W&JI2030

As one of the two founders of the Watch & Jewellery Initiative 2030 (W&JI2030), Kering expects that all suppliers to its brands align with the initiative's mission and actively participate in it. The primary objective of this collaboration is to make significant contributions toward establishing a completely sustainable supply chain for watches and jewelry. This objective will be pursued through the implementation of three core pillars: building climate resilience, preserving resources and fostering inclusiveness. Through stringent supplier adherence to these action pillars, Kering aims to galvanize the entire industry towards sustainable transformation.



ADDITIONAL BEST PRACTICES

Minimize the negative environmental impact of gold mining

Kering wishes to phase out the use of highly hazardous chemicals such as mercury and cyanide in gold mining, and current technological developments make this possible. Some Fairmined / Fairtrade-certified mines already offer mercury-free and/or “ecological gold”, which limits and eventually prohibits the use of mercury/cyanide in their extractive processes (e.g., water centrifugation and gravimetric techniques). Suppliers must use best efforts to source this gold when using FM/FT sources.

Kering supports actions, technologies and initiatives that aim to better manage the use of water, reduce water consumption in areas where it is scarce and avoid environmental impacts caused by the use of water in extractive and processing activities.

Gold refining includes energy-intensive processes. Kering and its brands positively value efficient production processes and the use of renewable and green energies, with the goal of reducing GHG emissions and lowering the impact on climate change.

Encourage and develop closed-loop recycling

Kering encourages suppliers to develop new ways of maximizing closed-loop recycling of responsible gold from e-waste, from the jewelry sector and/or other sectors. Newly mined gold is predicted to reach high scarcity levels within a few decades. Kering foresees this evolution as a challenge but also as an opportunity to develop innovative ways of recycling gold while keeping full traceability of a metal that has been sourced responsibly when it entered supply chains. New refining processes ought to be defined in partnership with proactive refiners and manufacturers in order to offer the segregation of recycled responsible gold all the way into new products.

Investigate innovative traceability solutions

Suppliers shall investigate advanced traceability solutions, using technologies such as blockchain or other digital tracking systems to increase transparency and ensure full traceability in the gold supply chain.

Promote energy transition in mining and refining

Artisanal and small-scale mining and first-stage processing activities often occur in isolated areas with no connection to the electric grid and use diesel to fuel not only vehicles but also electricity. Kering encourages its brands and their suppliers to support the development of off-grid renewable energy solutions and systems, such as solar, possibly coupled with batteries, to reduce reliance on fossil fuels for extraction activities.

In refining activities, suppliers are recommended to self-produce clean energy or to source renewable energy from the grid.

Restore biodiversity and natural ecosystems post-extraction

Kering advocates for the restoration of biodiversity and natural ecosystems following gold extraction activities, prioritizing the rehabilitation of mined landscapes and endorsing a ‘leave-no-trace’ approach – and even aiming to achieve a net positive impact on local ecosystems. This may involve recontouring land, replacing topsoil, and replanting indigenous vegetation to not only recover the physical landscape but also to foster a conducive environment for local fauna and flora to thrive. Such activities should take into account the natural cycles and ecological complexity of the regions to ensure effective rehabilitation, taking inspiration from the principles of biomimicry. In addition, Kering encourages the use of technologies that can monitor and ensure the success of these restoration efforts. Kering has supported such a restoration program for several years in former alluvial mining sites in collaboration with Solicaz and Forest Finance in French Guiana and expects suppliers to engage in and expand similar initiatives.



BOX 1: Kering Precious Metals Platform (PMP)

The Kering Precious Metals Platform has been developed to create an innovative and smart way to source gold and other precious metals in an ethical, responsible and transparent manner at a business-acceptable cost for the brands.

Through the platform, Kering has established a list of approved refiners that have been meticulously vetted, audited and selected by the group. These suppliers have successfully undergone due diligence procedures and meet the necessary criteria. They have also entered into contractual framework agreements, thereby ensuring their compliance with the Kering Standards.

Selected refiners under the Platform engage in supplementing verified recycled gold with input from artisanal, small-scale (ASM) mines, supported by Kering and its brands.

The Platform has two aims:

1. Ensuring that Kering brands and suppliers are able to purchase responsible gold aligned with the Kering Standards (including payment of premiums and development fees for approved schemes)
2. Financing sustainability projects linked to gold sourcing, including:
 - o On-the-ground sustainability projects in artisanal, small-scale mines (ASMs), both Fairmined and/or Fairtrade, or to ASM communities working towards responsible mining, under programmes verified by Kering
 - o Innovative schemes to produce gold with significantly lower impact (e.g., e-waste recycling, solar energy for off-grid mines).

The PMP is administrated by a Responsible Gold Steering Committee, composed of collaborators from Kering and from the brands, who meet at least once a year to support sustainable projects targeted at ASM communities as well as sustainable innovators.



BOX 2: Reference - Regulations and OECD Guidelines

International regulations

Kering and its brands commit to respecting and implementing all international regulations applicable to gold supply chains.

Section 1502 of the U.S. Dodd-Frank Act

Section 1502 of the U.S. Dodd-Frank Act requires U.S. listed companies to disclose whether they use “conflict minerals” (tin, tungsten, tantalum and gold) and whether these minerals originate in the Democratic Republic of the Congo and/or adjoining countries. In such case, companies must submit a “Conflict Minerals Report” in order to describe the measures taken to exercise due diligence.

The EU Conflict Minerals Regulation

This EU regulation took effect on January 1st, 2021. It covers the same “3TG” minerals as the U.S. Dodd-Frank Act: tin, tungsten, tantalum and gold. Its aim is to ensure that 3TG EU importers adhere to international responsible sourcing standards, set by the Organization for Economic Co-operation and Development (OECD). It is designed to promote responsible sourcing from global and EU smelters and refiners of 3TG, to help break the link between conflict and the illegal exploitation of minerals, and to combat the exploitation and abuse of local communities, including mine workers, while supporting local development. The regulation requires EU companies in the supply chain to ensure they import these minerals and metals from responsible and conflict-free sources only.

OECD Due Diligence Guidance, Supplement on Gold, and Practical actions for companies to identify and address all forms of child labor in mineral supply chains

First published in 2011 and updated in 2016, The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas framework provides detailed recommendations to help companies respect human rights and avoid contributing to conflict through their minerals purchasing decisions and practices. The Due Diligence Guidance is for use by any company potentially sourcing minerals or metals from conflict-affected and high-risk areas. It is recognized by the SEC as fulfilling the criteria of the Dodd-Frank Act implementation.

The Supplement on Gold included in this Guidance was developed to tackle the unique challenges for carrying out due diligence on gold, and namely its intrinsic high-value and fungible nature, the non-linear structure of its supply chain, and the multiple downstream uses of gold, depending on whether it is used for investment purposes, jewelry or in some other industrial product.

The OECD also developed a guide on practical actions for companies to identify and address all forms of child labor in minerals supply chains. It was developed to build on the due diligence framework of the OECD Due Diligence Guidance and was released in 2017. This guidance is particularly helpful in its recommendation to design and implement a strategy to respond to identified risks. Kering and its brands believe in the long-term benefits of sourcing gold in an ethical and responsible way, all along the complex supply chains of the luxury sector. These guidelines and principles reflect Kering’s vision for sustainable business and Kering aims to share it as widely as possible with its brands, their suppliers and their partners.

CRAFT (Code of Risk-mitigation for ASM engaging in Formal Trade)

The CRAFT Code has been developed with a focus on improving artisanal and small-scale miners’ access to formal markets and supporting their progressive improvement of environmental and social practices. CRAFT is a tool that facilitates the comprehension, application, and commitment to due diligence by all stakeholders in artisanal supply chains. It provides a step-by-step risk assessment and management system that miners, local exporters, and international buyers can use to meet the due diligence requirements of the OECD and other entities. CRAFT enables the identification and mitigation of risks existing in the artisanal and small-scale mining (ASM) sector and supports progressive improvement in environmental and social performance.



BOX 3: International organizations covering various aspects of the precious metals industry

London Bullion Market Association (LBMA)

The London Bullion Market Association (LBMA) is an independent authority renowned for ensuring leadership, integrity, and transparency in the global precious metals industry. Founded in 1987, it upholds the highest standards and continually develops market solutions to maintain and enhance the industry's efficiency and credibility.

One of the LBMA's significant contributions to the precious metals industry is the establishment and enforcement of the "Good Delivery" standard. This benchmark guarantees the quality of gold and silver bars that are traded in the Loco London Market, an integral hub for international bullion transactions. The Good Delivery standard provides assurance of the metals' integrity and purity, thus enhancing market liquidity and efficiency.

Another key initiative by the LBMA is the Global Precious Metals Code. This code serves to promote a robust, fair, effective, and appropriately transparent market. It provides a set of guiding principles and standards that all market participants should abide by, reinforcing best practices in the precious metals market.

In addition, the LBMA has set up a Responsible Sourcing programme which is mandatory for all Good Delivery refiners wishing to trade with the London Bullion market. This programme includes specific guidance for gold, silver, platinum and palladium, focusing on ethics, governance, compliance and risk management, information sharing, and business conduct. The Responsible Sourcing programme and guidance therein closely follow the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

World Gold Council (WGC)

The WGC is the market development organization for the gold industry. In 2019, the WGC published the Responsible Gold Mining Principles that set out expectations for investors and downstream users as to what constitutes responsible gold mining and addresses the key environmental, social and governance issues for the gold mining sector. The principles are not intended to become a new standard but implementing companies will be required to publicly disclose their conformance with these Principles and receive independent assurance on their disclosure. Assurance will be required both at corporate and at mine-site level.

International Council on Mining and Metals (ICMM)

The ICMM is an international organization dedicated to a safe, fair and sustainable mining and metals industry. The ICMM program is a list of principles specific to Mining and Metals companies. Membership in the ICMM requires a commitment to ICMM's 10 Principles (ethics and corporate governance, sustainable development, human rights and working conditions, effective risk management strategies, health and safety, environmental performance, biodiversity conservation and land-use planning, responsible design use, re-use and recycling, social performance, stakeholder engagement) and its 7 Position Statements (<https://www.icmm.com/en-gb/members/member-commitments/position-statements>). Member companies are required to obtain annual third-party assurance of their sustainability performance.





**SILVER & OTHER PRECIOUS
METALS**



Several Kering brands use silver and other precious metals including platinum and palladium in their jewelry, watches, metallic accessories of handbags and ready-to-wear. This represents several tons of precious metals used by the Group each year. This Standard focuses primarily on silver, but most of its content also applies to platinum and palladium. Globally, silver demand is significantly greater for industrial uses than for jewelry, coins or silverware. Around 30% of silver production is from primary silver mines, while the remaining 70% is obtained as a by-product from base metal operations like lead, zinc and copper (57%) and gold mining (12%). Silver-bearing ores are mined by open-pit or underground methods mostly in large and medium sized industrial operations, while artisanal and small-scale silver mining is negligible. In the case where silver is a by-product, the other more important metal is processed and refined first, and the silver is then extracted and refined from the final residue of the primary metal.

The mining and refining of silver can be associated with environmental issues such as damages to the natural zones where mining occurs, use of toxics and chemicals, and water contamination, as well as social issues around labor and tensions with the local communities over access to land and water quality. Attention to sustainability in silver is mainly a result of campaigns in the gold and jewelry industry, however, the formulation of a set of sustainability standards that are generalizable is extremely challenging, which explains why silver-specific initiatives such as standards and certification systems are much less developed than they are for gold. The assurance that the silver purchased by the Group comes from sustainable and responsible sources is key and in lieu of industry-wide accepted standards, the Kering Standard for silver was developed to set a high benchmark to ensure best practices are met in its silver supply chain.

The silver, platinum and palladium used by Kering brands comes from third-party providers of semi-finished products and, to a lesser extent, directly from refiners.

Kering brands can source responsible silver, platinum and palladium according to the Kering Standards through the Kering Precious Metals Platform (PMP). Sourcing options within the platform include:

- Recycled silver, platinum and palladium from RJC CoC certified suppliers
- Fairtrade or Fairmined silver and platinum

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

- Complying with all national and international laws, principles and regulations notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the Suppliers' Charter of the Kering Code of Ethics
- Ensuring conflict-free sourcing
- Facilitating the sourcing of responsible precious metals by the brands via the Kering Precious Metals Platform (PMP)
- Guaranteeing due diligence in the supply chain, in accordance with the OECD Due Diligence Guidance
- Supporting best practices in the industrial precious metals mining industry and the development of other eligible initiatives that have been verified by Kering



REQUIREMENTS FOR 2025

© Source silver, platinum and palladium through Kering approved suppliers within the Kering Precious Metals Platform (PMP) framework

Kering brands and their suppliers can comply with the Kering Standard for Silver & Other Precious Metals by sourcing their silver, platinum and palladium through the Kering Precious Metals Platform (PMP) (see BOX 1 under the Kering Standard for Gold above). This framework has been developed to create an innovative way to source silver, gold, platinum and palladium in an ethical, responsible and transparent manner. Kering brands have the option to source responsible silver, platinum and palladium directly from approved refiners, or indirectly through components or finished products suppliers. The Kering PMP is designed to fit both sourcing avenues.

Written agreements have been developed to clearly define this innovative sourcing framework for suppliers and to provide access to Kering’s eligible sources to suppliers of brand components and finished products containing silver. Kering encourages silver suppliers to support the Kering PMP and to facilitate its expansion within their own supply chains.

Eligible sources of silver, platinum and palladium under the Kering Precious Metals Platform include:

Recycled precious metals from RJC CoC certified suppliers

Kering encourages the sourcing of certified recycled silver, platinum and palladium from RJC CoC certified suppliers. This fosters environmental responsibility by promoting the reuse of precious resources but also guarantees the ethical sourcing of these materials. RJC CoC certification ensures that the recycled metals have been handled with integrity throughout its lifecycle.

It is important to note that Kering does not accept “grandfathered” precious metals as a permissible source of recycled precious metals (even with RJC CoC certification). This term refers to precious metals that were mined or acquired before the implementation of current regulations or standards. Because these metals weren’t subject to the same stringent sourcing and ethical criteria, their use can potentially perpetuate environmental damage and social injustice associated with historical mining practices. This is therefore not compatible with the drive toward a more responsible and transparent jewelry industry. Suppliers of precious metals to Kering brands must therefore ensure that any RJC CoC-certified recycled metals supplied do not contain grandfathered metals.

Fairtrade or Fairmined silver and platinum

Sourcing from Fairmined and/or Fairtrade-certified mines

is approved within the Kering Precious Metals Platform (PMP). These are usually artisanal small-scale mines that meet high standards of social and environmental responsibility through the Fairtrade and Fairmined standards.

Silver from artisanal, small-scale mines (ASM) verified by Kering:

Additionally, silver, platinum and palladium may be purchased from artisanal, small-scale mines (ASM) that are aligned with robust standards, such as the CRAFT code of practice. In this case, additional verification from Kering is mandatory to ensure improved environmental, social impact, and integrity of the chain of custody at least from cooperative mining level.

© When purchasing silver, platinum or palladium outside of the Kering Precious Metals Platform (PMP), strictly follow these Standards

The preferred precious metals sourcing route for Kering brands is the Precious Metals Platform (PMP). In the exceptional eventuality that purchasing through the Kering Precious Metals Platform (PMP) is not possible, suppliers must purchase precious metals through refineries that fully meet these Standards and provide evidence of alignment to Kering.

© Achieve transparency in the brands’ precious metals supply chains

Kering is committed to achieving the highest levels of transparency within its precious metals value chain. In this context, suppliers will:

- Work in constructive, pragmatic and mutually beneficial partnerships with Kering to continuously improve transparency within their supply chains, working towards industry best practices
- Use best practices in due diligence of their supply chain in accordance with the OECD Due Diligence Guidance.
- Provide Kering with information when requested about the origin and the journey of the precious metals that they supply to Kering brands, and the due diligence system applied. This information may include, but is not limited, to:
 - The nature of the precious metals used to supply Kering brands: recycled or mined.
 - Whether it is primary silver, platinum or palladium and/or a by-product (i.e., identification of the parent mineral).
 - Where the base metal is mined (mine of origin) or extracted and by whom.
 - Who has refined and where (including for supply of components and semi-



- finished products) – including ensuring that they hold RJC CoC certification.
- o What ethical standards or initiatives have been applied to the mining and refining of the silver, and for the people who handle the silver during each step of the supply chain (e.g., RJC certification, OECD DD Guidance, or other relevant standards and initiatives such as the LBMA, IRMA, ICMM and Cyanide Code audit and certification programs).

Suppliers must be able to provide documentation that verifies the information above, including for instance transaction certificates, audit reports, or other forms of third-party verification.

© Source silver, platinum and palladium in a way that meets all legal requirements

Kering eschews corruption in all its forms. As such, suppliers will:

- Comply with all relevant laws in all their activities, including (but not limited to) those relating to anti-corruption, anti-money laundering and counter-terrorist financing.
- Never knowingly supply precious metals or products containing precious metals to Kering or its brands that have been subject to or involved in any form of bribery or corruption.
- Actively avoid any conflicts of interest or the exercise of illegitimate influence when doing business with Kering and its brands, including as a result of payments and gifts made or received, pre-existing relationships or other means.
- Inform Kering as soon as the supplier becomes aware of any incident in which it has not met, or is not likely to meet, these requirements.

© Ensure human rights are respected in the entire supply chain

Kering is committed to respecting and ensuring internationally recognized human rights, both in its own business activities and through its business relationships. Precious metals suppliers will:

- Never knowingly supply Kering or its brands with precious metals or products derived from them that suppliers know have been associated with human rights abuses during their mining, trading, refining and manufacturing phases.
- Guarantee that all the silver, platinum and palladium – as well as products containing them – that suppliers provide to Kering are free from any association with human rights abuses at all stages of the value chain and provide relevant evidence to support their statement.

© Allow inspection and auditing

Precious metals suppliers will:

- Allow Kering, its brands and their representatives to validate the supplier's adherence to this Kering Standard for silver and other precious metals, including by physical and documented inspections.
- When requested, provide, if applicable, their RJC certifications, or any other applicable certifications' latest reports, including major and minor non-compliance sections.
- Correct any identified instances of non-compliance with this Kering Standard within a case- by-case determined timeline and enhance existing practices, where Kering and its brands have identified violations but have decided not to exercise their resulting right to terminate contractual relations.

Actively participate in the W&J2030

As one of the two founders of the Watch & Jewellery Initiative 2030 (W&J2030), Kering expects that all suppliers to its brands align with the initiative's mission and actively participate in it. The primary objective of this collaboration is to make significant contributions toward establishing a completely sustainable supply chain for watches and jewelry. This objective will be pursued through the implementation of three core pillars: building climate resilience, preserving resources and fostering inclusiveness. Through stringent supplier adherence to these action pillars, Kering aims to galvanize the entire industry towards sustainable transformation.



ADDITIONAL BEST PRACTICES

Minimize the environmental impacts of silver sourcing

Lead and zinc mining from which silver, platinum and palladium are extracted are some of the primary sources of metals pollution in the environment. Water bodies close to projects extracting these metals are at risk of pollution from wastewater associated with mining (ore-dressing) and smelting. Soil and crop pollution, along with deleterious health effects, have all been linked to lead and zinc mining and smelting activities.

Mitigating these impacts is crucial and Kering believes that emerging technological developments will allow silver, platinum and palladium (whether as a primary or by-product) to be mined with a reduced use of hazardous chemicals, for example with non-cyanide leaching extraction methods. Incorporating these innovations in silver supply chains is highly encouraged. Kering also supports initiatives targeted at safeguarding biodiversity and natural habitats potentially affected by mining operations. Remediation and rehabilitation of natural flora and fauna will be considered, in future supply chain developments, as a key criterion in Kering brands' sourcing decisions.

Furthermore, silver, platinum and palladium refining include energy-intensive processes. Kering and its brands positively value efficient production processes and the use of renewable and green energies, with the goal of reducing GHGs emissions and lowering the impact of climate change.

Encourage and develop closed-loop recycling

Kering encourages its brands and their suppliers to develop new ways of maximizing closed-loop recycling of responsible silver, platinum and palladium from the jewelry sector and/or other sectors. Kering encourages the development of innovative ways of recycling silver, platinum and palladium while keeping the full traceability of the metals, ensuring that they have been sourced responsibly when they entered the supply chain. New refining processes should be defined and developed in partnership with proactive refiners and manufacturers in order to offer segregation of recycled responsible precious metals all the way into new products.

Investigate innovative traceability solutions

Suppliers shall investigate advanced traceability solutions, using technologies such as blockchain or other digital tracking systems to increase transparency and ensure full traceability in the precious metals supply chains.

Promote energy transition in mining and refining

Artisanal and small-scale mining and first-stage processing activities often occur in isolated areas with no connection to the electric grid and use diesel to fuel not only vehicles but also electricity. Kering encourages its brands and their suppliers to support the development of renewable energy systems such as solar, eventually coupled with batteries, to reduce reliance on fossil fuels for extraction activities. Large-scale mining operations should also reduce GHG emissions through use of renewable energy and efficiency programs. In refining activities, suppliers are recommended to self-produce clean energy or to source renewable energy from the grid.

Restore biodiversity and natural ecosystems post-extraction

Kering advocates for the restoration of biodiversity and natural ecosystems following mining activities, prioritizing the rehabilitation of mined landscapes and endorsing a 'leave-no-trace' approach – and even aiming to achieve a net positive impact on local ecosystems. This may involve recontouring land, replacing topsoil, and replanting indigenous vegetation to not only recover the physical landscape but also to foster a conducive environment for local fauna and flora to thrive. Such activities should take into account the natural cycles and ecological complexity of the regions to ensure effective rehabilitation, taking inspiration from the principles of biomimicry. In addition, Kering encourages the use of technologies that can monitor and ensure the success of these restoration efforts.



BOX 1: International organizations covering various aspects of the precious metals industry

Responsible Jewellery Council (RJC)

The RJC is a non-profit standards-setting and certification organization, composed of over 1000 member companies spanning from mine to retail. Members commit to and are independently audited against the RJC Code of Practice, which is an international standard on responsible business practices for diamonds, colored gemstones, gold, silver and platinum group metals. The Code of Practice addresses human rights, labor rights, environmental impact, mining practices, product disclosure and other important topics in the jewelry supply chain.

The RJC works with multi-stakeholder initiatives on responsible sourcing and supply chain due diligence. The RJC's Chain-of-Custody certification for precious metals supports these initiatives and can be used as a tool to deliver broader member and stakeholder benefits.

The RJC is a globally recognized organization that has set standards for the watch and jewelry industry. As such, their work requires continuous improvements.

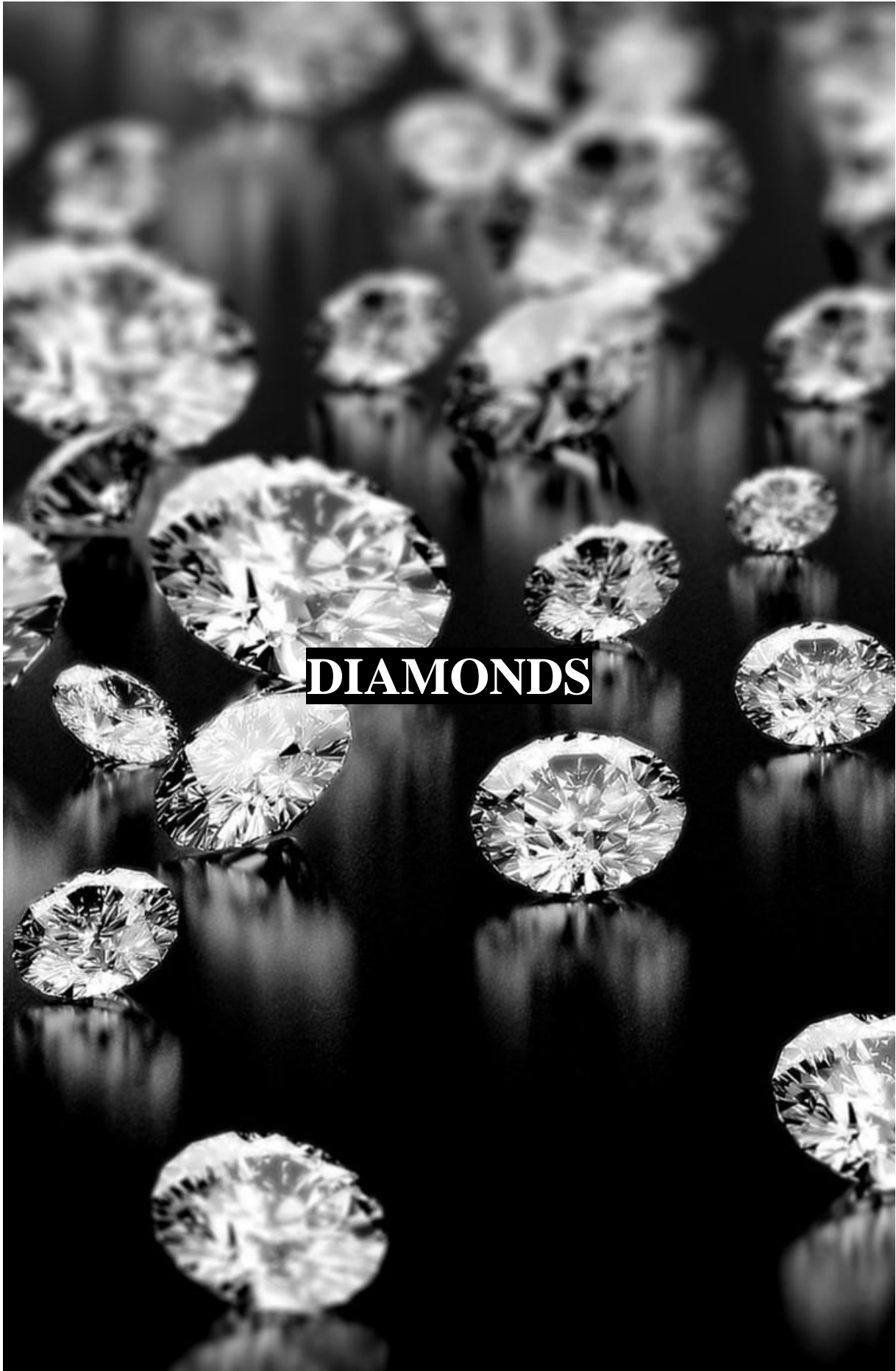
Initiative for Responsible Mining Assurance (IRMA)

The IRMA was founded in 2006 by a coalition of non-governmental organizations, businesses purchasing minerals and metals for resale in other products, affected communities, mining companies, and labor unions. IRMA's approach to responsible mining is to certify social and environmental performance at mine sites globally using an internationally recognized standard that has been developed in consultation with a wide range of stakeholders. In 2018, IRMA published its Standard for Responsible Mining v1.0, which defines good practices for what responsible mining should look like at the industrial scale. It provides the list of expectations that independent auditors will use as the benchmark for responsible mines. In mid-2019, IRMA began their auditing program of mine sites against this Standard.

International Cyanide Management Code

The International Cyanide Management Code for the Manufacture, Transport, and Use of Cyanide in the Production of Gold (Cyanide Code) was developed by a multi-stakeholder steering committee under the guidance of the United Nations Environmental Program (UNEP) and the then International Council on Metals and the Environment (ICME). The Cyanide Code is a voluntary industry program for gold and silver mining companies. The objective of the Cyanide Code is to improve the management of cyanide used in gold and silver mining and assist in the protection of human health and the reduction of environmental impacts. It focuses exclusively on the safe management of cyanide and cyanidation mill tailings and leach solutions. Companies that adopt the Cyanide Code must have their mining operations that use cyanide to recover gold and/or silver audited by an independent third party to determine the status of Cyanide Code implementation. The Cyanide Code applies to mining industries and the producers and transporters of the cyanide used in gold and silver mining. It is intended to complement an operation's existing regulatory requirements and focuses exclusively on the safe management of cyanide that is produced, transported and used for the recovery of gold and silver, and on mill tailings and leach solutions. Gold and silver mining companies and the producers and transporters of cyanide used in gold and silver mining can become signatories to the Cyanide Code.





Several Kering brands use diamonds in their jewelry and in watches. Diamonds are the most renowned precious stones in the world, bearing high financial and symbolic values. Diamond mining has been in the media spotlight in the past few years, mainly because of risks linked to corruption, conflicts, and dangerous working conditions in mines. Today, 70%-80% of all diamonds are mined by several important industrial mining companies, which operate mainly in developed countries and in extremely capital-intensive ways. The remaining estimated 20%-30% come from artisanal and small-scale mines that are often located in developing countries and where working conditions can sometimes be very challenging. Traceability is a key challenge in this trade: rough diamonds travel the world to be cut and polished in different hubs, depending on the quality and sizes of the stones; cut and polished diamonds are sold in trading cities like Antwerp, New York, and Tel Aviv, but also by individual diamond traders around the world; and a diamond can change hands one hundred times before being set in a piece of jewelry.

In recent years, the jewelry industry has undergone significant changes, with the emergence of laboratory-grown diamonds as a new category. The environmental impact of these diamonds can vary based on the production method employed – either Chemical Vapor Deposition (CVD) or High-Pressure, High-Temperature (HPHT) – but are typically lower than those associated with the extraction of natural diamonds. This evolution presents both challenges and opportunities for Kering brands as they navigate this new aspect of the industry.

Kering brands are actively encouraged to engage with their diamond suppliers towards transparency, traceability and improved environmental and social impact, both for “center” stones and for “mêlées” stones.

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

- Complying with all national and international laws, principles and regulations notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the Suppliers’ Charter of the Kering Code of Ethics
- Kering suggests its brands to engage only with suppliers that are RJC Code of Practices (COP) certified and/or certified to Kering-approved certification schemes
- Ensuring that all diamonds purchased come from legal sources certified by the Kimberley Process, a program whose mission is to prevent conflict diamonds from entering the market
- Collaborating with all actors of the diamond supply chain to develop and implement full traceability of the stones from the mine to the store
- Guaranteeing due diligence in the supply chain, in accordance with the OECD Due Diligence Guidance.



REQUIREMENTS FOR 2025

© Ensure chain of custody

In their commercial relationships with diamond suppliers, brands will ask for the RJC Code of Practices (COP) certification of their direct diamond suppliers, with the aim of investigating upstream levels of the supply chain. The RJC COP certification of indirect upstream suppliers (tier 2 or above) is positively valued, ideally all the way to extraction levels.

© Implement the Kimberley Process certification scheme and World Diamond Council system of warranties (see BOX 1)

Kering recognizes the valuable contribution that the Kimberley Process has played in excluding conflict diamonds from the global diamond trade. As such, all diamond suppliers will:

- Only supply diamonds that have been sourced from countries that are participants in the Kimberley Process and that have been legally exported under a relevant Kimberley Process certificate
- Only supply diamonds that are accompanied by an invoice containing a written World Diamond Council warranty statement, as part of the System of Warranties (i.e., “The diamonds herein invoiced have been purchased from legitimate sources not involved in the funding of conflict, in compliance with United Nations Resolutions and corresponding national laws {where the invoice is generated}. The seller hereby guarantees that these diamonds are conflict-free and confirms adherence to the WCD SoW Guidelines.”)

© Do not source deep seabed-mined diamonds

Diamonds derived from deep seabed mining are not permitted in Kering’s brands’ supply chains.

Deep seabed mining poses a significant threat to oceanic ecosystems, disrupting the delicate balance of marine life. The process can destroy the habitats of numerous species, some of which have not yet been fully studied or discovered, leading to potentially irreversible biodiversity loss.

The activity also stirs up sediment plumes – once disturbed, these plumes can spread over large areas, smothering marine life and reducing the ability for light to penetrate the water column, affecting photosynthesis in marine plants and phytoplankton – the foundation of the marine food web.

Moreover, deep-sea mining releases toxic substances trapped in the seabed into the water column, leading to potential bioaccumulation of harmful substances in marine life, which can have a cascading effect up the food

chain. The repercussions of these risks are not limited to the oceanic environment but extend to global climate regulation as well, as oceans play a critical role in carbon sequestration.

In addition, these operations often lack stringent oversight and can obscure the true origins and journey of diamonds, resulting in significant transparency challenges.

Therefore, sourcing diamonds from deep seabed mining operations is inconsistent with Kering’s commitment to environmental sustainability and biodiversity preservation.

© Improve transparency of the diamond supply chain

Kering is committed to achieving the highest levels of transparency within its diamond value chain, both for “center” and “mêlée” stones.

In this context, Kering requires its diamond suppliers to:

- Work in constructive, pragmatic and mutually-beneficial partnership with Kering to continuously improve transparency within their diamond supply chains
- Provide Kering with information about the diamond origin, starting from the rough dealers. This means providing information about:
 - Identity of the rough dealer(s) for “center” stones
 - Country of origin of the rough (at this point, we accept a mix of countries, provided that all countries in the mix are acceptable to Kering)
 - Names of the cutter(s), polisher(s) and any other suppliers providing treatments for “center” stones
 - Evidence ensuring application of ethical standards or initiatives throughout the supply chain (e.g., the Kimberley Process, the World Diamond Council System of Warranties, RJC certifications, the De Beers Best Practice Principles or other relevant standards and private initiatives such as the CanadaMark™ or the Forevermark).



REQUIREMENTS FOR 2025

Investigate emerging traceability solutions

Emerging technologies are paving the way for higher traceability in the diamond industry, at least from cut and polishing stages (not always back to the mine). Techniques using unique identifiers can be applied to diamonds at different stages of the supply chain, confirming their provenance. Advanced scanning techniques and data-based platforms can trace the entire journey of a diamond, providing accurate and reliable information about its origin and ownership throughout its lifecycle. Blockchain technology is a powerful tool which can offer secure and private ways to track and authenticate diamonds across the supply chain, often backed by independent audits.

Such technologies have transformed the industry, and Kering very much encourages suppliers to adopt these advanced methods and set new benchmarks for accountability and transparency in their operations.

© Comply with Kering business ethics

Kering eschews corruption in all its forms. As such, diamond suppliers will:

- Comply with all relevant laws in all their activities, including (but not limited to) those relating to anti-corruption, anti-money laundering and counter-terrorist financing
- Never knowingly supply diamonds or diamond products to Kering or its brands that have been subject to – or involved in – any form of bribery or corruption
- Actively avoid any conflicts of interest or the exercise of illegitimate influence when doing business with Kering and its brands, including as a result of payments and gifts made or received, pre-existing relationships or other means
- Inform Kering as soon as it becomes aware of any incident in which it has not met or is not likely to meet these requirements.

© Make sure human rights are respected in the entire diamond supply chain

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

Diamond suppliers commit to continuously provide Kering and its brands only with diamonds (including diamonds contained in products) that are not associated with human rights abuses during mining, trading and cutting/polishing. Suppliers commit to provide appropriate evidence to support these claims.

© Allow inspection and auditing

Diamond suppliers will:

- Allow Kering, its brands and their representatives to check the supplier's adherence to the Kering Standard for diamonds, including by physical and documented inspections
- When requested, provide, if applicable, their latest RIC Certification reports, including major and minor non-compliance sections
- Correct any identified instances of non-compliance with the Kering Standard for diamonds and enhance existing practices where Kering and its brands have identified non-conformities but have decided not to exercise their resulting right to terminate contractual relations

Actively participate in the W&JI2030

As one of the two founders of the Watch & Jewellery Initiative 2030 (W&JI2030), Kering expects that all suppliers to its brands align with the initiative's mission and actively participate in it. The primary objective of this collaboration is to make significant contributions toward establishing a completely sustainable supply chain for watches and jewelry. This objective will be pursued through the implementation of three core pillars: building climate resilience, preserving resources and fostering inclusiveness. Through stringent supplier adherence to these action pillars, Kering aims to galvanize the entire industry towards sustainable transformation.



ADDITIONAL BEST PRACTICES

Improve traceability one step further

Suppliers commit to work with Kering and its brands to ensure sourcing from supply chains with the highest level of standards and traceability verification. This includes working towards strict requirements applying at strategic levels of the supply chain.

From 2025, diamond suppliers will provide Kering with all the information hereunder, additional to the list in the paragraph “© Improve transparency of the diamond supply chain” under “requirements for 2025”:

- Country of origin of the rough (at single country level, not a mix of countries)
- Exact name of the mine and information about their environmental and social practices
- For all the cutter(s), polisher(s) and any other suppliers providing treatments for “center” stones: their name and exact location, their environmental and social impact
- The traceability system shall be available at the granularity of each stone, so that a single diamond can be associated with an environmental and social protocol along the value chain.

Explore lab-grown diamonds

Lab-grown diamonds are a relatively recent development in the gemstone industry. These diamonds, first produced in the 1950s for industrial purposes, are now becoming increasingly prevalent in the jewelry sector. They are created through two primary methods: High-Pressure High Temperature (HPHT) and Chemical Vapor Deposition (CVD). The HPHT method replicates the natural conditions under which diamonds form in the Earth's mantle, while CVD grows diamonds in a vacuum chamber filled with carbon-rich gases.

These diamonds hold considerable appeal because they possess the same physical, chemical, and optical properties as mined diamonds, yet their production has the potential of being more environmentally and socially responsible. Creating diamonds in a lab eliminates the need for environmentally damaging mining processes and sidesteps issues related to worker exploitation and conflict diamonds.

However, the environmental footprint of lab-grown diamonds can vary depending on the production method and the source of energy used. As a general rule, CVD tends to be less energy-intensive than HPHT. Some labs are powered by renewable energy and strive to minimize their carbon emissions, while others may not prioritize sustainability to the same extent. Therefore, understanding the environmental impact of each lab-grown diamond producer is crucial. In response to these developments, Kering is evaluating

the potential of lab-grown diamonds. In this evaluation, Kering requires detailed information about production processes, including energy use, chemical usage, and production locations.

Minimize the environmental impacts of diamond industry

Kering supports all initiatives targeted at safeguarding biodiversity and the natural habitat potentially affected by mining operations. Remediation and rehabilitation of natural flora and fauna will be considered, in future supply chain developments, as a key criterion in Kering brands' sourcing decisions.

Additionally, Kering expects suppliers to present their decarbonization roadmaps based on scientific approaches such as SBTi.

Investigating recycled diamonds

Kering is interested in investigating potential opportunities in the realm of recycled diamonds. We recognize that using diamonds that have already been extracted and exist on the market could be a strategic way to reduce the environmental footprint associated with diamond sourcing, given how resource-intensive mining is.

However, it is also particularly challenging in the context of diamonds to verify the history of the stones, which can lead to a variety of issues with quality and authenticity, as well as lack of transparency on potential environmental and social impact. In addition, restricting sourcing to recycled diamonds would significantly lower the possible selection (sizes, types, quality) available to our brands, and possibly also limit their quality. The lack of a chain of custody also makes it difficult to guarantee that recycled diamonds have not been linked to unethical practices at some point in their history; and given their value, the potential for fraud is significant.

In this context, Kering wishes to explore appropriate solutions to tackle this problem and possibly enable brands to responsibly source recycled diamonds.



ADDITIONAL BEST PRACTICES

Avoid sourcing shallow water-mined diamonds

Recognizing the unique challenges and higher environmental risks associated with shallow water mining, Kering requires suppliers to demonstrate a higher standard of due diligence, transparency and traceability for any diamonds obtained through shallow water mining.

Shallow water mining, though not as immediately destructive as its deep-sea counterpart, still poses considerable threats to marine ecosystems. The constant disturbance caused by such operations can negatively impact coastal habitats, potentially leading to habitat destruction and erosion and disrupting the habitats of species both known and yet undiscovered. This process can have long-term effects on local biodiversity and ecosystem balance.

Moreover, mining in these environments can disturb the sediment on the seabed, which can create plumes that can spread over large distances, suffocating marine life and reducing light penetration into the water. This disturbance can significantly affect photosynthesis in marine plants and phytoplankton, vital for maintaining the health and function of the marine food web.

For these reasons, Kering mandates a comprehensive evaluation process for any diamonds sourced through shallow water mining. This process must include a complete mapping of the entire supply chain, encompassing every stage from mining to cutting, polishing, and any trading steps. Critically, it involves assessing the ecological implications of shallow water mining at the specific sites where the diamonds used are extracted, with support from an independent third-party expert.

Sourcing diamonds derived from shallow water mining will only be permissible if evidence of this comprehensive evaluation can be provided. This must include the results of the ecological assessment and documentation of measures taken to mitigate any potential negative impacts at mining level.



BOX 1: International organizations covering various aspects of the diamonds industry

Responsible Jewellery Council (RJC)

The RJC is a non-profit standards setting and certification organization, composed of over 1000 member companies spanning from mine to retail. Members commit to and are independently audited against the RJC Code of Practices – an international standard on responsible business practices for diamonds, gold and platinum group metals.

The RJC works with multi-stakeholder initiatives on responsible sourcing and supply chain due diligence. The RJC Code of Practices (COP) defines the responsible ethical, human rights, social and environmental practices that all certified RJC members must adhere to.

The RJC is a globally recognized organization which has set standards for the watch and jewelry industry. As such, their work requires continuous improvements.

Kimberley Process

The Kimberley Process (KP) is a joint governmental, industry and civil society initiative to stem the flow of conflict diamonds – rough diamonds used by rebel movements to finance wars against legitimate governments.

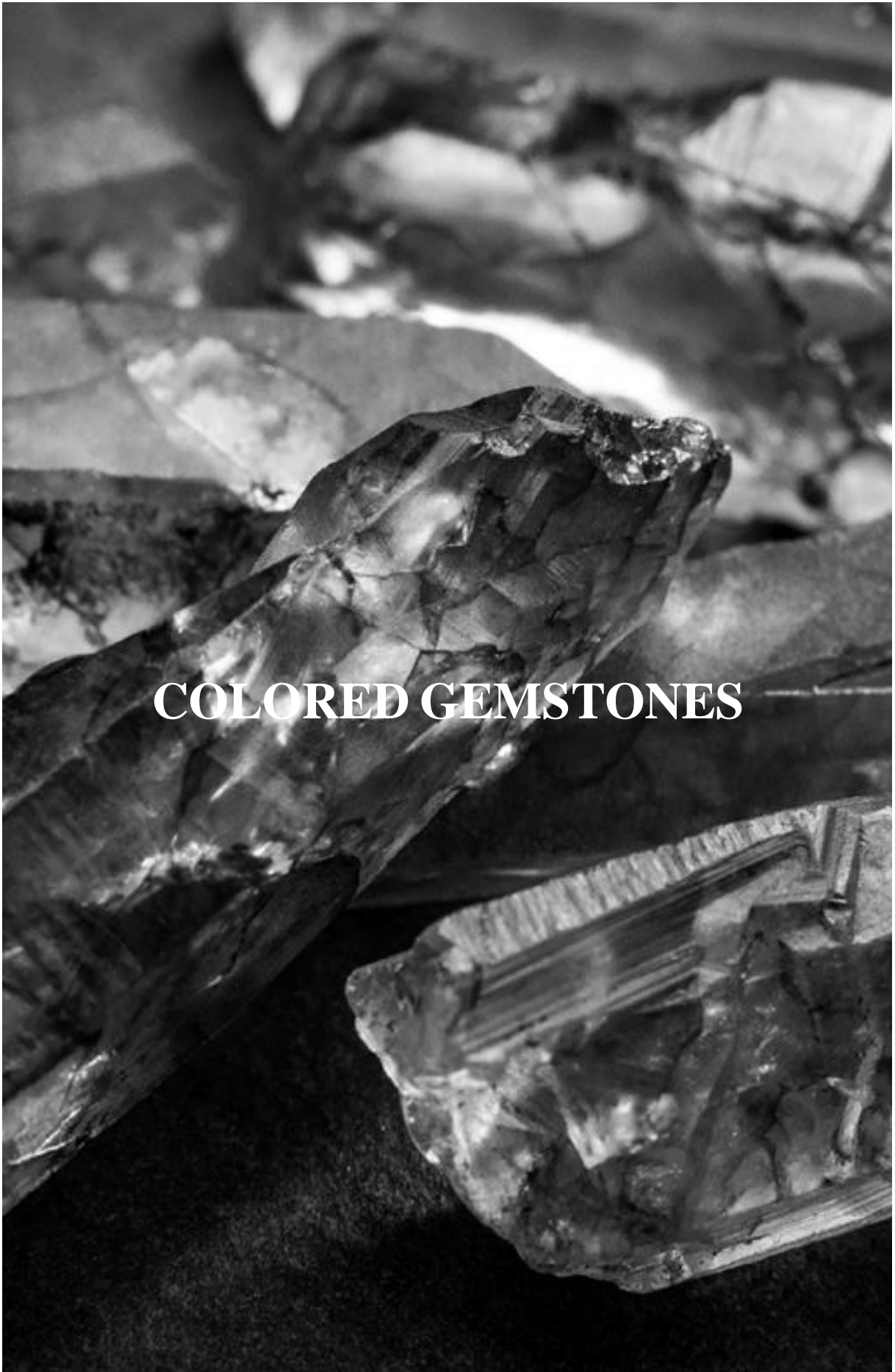
- The Kimberly Process started when Southern African diamond-producing states met in Kimberley, South Africa, in May 2000, to discuss ways to stop the trade in conflict diamonds and ensure that diamond purchases were not financing violence by rebel movements and their allies seeking to undermine legitimate governments.

World Diamond Council (WDC)

The primary objective of the WDC is to represent the diamond industry in the development and implementation of regulatory and voluntary systems to control the trade in diamonds embargoed by the United Nations or covered by the Kimberley Process Certification Scheme. The WDC:

- Has established the System of Warranties which extends the effectiveness of the Kimberley Process beyond the export and import of rough diamonds
- Assists the Kimberley Process by managing the resources of the diamond industry to provide technical, financial and other support
- Represents the industry in the Kimberley Process, the committees of the Kimberley Process and other relevant forums
- Serves as the central point of communication regarding the actions taken to ensure compliance with the regulatory and voluntary systems to prevent the trade in conflict diamonds





COLORED GEMSTONES



Several Kering brands use colored gemstones in their jewelry and watches. Colored gemstones are some of the most renowned precious stones in the world, with both high financial and symbolic values attributed to them. According to the United Nations, the colored gemstones' global industry accounts for \$10-12 billion USD per year in trade. Furthermore, colored gemstone jewelry is estimated to represent around 10% of the total value of jewelry sales. Colored gemstones come in many classifications, varieties and colors, with different quality and value. They are cut, treated, and then sold in different hubs around the world, and, during this period, they can change hands several times before being set within a piece of jewelry. On the mining and production side, this takes place in at least 47 countries and on all continents, excluding Antarctica, and 80% of colored gemstones are extracted by artisanal and small-scale miners according to UN estimates. The extraction process is mostly informally accomplished, with limited governance and in challenging working conditions. The remaining estimated 20% of colored gemstones come from industrial mining companies.

The colored gemstones industry has been in the media spotlight in the past few years, mainly because of risks linked to human rights abuses and labor issues, environmental impacts, political risks and corruption, commercial risks, and association with conflicts. The diverse, opaque and largely unregulated nature of the colored gemstones industry makes it very difficult for brands to obtain full traceability on the origin of the colored gemstones they use in their jewelry, and this is a critical challenge that must be overcome. The Kering Standard for colored gemstones has been developed to address this need and in order to ensure a sustainable and responsible colored gemstones supply chain for the Group.

Kering suppliers are actively encouraged to engage with their colored gemstone supply chain on greater transparency and improved environmental and social impact, both for center stones and also for “mêlées” colored gemstones.

This Standard covers emeralds, rubies, sapphires (although generally referred to as precious stones), and all other ornamental or transparent stones (e.g., citrine, quartz, aquamarine, onyx, amethyst, etc.).

Although most of the gemstones used by Kering brands are natural, the provisions in this Standard also apply to any lab-grown colored gemstones used.

This Standard does not cover natural diamonds, which are covered by the [Kering Standard for Diamonds](#).

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

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- Complying with all national and international laws, principles and regulations notably related to human rights, fundamental freedom, health and safety and the environment, as set out in the Suppliers' Charter of the [Kering Code of Ethics](#).
- Ensuring that all colored gemstones purchased by the brands come from legal and responsible sources and have not been used to fuel conflict.
- Implementing best practices for the due diligence process across the colored gemstones supply chain, including beyond primary suppliers to identify the different layers of the supply chain, and assess the risks. This includes following the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- Collaborating with all actors of the colored gemstones supply chain to develop and implement transparency systems across the various tiers of the supply chain, from mine to store



REQUIREMENTS FOR 2025

© Ensure alignment with a robust code of practices for emeralds, sapphires, and rubies

In their commercial relationships with colored gemstones suppliers, brands will require the RJC Code of Practices (COP) certification from their direct suppliers of emeralds, sapphires, and rubies, with the aim of ensuring responsible practices across the supply chain. For other colored and transparent gemstones, Kering will actively collaborate with the Colored Gemstones Working Group to evaluate and develop improved frameworks and certifications that enable responsible sourcing.

© Implement due diligence within colored gemstones supply chains

Kering believes that the path to a responsible and transparent supply chain starts with an appropriate and detailed due diligence process. The due diligence process must be adapted to the specificities of the supply chain and the players involved (nature, size, location, etc.). Due diligence is designed to reduce risks for Kering's brands' supply chains, particularly in relation to regulatory requirements, human rights violations, child labor, health and safety, environmental impact and criminal or conflict activity. Kering brands will implement best practices in their colored gemstones' due diligence process in compliance with the OECD Due Diligence Guidance and the RJC recommendations. Kering brands will also encourage their suppliers to implement due diligence in their supply chains. Therefore, primary suppliers will be required to carry out similar due diligence exercises on their suppliers and agree to share the results with Kering and its brands as requested.

Develop transparency of the colored gemstones supply chain

Kering is committed to achieving transparency within its colored gemstone value chain. In this context, colored gemstones suppliers will:

- Work in constructive, pragmatic and mutually-beneficial partnership with Kering to continuously improve transparency within their colored gemstone supply chains.
- Make all reasonable efforts to provide Kering with information when requested about the origin and the journey of the colored gemstones that they supply to Kering brands, and the due diligence system applied. This information may include, but is not limited, to the following examples:
 - © Who has supplied the stone (this applies both to directly and indirectly sourced stones, i.e., direct purchases from stone suppliers, and purchases of finished products containing colored gemstones)

- Who has cut and polished the colored gemstones and where.
- What ethical standards or initiatives have been applied to the mining and processing of the colored gemstones and for the people who handle them during each step of the supply chain (i.e., RJC COP certification or other relevant standards and private initiatives as the case may be).

© Comply with Kering business ethics

Kering eschews corruption in all its forms. As such, colored gemstones suppliers will:

- Comply with all relevant laws in all their activities, including (but not limited to) those relating to anti-corruption, anti-money laundering and counter-terrorist financing.
- Never knowingly supply colored gemstones or products containing colored gemstones to Kering or its brands that have been subject to or involved in any form of bribery or corruption.
- Actively avoid any conflicts of interest or the exercise of illegitimate influence when doing business with Kering and its brands, including as a result of payments and gifts made or received, pre-existing relationships or other means.
- Inform Kering as soon as the supplier becomes aware of any incident in which it has not met, or is not likely to meet, these requirements.

© Ensure human rights are respected in the entire colored gemstones supply chain

Kering is committed to respecting and ensuring internationally recognized human rights, both in its own business activities and through its business relationships. Colored gemstone suppliers commit to only providing Kering and its brands with colored gemstones, and including colored gemstones contained in products, that are not associated with any human rights abuses during mining, trading, treatment and cutting/polishing. Suppliers commit to providing appropriate evidence to support these claims.

In particular, due to severe risk related to human rights and financing of terrorism, Kering has a ban on sourcing from Afghanistan.



REQUIREMENTS FOR 2025

© Allow inspection and auditing

Colored gemstones suppliers will:

- Allow Kering, its brands and their representatives to check the supplier's adherence to the Kering Standard for colored gemstones, including by physical and documented inspections.
- When requested, provide, if applicable, their latest RIC Certification reports, including major and minor non-compliance sections.
- Correct any identified instances of non-compliance with the Kering Standard for colored gemstones within a case-by-case determined timeline and enhance existing practices where Kering and its brands have identified violations but have decided not to exercise their resulting right to terminate contractual relations.

Minimize the environmental impacts of colored gemstones extraction

Kering supports all initiatives targeted at safeguarding biodiversity and natural habitat potentially affected by mining operations. Colored gemstone mining can have harmful environmental impacts such as:

- Soil erosion and land degradation
- Decline in water quality, spills, floods and destruction of aquatic ecosystems
- Effects on wildlife and biodiversity (habitat loss, spread of disease to animal species, population decline)

Land reclamation and rehabilitation (restoring topsoil, eliminating harmful waste), and remediation and rehabilitation of natural flora and fauna (planting appropriate vegetation and native plants) will be considered in future supply chain developments as a key criteria in Kering brands' sourcing decisions.

Actively participating in the W&JI2030

As one of the two founders of the Watch & Jewellery Initiative 2030 (W&JI2030), Kering expects that all suppliers to its brands align with the initiative's mission and actively participate in it. The primary objective of this collaboration is to make significant contributions towards establishing a completely sustainable supply chain for watches and jewelry. This objective will be pursued through the implementation of three core pillars: building climate resilience, preserving resources and fostering inclusiveness. Through stringent supplier adherence to these action pillars, Kering aims to galvanize the entire industry towards sustainable transformation.



ADDITIONAL BEST PRACTICES

Improve transparency and traceability one step further

Suppliers commit to work with Kering and its brands to ensure sourcing from supply chains with the highest level of standards and traceability verification. This includes working towards strict requirements applying at strategic levels of the supply chain.

From 2025, colored gemstones suppliers will provide Kering with all the information hereunder, additional to the list in the paragraph “Develop traceability transparency of the colored gemstones supply chain” under “requirements for 2025”:

- For all the cutter(s), polisher(s) and any other suppliers providing treatments: their name and exact location, their code of practice certification(s)
- Country of origin of the rough (a mix of countries is acceptable if an individual country origin is not possible)

Emerging technologies are enabling greater traceability of colored gemstones supply chains. Kering actively encourages suppliers to investigate such technologies to trace the gemstones across different steps of the supply chain.

Investigate innovative, circular materials with stone-like qualities

Kering actively seeks to explore innovative materials that can be repurposed from industrial by-products into precious materials, exhibiting properties akin to precious stones (e.g., transparency, brilliance, luster, fire, fluorescence, hardness, quality, etc.). This exploration is grounded in our dedication to the principles of circular economy, where potential waste streams from various industries (e.g., automotive, pharmaceutical, food, construction) are valued and repurposed as precious materials for jewelry applications. A case in point is Boucheron’s recent groundbreaking initiative to use Cofalit, using a material typically used in motorway embankments. This transformation of Cofalit into a bold, precious jewel element in the Maison’s collections showcases our commitment to innovative material exploration and rehabilitation, simultaneously breathing new life into otherwise underutilized resources.



BOX 1: International organizations covering responsible sourcing applicable to the colored gemstones industry

The following are standards, initiatives and international organizations applicable to various aspects of the colored gemstones industry which are considered the most likely to fulfill the Minimum Requirements and Additional Conditions of the Kering Standard for Colored Gemstones. Please note that this list will be periodically reviewed and updated.

Responsible Jewellery Council (RJC)

The RJC is a non-profit standards setting and certification organization, composed of over 1000 member companies spanning from mine to retail. Members commit to and are independently audited against the RJC Code of Practice – an international standard on responsible business practices for colored gemstones, gold, silver and platinum group metals.

The RJC works with multi-stakeholder initiatives on responsible sourcing and supply chain due diligence. The RJC Code of Practices (COP) defines the responsible ethical, human rights, social and environmental practices that all certified RJC members must adhere to.

The RJC is a globally recognized organization which has set standards for the watch and jewelry industry. As such, their work requires continuous improvements.

The World Jewellery Confederation (CIBJO)

The primary objective of the CIBJO (Confédération Internationale de la Bijouterie, Joaillerie et Orfèvrerie) is to encourage harmonization, promote international cooperation in the jewelry industry, and to consider issues that concern the trade worldwide. It represents the interests of all individuals, organizations and companies earning their livelihoods from jewelry, gemstones and precious metals. To advance the goal of universal standards and terminology in the jewelry industry, CIBJO developed its Blue Book system which includes the CIBJO Gemstone Book. This involves a definitive set of standards for the grading, methodology and nomenclature of diamonds, colored gemstones, pearls and other organic materials, precious metals and gemological laboratories.

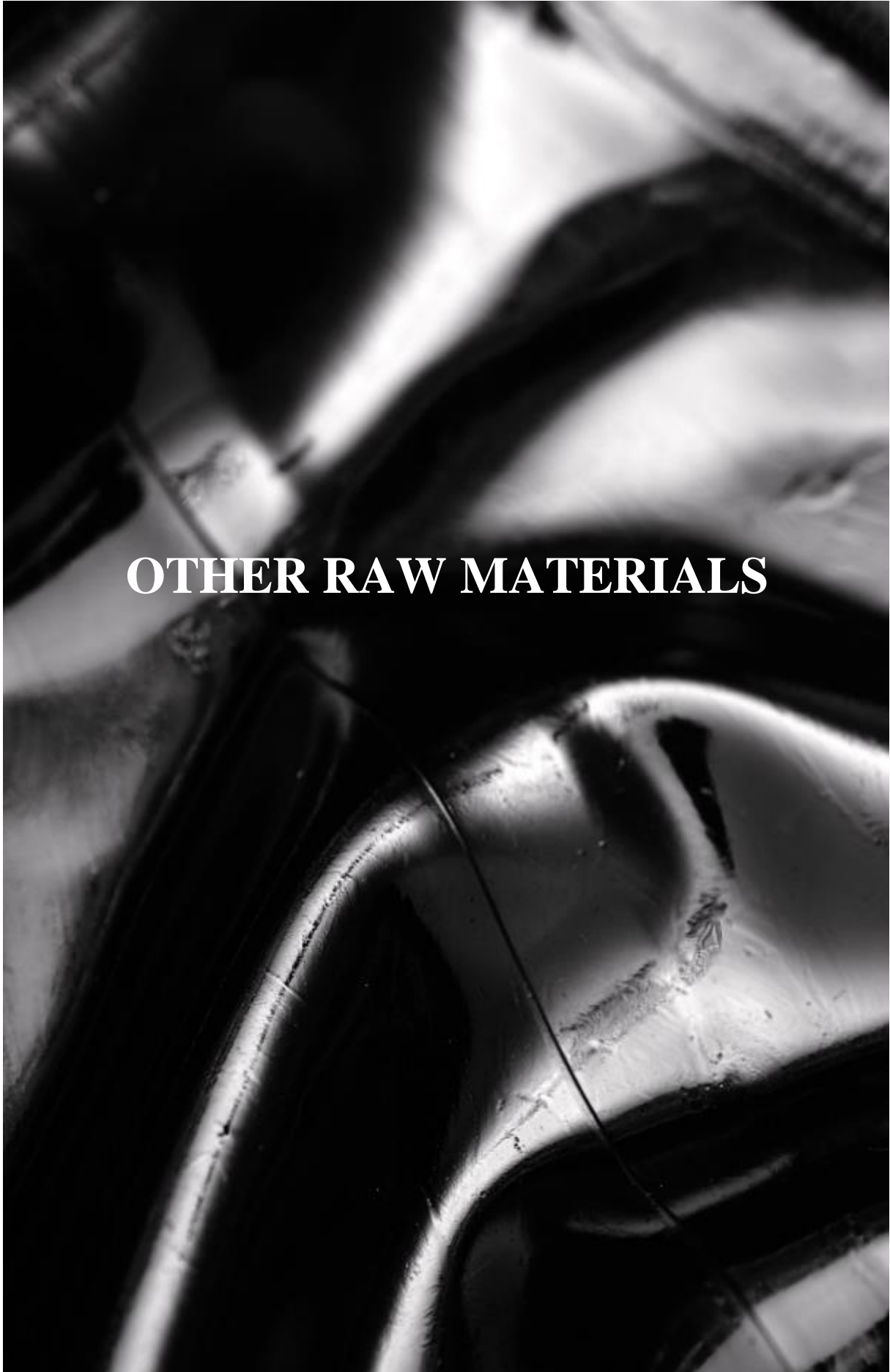
The American Gem Trade Association (AGTA)

The AGTA is an association of United States and Canadian trade professionals dedicated to promoting the long-term stability and integrity of the natural colored gemstone and cultured pearl industries. The association pursues its goals through the combined use of educational programs, publicity, industry events, government and industry relations, and printed materials for both the trade and consumer.

The International Colored Gemstone Association (ICA)

The ICA is a non-profit organization, specifically created to benefit the global colored gemstone industry's global network. It works to develop a common language for promotion and consistent business standards necessary to improve international communication and trade of colored gemstones.





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

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

All materials must come from producers respecting human rights and social requirements as set out in the Kering Code of Ethics. No sourcing activities should be linked with deforestation, the conversion or degradation of natural ecosystems.

Animal-based Materials

Mohair

- Choose mohair that carries the RMS certification (Responsible Mohair Standard)
- Alignment with Kering Animal Welfare Standards for Goats
- Preference for mohair with recycled content, certified according to the GRS certification

Alpaca

- Choose alpaca that carries the RAS certification (Responsible Alpaca Standard)
- Alignment with Kering Animal Welfare Standards
- Preference for alpaca with recycled content, certified according to the GRS certification

Guanaco

- Choose guanaco fiber that carries the Certified Guanaco Friendly™ (Wildlife Friendly Enterprise Network). The Certified Guanaco Friendly™ Fiber standards have been designed for landscapes where wild guanacos roam freely and include recommendations for the live-shearing of wild guanacos. Adherence to these recommendations and respect for the welfare of wild guanacos during round-up, shearing, and release, will lead to certification of live-sheared guanaco fiber under the Certified Guanaco Friendly™ label.

All other animal-based materials

- Alignment with the fundamental principles for Animal Welfare as outlined in the Kering Animal Welfare Standards, throughout all the different phases of an animal’s life (catching, maintaining, breeding, raising, transporting, handling, and slaughtering)
- Kering will require information about the origin of the material such as: name of farms or herding cooperative, name of abattoir (if applicable), name of processing facility (if applicable)

- Kering will evaluate certifications or standards if available and as needed
- Horns from farmed animals (cattle, goats, etc) should only originate from sources that are aligned with the Kering Animal Welfare Standards

Plant-based Materials

Rubber/Latex

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

Bamboo and Cork

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

Linen

- Whether conventional or organic, linen offers many advantages over other commonly used fibers in terms of environmental impact (e.g. less resources to be cultivated). Kering brands are encouraged to increase their use of linen (for example in blends) as much as possible, to reduce the negative impact of their products on the environment. Availability of organic certified linen is currently very low – flax is a short-cycled rotation crop and to obtain organic certification

farmers need to be aligned with the standard for all the crops in the rotation. Wherever possible, sourcing GOTS certified linen is preferred but difficulties in sourcing certified linen should not be a reason not to source it; even conventional linen is a preferred material

- There are key regenerative practices in flax cultivation that farmers should be encouraged to adopt and companies along the supply chain should communicate these expectations and support their implementation:
 - Dew retting (preferred to water retting, which requires water and wastewater treatment)
 - Diversified crop rotation
 - Cover cropping, using a diversity of species
 - Low to no tillage
 - Preserving/restoring hedges and permanent meadows in the landscape
 - Eliminating chemical fertilizer and pesticide use – while increasing uptake of regenerative practices (including the ones above) to improve soil and plant health and using organic certified intrans during the transition where they may be needed. Where possible, organic certification is preferable
 - Collaborating with other companies and sectors to support the uptake of organic certified and regenerative practices at farm level – covering all crops in the rotation, beyond flax alone

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

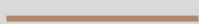
Other marine and freshwater products

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

Pearls and Mother of Pearl



STANDARDS FOR MANUFACTURING PROCESSES





Although leather is often considered a natural product since it is derived from animals, the chemicals used in tanning can add potentially hazardous substances to the natural hides. These substances combined with wastewater must be properly managed in order to avoid environmental and health impacts. Continuous monitoring conducted by Kering in Italy showed that at least 5% of chemical products used in tanneries still contain hazardous substances that can be toxic, carcinogenic, or disrupt hormonal systems in people/animals; and greener alternatives exist for tanning. Additionally, tanning is a process that uses large amounts of water and energy, often in larger quantities than needed when optimally managed tanning process requirements. Kering is tackling this issue by encouraging suppliers to adopt best available technologies using processing equipment and management and by requesting that suppliers provide environmental Key Performance Indicators (e-KPIs) for their production processes. Waste produced during tanning is another issue and Kering expects suppliers to ensure waste is properly managed - to recycle as much waste as possible, to properly segregate and treat chrome containing waste and hazardous wastes. Furthermore, the tanning process has a high potential for health and safety risks in all steps of the tanning process from raw material storage to finishing and effluent treatment. Risks related to chemicals, machinery, workplace conditions and general emergencies must be reduced. Kering works with suppliers to audit all facilities to assess adherence to the Kering Standards.

The requirements outlined below for the Kering Standard for Tanning are focused on the different tanning steps leading to wet-blue/wet-white, crust and finished leather.

Additional Kering Standards are available for the sourcing of hides (See [Kering Standard for Hides and Skins for Leather](#) and [Kering Standard for Precious Skins](#)).

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

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



REQUIREMENTS FOR 2025

© Comply with national legislation

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

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

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

To this end:

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

© Comply with Kering Product Restricted Substances List (PRSL)

Compliance with Kering's PRSL is requested for all finished leather from suppliers who have full responsibility for the

product, as well as for possible contaminations occurring up-stream in the production process. All Kering suppliers must guarantee PRSL compliance of their products and ensure this through product testing. Moreover, Kering oversees an internal testing program of products as an additional auditing measure.

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

© Do not use leather coming from unknown tanneries and ensure traceability through the tanning process up to the origin of the hides

Kering aims to have full visibility of its leather supply chain to minimize risks related to environmental and social aspects like water/soil pollution, improperly managed waste, and forced labor. Kering is working with its suppliers to progress, step by step, towards more transparency. For this reason, Kering brands shall not purchase finished leather and skins from traders unable or unwilling to disclose where the hides and skins are sourced (upstream traceability as far as the country of origin).

Traceability must be ensured upstream of the tannery (See: Kering Standard for Hides and Skins for Leather) and through the whole tanning process. Tanneries shall ensure full traceability from the raw hide or skin to the finished leather, whether all processes occur onsite or if manufacturing processes occur off-site. Traceability should be pursued, from the first stage to the last:

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

Externally verified traceability procedures are preferable to self-declarations. Certification schemes for traceability preferably ICEC and the Leather Working Group (see BOX 2). For recommended schemes on traceability upstream from the tannery, see Kering Standard for Hides and Skins for Leather.



REQUIREMENTS FOR 2025

Apply the precautionary principle for nanotechnologies

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

© Scale-up offer of metal-free tanned products

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

- Enable products to be considered as “metal-free” and/or “chrome-free” according to EN 15987:2015
- Have a lower environmental impact on the whole product life cycle than conventional chrome tanning

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

© Comply with Kering Manufacturing Restricted Substances List (MRSL)

Kering is committed to ensuring that all hazardous chemicals have been eliminated from production processes. To this end, Kering has adopted a [Manufacturing Restricted Substances List \(MRSL\)](#). As of January 1st, 2020, suppliers must ensure that the chemicals listed in the MRSL are not intentionally used in the different process steps of production, should this process step be taking place at the supplier’s location or upstream in the supply chain. To this extent, suppliers shall implement a chemical management system and investigate their supply chain to ensure compliance.

Furthermore, the supplier should work towards conformance to new releases of the MRSL, in order to

meet new MRSL requirements by the communicated transition period. The latest release is MRSL V.3.0. Please, refer to the [Appendix: Summary of Kering Chemical Management Policy](#).

For tanneries in particular the main recommendations are:

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

© Provide Environmental Key Performance Indicators (e-KPIs)

Kering is monitoring its environmental impact across its supply chain. For this reason, suppliers shall provide Kering with e-KPIs specific to their production. This means working on measuring and monitoring the use of resources of their tannery, including energy and water consumption, water quality and waste production. Since 2021 Kering established its vendor portal, 3C, where suppliers are requested to indicate the main environmental KPIs for their processes, as well as the best practices they use.

© Improve the environmental performance of the facility

Facilities are expected to build on the e-KPIs (as mentioned above) and implement systems in order to improve their environmental performance (e.g. LCAs on specific products, continuous energy measuring in selected departments, etc.).



REQUIREMENTS FOR 2025

Minimize wastewater and align with the highest wastewater quality standards

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

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

Aim for the best certification schemes

All tanneries producing wet-blue, pickled and/or finished leather need to have some verification of their environmental performance. Kering prefers third-party certifications but, as of today, there is no accredited global scheme that is specific for tanneries.

Today, the most common scheme is the Leather Working Group (LWG) (see BOX 2 LWG audit protocol). We encourage the tanneries to be verified against LWG standards until there is an accredited verification scheme that could guarantee the most efficient use of resources (water, energy, chemicals, etc.) at processing level and a more standardized approach to harmonizing the implementation of audits at global level. Tanneries shall be ready to share the audit report upon request from Kering.

Additionally, tanneries should work to achieve a third-party verified environmental management system with ISO 14001 certification, an energy management system with ISO 50001 certification, a health and safety management system with ISO 45001 certification and SA8000 certification for social responsibility.

Eco-design packaging and eliminate single-use plastic packaging

Packaging choice must be compliant with the Kering Standards and single-use plastic packaging must be phased out.

For additional information please refer to [Kering Standard for Packaging](#).



ADDITIONAL BEST PRACTICES

Set a Science Based Target for climate

Suppliers shall set climate targets aligned with the Science Based Targets initiative (SBTi) initiative a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the Worldwide Fund for Nature (WWF). Through this initiative, companies willing to play their part for Climate Change, commit to a path of reduction of their Scope 1 and Scope 2 emissions, with clear intermediate and final targets aimed at reducing their greenhouse gases emissions. The SBTi recently developed a streamlined pathway for Small and Medium Enterprises that corresponds with the size of many Kering suppliers, and provides external recognition of the efforts made by suppliers.

Implement best available techniques for tanning

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

To optimize their environmental performance, tanneries shall:

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

Target 100% renewable energy

Suppliers are encouraged to aim for 100% renewable energy. In processing, such a target can be achieved by:

- Installing solar systems on the rooftops and parking lots of the factory
- Setting up a renewable energy contract with the utility provider or buying and canceling Energy Attribute Certificates covering the total electricity consumption
- Electrifying all energy uses where this makes sense. A fully electric HVAC system based on reversible heat pumps is cost-competitive with conventional fuel boilers. At the same time, hot process water and air for drying up to 80 °C can be conveniently produced with electric heat pumps instead of using steam produced by a steam boiler



BOX 1: Best available technologies and best practices in tanning

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

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



BOX 2: Leather Working Group audit protocol

The Leather Working Group (LWG) auditing protocol evaluates the environmental performance of tannery operations and rates the level of raw material traceability. LWG sets guidelines for environmental performance of leather manufacturers using a medal rating system with four performance levels: Gold (85%), Silver (75%), Bronze (65%), and Audited (50%).

LWG audits and certification are conducted by authorized auditors for the LWG environmental / Leather manufacturer audit protocol.

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

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

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





TEXTILE PROCESSING
WET PROCESSING, SPINNING, WEAVING AND KNITTING



Despite being considered a “light” industry, the textile industry is a huge consumer of water, energy and chemicals. Presently, it is regarded as one of the top five most polluting industrial sectors globally.

The main environmental issues in the textile sector are largely concentrated in pre-treatment (bleaching, brightening, brushing, cropping, desizing, mercerizing, scouring, etc.), colouration (dyeing and printing) and finishing processing (anti-microbial, bio-polishing, durable water and oil repellent, softening, stain resistance, etc.), where the largest consumption of water, energy, and chemicals occur. Textile processing is estimated to be responsible of 52% of the GhG emission of supply chain (All 2022). Spinning, weaving and knitting require significant amounts of energy, such as electricity, and may include the use of chemicals that require special care and can give rise to significant waste streams. Considering the 4 tiers of the textile industry’s supply chain, the textile processing, addressed in this chapter, are related to tier 2, specifically wet-processes. Tier 2 is also referred as materials production phase (production and finishing of materials to be used into final products), though tier 4 refers the production (extraction or cultivation) of raw materials and tier 3 refers to processing of raw materials.

The program “Clean by Design,” implemented by Kering and the NGO Natural Resources Defense Council (NRDC) at textile mills in Italy, shows that there are opportunities for reducing consumption of energy and water in an economically viable way (an average reduction of 19% by mill, with a return on investment in less than three years). Rather than imposing specific technological solutions, Kering encourages suppliers to improve their process knowledge and control through environmental Key Performance Indicators (e-KPIs) and certifications.

Health and safety issues in the textile industry are extensive and require constant monitoring and management. These issues can include exposure to chemicals, noise, pollution, dangerous substances, and dangerous machinery.

The Kering Standard for Textile Processing outlined below is focused on the wet-processing (pre-treatment, colouration, finishing), spinning, weaving and knitting. Additional Kering Standards are available for the [Raw Materials](#) (tier 4, 3), for [Cut-Make-Trim](#) (tier 1), [Standards for Logistic](#) (tier 0)

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

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



REQUIREMENTS FOR 2025

© Comply with national legislation

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

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

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

To this end:

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

© Do not use PVC (Polyvinyl Chloride) in Kering's brands products and packaging

PVC poses several environmental and health threats. From the chlorine contained in the polymer itself which may cause the formation of harmful chlorine containing by-products (e.g. dioxins) during the manufacturing of PVC to the burning of products that contain PVC. Chlorine by-products are carcinogenic and extremely dangerous to human health, wildlife and the environment.

Because of these risks, Kering set a public target in 2012 of eliminating PVC from collections and products.

Furthermore, plasticizers have to be added to PVC polymer to achieve softness and flexibility, properties needed in textile products and plasticizers commonly belonging to the category of phthalates. The amount of phthalates is generally between 30% and 50% by weight of the polymer. Phthalates are chemicals with disrupting hormone characteristics. The toxicity of phthalates on reproductive systems, as well as other dangerous endocrine effects, has been known for many years. It is also well known that phthalates are substances which can migrate from the PVC materials and come in contact with the user of the PVC product. For these reasons phthalates have been included in the Kering MRSL since its first release and are expected not to be used in any stage of the production processes for Kering Brands products and in any connected activities relating to Kering brands.

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© Comply with Kering Manufacturing Restricted Substances List (MRSL)

Kering is committed to ensuring that all hazardous chemicals have been eliminated from production processes. To this end, Kering has adopted a [Manufacturing Restricted Substances List \(MRSL\)](#). As of January 1st, 2020, suppliers must ensure that the chemicals listed in the MRSL are not intentionally used in the different process steps of production, whether at the supplier's location or upstream in the supply chain.

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

Furthermore, the supplier should work towards compliance with new releases of the MRSL. The latest version is MRSL V.3.0. Additionally, Kering suppliers are recommended to enroll in the ZDHC Supplier to Zero Programme obtaining at least the Level one (Foundational) of the same. Please refer to [Appendix: Summary of Kering Chemical Management Policy for details](#).



REQUIREMENTS FOR 2025

© Comply with Kering Product Restricted Substances List (PRSL)

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

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

Eco-design packaging and eliminate single-use plastic packaging

-
- Packaging choice must be compliant with the Kering Standards and single-use plastic packaging must be phased out.
-
- For additional information please refer to [Kering Standard for Packaging](#).
-

Minimize wastewater and align with highest wastewater quality standards

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

Kering encourages suppliers to improve wastewater management in three areas by:

1. Reducing the amount of water and chemicals used through the processes and integrating the measures indicated above
2. Improving the effectiveness of wastewater treatment in cleaning water from the pollutant load
3. Improving the reuse and recyclability of water, towards an industrial water closed loop and, where possible, doing the same with additives (see [BOX 1](#)).

© Provide Environmental Key Performance Indicators (e-KPIs)

Kering is monitoring its environmental impact across its supply chain. For this reason, suppliers shall provide Kering with e-KPIs specific to their production. This means working on measuring and monitoring the use of resources of their facility, including energy and water consumption, water quality and waste production. In 2021 Kering put in place its vendor portal, 3C, where suppliers are requested to indicate the main environmental KPIs for their processes, as well as the best practices they use.

© Improve the environmental performance of the facility

Suppliers are expected to build on the e-KPIs (as mentioned above) and implement systems in order to improve their facilities' environmental performance (e.g.: LCAs on specific products, continuous energy measuring in selected departments, etc.).

Minimize microfiber shedding in textile processing

Implement mitigation measures to reduce microfiber shedding (fiber fragmentation) at the manufacturing phases.

Kering refers to The Microfiber Consortium indications for reducing the formation and emissions of microfiber in wastewater and waterways. The indications, developed with ZDHC, are addressed to brands and manufacturers, and include:

(actions for reducing formation)

- Usage of dyeing/laundry machines with low abrasion.
- Usage of process bath lubricants that reduce fiber-to-fiber and fiber-to-metal friction.
- Reduction of process times.
- Usage of clean yarns and implement singeing rather than biopolishing.

(actions for reducing emissions)

- Minimization of water consumption to increase dwell times in the effluent treatment plant and specifically in gravitational settlement.
- If flocculation is used to remove color – examine options that can potentially aggregate other solids including microfibers.
- Ensure clarifier exits are clear and perfectly horizontal to avoid channeling, a situation where localized high flow rates carry solids out of the clarifier.
- Consideration of ultrafiltration, nanofiltration or reverse osmosis to remove all solids (consider MBR design with integral filtration for



Standards for Manufacturing Processes – Textile Processing

new build effluent treatment plants). And consider on-machine filtration.

- Avoidance of land spreading of sludge

Limiting the impact of microfibers once they are in the environment is not an option, and filtration systems should be put in place to prevent microfiber release.

Biodegradable or compostable fibers cannot be seen as a potential solution to the microfiber issue.



REQUIREMENTS FOR 2025

Apply the precautionary principle for nanotechnologies

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

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



ADDITIONAL BEST PRACTICES

Aim for the best certification schemes

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

Suppliers are encouraged to obtain certification of their products and/or processes, meaning recognized certification at global, regional or national level regarding environmental and social responsibility. Regarding processes, only choose the schemes highlighted in [BOX 2](#).

Mills are encouraged to obtain and maintain the following certifications:

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

Implement best available techniques of textile processing

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

To optimize their environmental performance, textile mills shall:

- Measure and monitor environmental impacts through e-KPIs
- Evaluate environmental performance against the BAT framework and take corrective actions if performance levels are low compared to BAT Standards (see [BOX 3](#))
- For all new equipment, ensure that the installation complies with BAT Standards

Kering also promotes the development of advanced, disruptive techniques allowing large reductions in the use of energy, water, and chemicals. Including:

- The use of biodegradable or bio eliminable lubricants and additives, and of enzyme catalyzed finishing processes

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

When it comes to denim and coated fabrics and their specific textile processing, please refer to [BOX 4](#) for coated fabrics and to [BOX 5](#) for denim.

Implement best available techniques in auxiliary systems

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

At the European level, the Best Available Techniques (BAT) Reference Document for Energy Efficiency gives a set of benchmarks and good practices for auxiliary equipment. Kering encourages mills to enter the Clean by Design program (see [BOX 6](#)).

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

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



ADDITIONAL BEST PRACTICES

Minimize textile waste in production and recover and reuse textile by-products

Kering encourages all efforts to minimize waste generation during the different textile production processes decreasing the amount of textile materials wasted and divert the waste from landfill.

Kering supports all effort to use back textile waste and by-products in the same production processes without going through a recycling processes (see “Guidance for Circularity” for more information on hierarchy of circularity principles) even if these final materials are not GRS or RCS certifiable (a material which is used more than once in its original form without being collected and recycled is not GRS or RCS certifiable).

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

Set a Science Based Target for climate

Suppliers shall set climate targets aligned with the Science Based Targets Initiative (SBTi), a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). Through this initiative, companies willing to do their part on Climate Change commit to a path of reducing their scope 1 and scope 2 emissions, with clear intermediate and final targets aimed at reducing their greenhouse gases emissions. The SBTi recently developed a streamlined pathway for Small and Medium Enterprises; the size of many of Kering brands’ suppliers and provides external recognition for the efforts made by suppliers.

Target 100% renewable energy

Suppliers are encouraged to source 100% renewable energy. In processing such a target can be achieved by:

- Installing solar systems on the rooftops and parking lots of the factory
- Setting up a renewable energy contract with the utility company or buying and canceling Energy Attribute Certificates covering the total electricity consumption
- Electrifying all energy uses where this makes sense. A fully electric HVAC system based on reversible heat pumps is cost-competitive with conventional fuel boilers. At the same time, hot process water and air for drying up to 80 °C can be conveniently produced with electric heat pumps instead of using steam produced by a steam boiler.



BOX 1: Towards closed-loop water use and zero wastewater discharge






Several water streams can already be reused and the degradability of specific wastewater streams can be improved by keeping them separated before the dedicated cleaning processes are applied. This helps to abate their polluting load.

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



BOX 2: Recommended Certifications for Textile Processing

Kering encourages suppliers to adopt comprehensive certification processes that cover both social and environmental aspects, such as chemical management and water stewardship programs. The below certifications are not requirements by 2025 but strongly suggested by Kering to achieve additional best practices.

Name	Standard or Organization	Logo	Headquarters	Notes
TEXTILE PROCESSING				
BlueSign	Bluesign technologies ag		Switzerland	Standard for production sites covering chemical stewardship
OEKO TEX STeP	OEKO-TEX Service GmbH		Switzerland	Standard for production sites covering chemical stewardship
OEKO TEX “Standard 100 plus” (100 and STeP)	OEKO-TEX Service GmbH		Switzerland	Standard 100 (Certification on material and final product) and OEKO TEX STeP (Standard for production sites)
Cradle to Cradle	Cradle to Cradle Products Innovation Institute Inc.		U.S.A. / The Netherlands	Certification program applies to materials, sub-assemblies, and finished products
4Sustainability CHEM Protocol	Process Factory		Italy	Protocol covering chemical stewardship



BOX 3: Best Available Technologies in textile plants

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

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

BOX 4: Coated fabrics

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

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

In addition to these mandatory requirements, there are additional recommendations:

1. Choose products with a high percentage of bio-based contents (see [Guidance for Innovation](#) for more information about biobased feedstock)
2. Investigate and use suitable safer alternatives to hazardous chemicals



BOX 5: Denim products

Denim products

The denim product category is important for Kering as the denim industry often anticipates trends in technological development of dyeing and finishing it is strategic to provide some indications, especially as regards additional expectations. Denim products generally use a type of twill fabric in which yarns are dyed using indigo and sulphur and garments are treated so as to obtain finishes.

The denim production cycle consists of dry and wet processes and is one of the most natural resource intensive textile processes comprising many production processes (up to 33). The two most intensive steps in the production cycle are considered yarn dyeing and garment finishing where the largest consumptions of water, energy, chemicals, material waste occurs, and the risk of unsafe labor conditions is high. These two steps should be developed together when designing denim products to reduce impact and reduce risk along the whole production process. Suppliers are encouraged to adopt science-based targets measuring and monitoring environmental issues during all steps of denim production as well as following national and pan-national OSH regulations to regulate labor practices and meet welfare standards of permanent and temporary workers at the facility.

Fibers

The most widely used fiber in denim is cotton. Other fibers used to blend with the cotton are elastane, PET Polyester, Polyamide, MMCF (e.g. Lyocell, Viscose, Modal). These secondary fibers when blended with cotton can constitute a barrier for end-of-life recycling opportunities for both fabrics and garments. For details of how to source raw materials for denim fabrics please refer to Kering Standards for Raw Materials (cotton, synthetics, cellulosic fibers).

Yarn dyeing

Regarding indigo yarn dyeing, Kering recommends choosing resource efficient dyeing technologies that aim to reduce:

- Water reducing the number of indigo dye baths used for washing after dyeing and prioritizing technologies that enable color penetration during the dyeing process.
- Energy optimizing technologies and techniques to reduce the number of dyeing batches and prioritizing innovative from heating and power systems
- Wastewater implementing technologies and techniques that reduce indigo dyeing batches, reduce and recycle wastewater used in washing and dyeing processes (e.g. using waterless foam indigo dyeing technologies)
- Waste materials by promoting initiatives to reduce and recycle yarn waste generated at the beginning and end of indigo dye batches
- Chemicals by reducing hazardous chemicals, including salt generators in wastewater and final effluents and prioritize pre-reduced indigo produced in safe chemical facilities over indigo granules reduced in dyeing facilities that can lead to salts formation and aniline content in water effluents

Synthetic and natural indigo production is under investigation to understand which options can be considered safer for the user and linked to reductions of impact throughout the manufacturing processes.



BOX 5: Denim products (*continued*)

Garment finishing

Regarding garment finishing, Kering recommends the adoptions of emerging technology able to reduce impacts through saving energy, water, chemicals for example:

- Laser use for producing color and wear effects. These machines mitigate the use of permanganate, of stone washing and the use of large amounts of water traditionally used
- Ozone uses for discoloration. This creates interesting wear and color effects uses less water and avoids using permanganate and other bleaching agents
- Spray dyeing. This technique uses 90-95% less water for dyeing finished garments, with additional savings of energy (water used in conventional dyeing is hot)

Kering is working with suppliers to regulate the use and find safer alternatives for chemicals not yet regulated in Kering's MRSL such as:

- Potassium Permanganate is a powerful oxidant agent that must be handled and applied according to specified instructions from Official Chemical Authorities
- Sodium Hypochlorite is a bleaching agent that requires safe handling by and the levels of concentration in wastewater shall be monitored
- Alternative chemicals evaluated shall align with Kering's MRSL/ZDHC and PRSL list of chemicals.
- Sandblasting poses potential health threats for the workers due the use of silica dust in the process that is linked to respiratory issues. Consequently, Kering is eliminating sand blasting from brand's collections and products by 2025

Please refer to the Kering Material Innovation Lab for updated information.



BOX 6: Clean by Design

The specific aim of the Clean by Design (CbD) program is to optimize the auxiliary systems at the premises of Kering's suppliers. Results of the program in Italy are excellent: average savings in the participating mills in terms of water, energy and CO₂ emissions are between 10 and 20% for most of the factories, with peaks up to 50% through interventions having payback times from 0 to 2 years typically.

Kering started running the Clean by Design program in Italy in 2013. From 2021, Kering partnered with other brands and the Apparel Impact Institute to scale up the program. Clean by Design is based on easy to implement, zero or low-cost interventions with short pay-back time. The program is based on the following 10 best practices and is valid worldwide:

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

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





**LEATHER GOODS
AND SHOE MANUFACTURING**



Kering brands' production of leather goods and shoes requires highly specialized craftsmanship and manufacturing is largely concentrated in Italy. Most of the environmental impact of leather production is at the sourcing and tanning stages, and the production of shoes and leather goods can give rise to waste streams. The management of these waste streams, especially regarding chrome tanned leather, can significantly impact the environment. Other challenges regarding the use of chemicals are glues and paints in particular, as some components within them may be hazardous and solvents can cause Volatile Organic Compound (VOC) emissions. Energy and water use in leather goods and shoe manufacturing is less of a challenge compared to other industry segments. However, since energy is mostly used for lighting, heating, ventilation, and air conditioning (HVAC) systems, inefficiencies and improvement margins are often significant. To this end, Kering encourages its suppliers to improve their practices in building construction, renovation and operations and provide Kering with e-KPIs. Also, in the final processing stages, Kering promotes traceability, compliance and sustainability certification schemes of products, processes and suppliers.

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

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

In summary, the key principles that underpin the Kering Standard for Leather Goods and Shoe Manufacturing are:

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



REQUIREMENTS FOR 2025

© Comply with national legislation

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

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

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

To this end:

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

© Comply with Kering Product Restricted Substances List (PRSL)

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

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

© Comply with Kering Manufacturing Restricted Substances List (MRSL)

Kering is committed to ensuring that all hazardous chemicals have been eliminated from production processes. To this end, Kering has adopted a Manufacturing Restricted Substances List (MRSL). As of January 1st, 2020, the supplier must ensure that the chemicals listed in the MRSL are not intentionally used in the different process steps of the production, should this process step take place at the supplier's location or upstream in the supply chain. Furthermore, the supplier should work towards conformance with new releases of the MRSL in order to meet new MRSL requirements by the communicated transition period. The latest version is MRSL V.3.0

For leather goods and shoe manufacturers, the main recommendations are:

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



REQUIREMENTS FOR 2025

© Do not use leather from unknown tanneries and obtain information about the origin of the leather you buy

Kering aims to have full visibility of its leather supply chain to minimize risks related to environmental and social aspects (water pollution, improperly managed waste, forced labor, etc.). Kering is working with its suppliers to progress, step by step, towards more transparency. For this reason, Kering suppliers shall not purchase tanned skins from traders unable or unwilling to disclose where the skins are sourced and must obtain information on the main processing steps of the leather (tanning and slaughtering countries).

© Do not use PVC (Polyvinyl Chloride) in Kering's brands products and packaging

PVC poses several environmental and health threats. The chlorine contained in the polymer itself may cause the formation of harmful chlorine containing by-products (e.g. dioxins) during the manufacturing of PVC and burning products that contain PVC. Chlorine by-products are carcinogenic and extremely dangerous to human health, wildlife and the environment.

Because of these risks, in 2012 Kering publicly declared eliminating the use of PVC from brands' collections and products.

Moreover, plasticizers must be added to PVC polymer to achieve softness and flexibility properties needed in textile products; plasticizers commonly belong to the category of phthalates. The amount of phthalates is generally between 30% and 50% by weight of the polymer. Phthalates are chemicals with disrupting hormone characteristics. The toxicity of phthalates to reproductive systems, as well as other dangerous endocrine effects, has been known for many years. It is also well known that phthalates are substances which tend to migrate from the PVC materials and come in contact with the user of the PVC product. For these reasons phthalates have been included in the Kering MRSL since its first publication and are expected not to be used in any stage of the production processes for Kering Brands products and in any activities relating to Kering brands' productions.

Eco-design packaging and eliminate single-use plastic packaging

Packaging choice must be compliant with the Kering Standards and single-use plastic packaging must be phased out.

For additional information please refer to Kering Standard for Packaging.

© Provide Environmental Key Performance Indicators (e-KPIs)

Kering is monitoring its environmental impact across its supply chain. For that reason, suppliers shall provide Kering with e-KPIs specific to their production. This means working on measuring and monitoring the use of resources of their facility, including energy and water consumption, water quality and waste production. Since 2021 Kering put in place its vendor portal, 3C, where suppliers are requested to indicate the main environmental KPIs for their processes, as well as the best practices they use.

© Improve the environmental performance of the facility

Facilities are expected to build on the e-KPIs (as mentioned above) and implement systems in order to improve their environmental performance (e.g.: LCAs on specific products, continuous energy measuring in selected departments, etc.).



ADDITIONAL BEST PRACTICES

Implement best practices

The most significant environmental impact in the production of leather goods and shoes relates to waste production. Energy use in domestic activities (heating, cooling, ventilation, and lighting) is more impactful than process machinery energy use. Water use is also limited, mainly for non-manufacturing.

Therefore, the focus should be on waste management as the production of leather goods and shoes can pose environmental risks when not properly managed. The largest amount of waste comes from materials that can be segregated and recycled. In particular, clean leather scrap (unpolluted by glues and separate from other materials) should be collected separately and recycled for bonded leather production; whereas, pure textile, plastic or rubber waste streams should be recycled within the same supply chain. Several other waste streams can be used as fuels in specific applications (metal processing, cement production, etc.) Suppliers with high qualitative and quantitative recycling rates will be prioritized. See [BOX 1: Recovery of leather scraps](#).

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

Aim for the best certification schemes

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

Set a Science Based Target for climate

Suppliers shall set climate targets aligned with the Science Based Targets initiative (SBTi) a partnership between CDP,

the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). Through this initiative, companies willing to do their part in Climate Change, commit to a path of reduction of their scope 1 and scope 2 emissions, with clear intermediate and final targets aimed at reducing their greenhouse gases emissions. The SBTi recently developed a streamlined pathway for Small and Medium Enterprises suitable for the size of Kering suppliers and providing external recognition for the efforts made by suppliers.

Target 100% renewable energy

Suppliers are encouraged to target 100% renewable energy. Reaching this target can be relatively easily achieved by:

- Installing solar systems on the rooftops and parking lots of the factory
- Setting up a renewable energy contract with the utility company, or buying and canceling Energy Attribute Certificates covering the total electricity consumption
- Electrifying all energy uses where this makes sense. A fully electric HVAC system based on reversible heat pumps is cost-competitive with conventional fuel boilers. At the same time, hot process water and air for drying up to 80 °C can be conveniently produced with electric heat pumps instead of using steam produced by a steam boiler.



BOX 1: Recovery of leather scraps

As long as leather is tanned with chrome, leather scrap management will be an environmental issue. At present, leather scrap is mostly managed in the following ways:

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

At present, the use of scraps for producing a new material, such as regenerated leather, appears to be the best solution in environmental terms. This solution has some limits since it cannot be applied for all types of scraps, but it allows the conversion of waste into a product that has a market and use. Thus, Kering encourages leather cutting centers, leather goods makers and shoe factories to implement this solution. Be aware that chrome free tanning makes leather waste easier to deal with because in most cases this waste is treated as organic material.

The transformation of leather scraps for fertilizer production is preferable to landfilling leather scrap since the waste material becomes a resource. However, there are some concerns about the long-term effect of the accumulation of chrome in soils.





Kering brands' production of ready-to-wear requires a skilled workforce, production occurs between handicraft very small businesses and industrial production sites predominantly in Italy. Most of the environmental impact of ready-to-wear happens in the wet production stages upstream (dyeing, printing and finishing) and sometimes downstream (washing, denim finishing) of cut, make and trim activities, whose environmental impacts are mainly related to waste production and consumer use. The management of these waste streams can significantly impact the environment and is the focus of European Union legislation which will impose their recycling by 2025. This obligation anticipated in 2022, is already in place in Italy. Chemicals are used in small quantities, although stain removers are an area of concern as they may contain very persistent, bio accumulative substances potentially included in Kering's MRSL. Energy and water use in cut, make and trim activities is not as much of a challenge compared to other industries. However, since energy is mostly used for lighting, heating, ventilation, and air conditioning (HVAC) systems, inefficiencies and improvement margins are often significant. Ironing facilities, often present in garment production laboratories, are often serviced by steam boilers that are over-dimensioned in respect to the real needs, causing significant consumption of fuels that should be phased out. Kering encourages its suppliers to improve their practices in building construction, renovation and operations and provide Kering with e-KPIs. Also, in the final processing step, Kering encourages traceability, compliance and sustainability certification schemes of products, processes and suppliers.

Health and Safety, as well as social issues in garment production can be extensive and require consistent management of risks to ensure the safety of workers in the supply chain. Common issues include workplace, overcrowding, thermal discomfort from ironing facilities (often left on even when non used), and insufficient capacity of ventilation and air conditioning.

The Kering Standard for Cut, Make and Trim outlined below focuses on the main manufacturing steps. Additional Kering Standards are available for [Textile Processing: spinning, weaving, dyeing, printing, and finishing](#).

In summary, the key principles that underpin the Kering Standard for Cut, Make and Trim are:

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



REQUIREMENTS FOR 2025

© Comply with national legislation

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

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

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

To this end:

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

© Comply with Kering Product Restricted Substances List (PRSL)

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

internal testing program of the products as an additional auditing measure.

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

© Comply with Kering Manufacturing Restricted Substances List (MRSL)

Kering is committed to ensuring that all hazardous chemicals have been eliminated from production processes. To this end, Kering has adopted a [Manufacturing Restricted Substances List \(MRSL\)](#). As of January 1st, 2020, the supplier must make sure that the chemicals listed in the MRSL are not intentionally used in the different process steps of the production, should this process step be taking place at the supplier's location or upstream in the supply chain. Furthermore, the supplier should work towards conformance to new releases of the MRSL in order to meet new MRSL requirements by the communicated transition period. The latest release is MRSL V.3.0.

In particular for cut, make and sew suppliers the main recommendations are:

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

Ensure traceability of all components you use

Kering aims at having full visibility of its supply chain to minimize risks related to environmental and social aspects (water pollution, improperly managed waste, forced labor, etc.). Kering is working with its suppliers to progress step by step towards more transparency. For that reason, Kering suppliers shall not purchase materials (fabrics, leather...) and other components (zips, buttons, studs etc.) from traders unable or unwilling to disclose where these skins are sourced and must gather information on the main processing steps, in particular for of the leather (tanning and slaughtering countries).



REQUIREMENTS FOR 2025

© Do not use PVC (Polyvinyl Chloride) in Kering's brands products and packaging

PVC poses several environmental and health threats. The chlorine contained in the polymer itself may cause the formation of harmful chlorine containing by-products (e.g. dioxins) during the manufacturing of PVC and burning of products that contain PVC. Chlorine by-products are carcinogenic and extremely dangerous to human health, wildlife and the environment.

Because of these risks, Kering set a public target in 2012 to eliminate PVC from collections and products.

Moreover, plasticizers have to be added to PVC polymer to achieve softness and flexibility, properties needed in textile products, and plasticizers commonly belong to the phthalates category. The amount of phthalates is generally between 30% and 50% by weight of the polymer. Phthalates are chemicals with disrupting hormone characteristics. The toxicity of phthalates to reproductive systems, as well as other dangerous endocrine effects, has been known for many years. It is also well known that phthalates are substances which tend to migrate from the PVC materials and can come in contact with the user of the PVC product. For these reasons phthalates were included in the first Kering MRSL and must not be used in any stage of the production processes for Kering Brands products and in any connected activities relating to Kering brands' productions.

Eco-design packaging and eliminate single-use plastic packaging

Packaging choice must be compliant with the Kering Standards and single-use plastic packaging must be phased out.

For additional information please refer to Kering Standard for Packaging.

© Provide Environmental Key Performance Indicators (e-KPIs)

Kering is monitoring its environmental impact across its supply chain. For this reason, suppliers shall provide Kering with e-KPIs specific to their production. This means working on measuring and monitoring the use of resources of their facility, including energy and water consumption, water quality and waste production. In 2021 Kering put in place its vendor portal, 3C, where suppliers are requested to indicate the main environmental KPIs for their processes, as well as the best practices they use.

© Improve the environmental performance of the facility

Facilities are expected to build on the e-KPIs (as mentioned above) and implement systems in order to improve their environmental performance (e.g.: LCAs on specific products, continuous energy monitoring in selected departments, etc.).



ADDITIONAL BEST PRACTICES

Implement best practices

The most important environmental impact in cut, make and trim relates to waste production. Energy use that is typical of tertiary activities where heating, cooling, ventilation, and lighting are used is more impactful than energy used by machinery. Ironing facilities may use significant electricity. Water use tends to be limited, mainly for non-manufacturing.

Priority should be given to waste management. The largest amount of waste comprises materials that can be segregated and recycled. In particular, clean fabric offcuts (unpolluted by glues and separate from other materials) should be used for smaller batch production (waste minimization), and if that is not possible, be sorted by material type (and by color if possible), collected and recycled for fiber production. Lower grade textiles can be used for insulating and in construction materials. Metal and plastic components can go into separate reuse/recycling streams. Several other waste streams can be used as fuel in specific applications (metal processing, cement production, etc.) Suppliers with high qualitative and quantitative recycling rates will be prioritized.

Cut, Make and Trim suppliers can often find opportunities to reduce their energy consumption through efficient lighting, insulation of their building, efficient HVAC, proper calibration of steam supply for ironing (often 5 to 10 times larger than needed), and in better controlling energy services.

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

Aim for best certification schemes

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

Set a Science Based Target for climate

Suppliers shall set climate targets aligned with the Science Based Targets initiative (SBTi), a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). Through this initiative, companies willing to play their part in Climate Change commit to reducing their scope 1 and scope 2 emissions, with clear intermediate and final targets aimed at reducing their greenhouse gases emissions. The SBTi recently developed a streamlined pathway for Small and Medium Enterprises that is suitable for the size of Kering suppliers and provides external recognition for the efforts made by suppliers.

Target 100% renewable energy

Suppliers are encouraged to use 100% renewable energy. Such a target can be relatively easily reached in cut-make-trim activities by:

- Installing solar systems on the rooftops and parking lots of the factory
- Setting up a renewable energy contract with the utility provider, or buying and canceling Energy Attribute Certificates covering total electricity consumption
- Electrifying all energy uses. A fully electric HVAC system based on reversible heat pumps is cost-competitive with conventional fuel boilers. Similarly, it is often more convenient to install small electric steam generators close to the ironing facilities rather than use large, centralized fossil fuel fired steam boilers.



**STANDARDS
FOR NON-
MERCHANTISING**





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

Through the Fashion Pact, Kering committed to significantly reducing the negative impacts that it has on the ocean, in collaboration with other existing leading initiatives. These impacts can be linked to packaging and, accordingly, Kering committed to eliminate single use plastic in packaging by 2025.

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

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

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

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

Note that Kering Beauté has additional requirements for packaging, as this section is not specific to beauty products (fragrances, cosmetics, etc).

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

- Comply with all applicable laws, conventions and regulations
- Comply with the Kering Product Restriction Substance List
- Reduce the amount of packaging used
- Review the packaging flow and improve capacity of cartons
- Not use PVC in packaging
- Not use plastic in BtoC packaging
- Not use virgin plastic in BtoB packaging
- Maximize the use of recycled or certified content
- Ensure packaging is designed for recycling



REQUIREMENTS FOR 2025

© Comply with Kering Product Restricted Substances List (PRSL)

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

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

Reduce the amount of packaging used

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

Review the packaging flow and improve capacity of boxes

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

In particular, Kering brands shall review the process of quality check (for make and buy production) in order to reduce the amount of waste generated from unpacking and repacking activities. When designing primary packaging, make every effort to optimize capacity and avoid oversized boxes to reduce empty space, thus enabling more efficient packing operations for shipping.

© Do not use PVC (Polyvinyl Chloride) in Kering's packaging

PVC poses several environmental and health threats., The chlorine contained in the polymer itself may cause the

formation of harmful chlorine containing by-products (e.g. dioxins) during the manufacturing of PVC and burning of products that contain PVC. Chlorine by-products are carcinogenic and extremely dangerous to human health, wildlife and the environment.

Because of these risks, Kering set a public target in 2012 to eliminate PVC from collections and products.

Moreover, plasticizers have to be added to PVC polymer to achieve softness and flexibility, properties needed in textile products, and plasticizers commonly belong to the phthalates category. The amount of phthalates is generally between 30% and 50% by weight of the polymer. Phthalates are chemicals with disrupting hormone characteristics. The toxicity of phthalates to reproductive systems, as well as other dangerous endocrine effects, has been known for many years. It is also well known that phthalates are substances which tend to migrate from the PVC materials and can come in contact with the user of the PVC product. For these reasons phthalates were included in the first Kering MRSL and must not be used in any stage of the production processes for Kering Brands products and in any connected activities relating to Kering brands' productions.

PVC ban for packaging covers BtoC and BtoB packaging as well as single use and reusable packaging.

Do not use plastic in BtoC packaging

Plastic is a versatile and important material that may be irreplaceable for some purposes. However, plastic presents sustainability challenges across its lifecycle as described in the [Kering Standard for Plastics](#). Packaging uses too much plastic and awareness is increasing that this must change as companies are unable to monitor where plastic packaging ends up. It also takes a very long time for plastic to degrade and decompose and there is also a risk of discarded plastic packaging polluting the environment or oceans.

For these reasons, use natural materials such as certified cardboards, paper or organic cotton instead of plastics for BtoC packaging ([see BOX 2](#)). For these materials, refer to the section [Kering Standards for Raw Materials](#).



REQUIREMENTS FOR 2025

© Maximize the use of recycled or certified content

Whether it is for BtoB packaging or BtoC packaging, all materials used shall follow the Requirements for 2025 of the [Kering Standards for Raw Materials](#)

These features are listed here with a decreasing level of importance for Kering.

- Choose materials made with recycled content and certified, prioritizing post-consumer recycled material feedstock and if not available pre-consumer feedstock, aiming to achieve material with 100% recycled content.
- If not possible, source material with bio-content, i.e., without any fossil/petrol content, and certified (OK Biobased or FSC, ...)

For B2B plastic packaging, specifically, by 2025 the content must be ([See BOX 2](#)):

- Made of 100% recycled content
- Contain at least 30% of post-consumer recycled content.

© Respect decoration guidelines

Packaging designed and produced must strictly comply with the EuPIA exclusion list for plastic inks and with the positive list from AFEI and not use mineral oils for paper/cardboard inks.

Ensure packaging is designed for recycling

A packaging is recyclable if:

- The packaging design is proven recyclable 'in practice and at scale' achieving a 30% post-consumer recycling rate in multiple regions and collectively representing at least 400 million inhabitants (Source: Ellen Mac Arthur Foundation, New plastics economy global commitment, 2020).
- Its main components, together representing more than 80% of the entire packaging weight, are recyclable according to the above definition and if the remaining minor components are compatible with the recycling process and do not hinder the recyclability of the main components. ([See BOX 3](#))

Ensure BtoB packaging waste is sorted and recycled at all stages of transportation

At all points of product transportation, from supplier production to the warehouse and stores, there shall be in place a sorting system for packaging. Additionally, all sorted packaging shall be directed to a recycling stream.

For B2B plastic packaging, specifically, the waste collection for recycling in practice and at scale must achieve a 50% post-consumer recycling rate by 2024. ([See BOX 2](#))



ADDITIONAL BEST PRACTICES

Design for re-use

Packaging must be designed taking into account its end-of-life. Before recyclability, preference is given to re-use for the same purpose: packaging must be designed to be used multiple times and for which an arrangement is in place to make reuse possible (according to requirements from packaging reuse standards (i.e., Packaging – Reuse Standards EN 13429:2004)).

Re-use is particularly relevant for transport packaging such as:

- Ecommerce packaging
- Pallet wrappings and straps for stabilization and protection of products on pallets during transportation
- Grouped packaging in the form of boxes (excluding cardboard)
- Goods sold using pallets, crates, and foldable boxes.

Setting up reuse schemes will contribute to comply with the upcoming European regulation on packaging and packaging waste (PPWR), and to comply with the French AGECLaw that set targets of reused packaging in B2B and B2C activities.

Favor packaging that is part of circular economy

To have packaging part of circular economy, the production must be decoupled from raw material extraction:

- Use 100% recycled content, with preference given to post-consumer content
- Ensure minor components are recyclable within the same recycling process, in order to ensure the packaging is 100% recyclable (see BOX 3)
- Refer to the Kering Ecodesign packaging tool for further guidance



BOX 1: Types of packaging

A glossary of wording used for different categories of packaging.

BtoB packaging and BtoC packaging

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

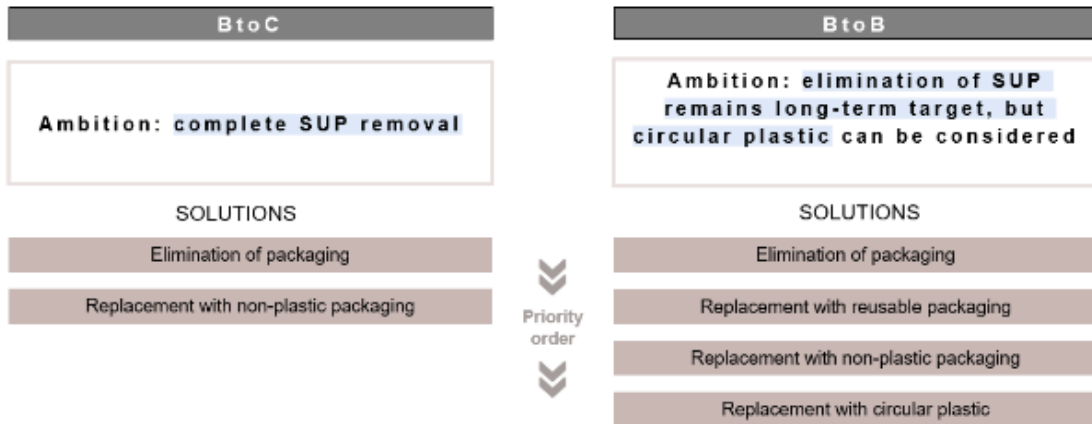
Primary, secondary and tertiary packaging definitions

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

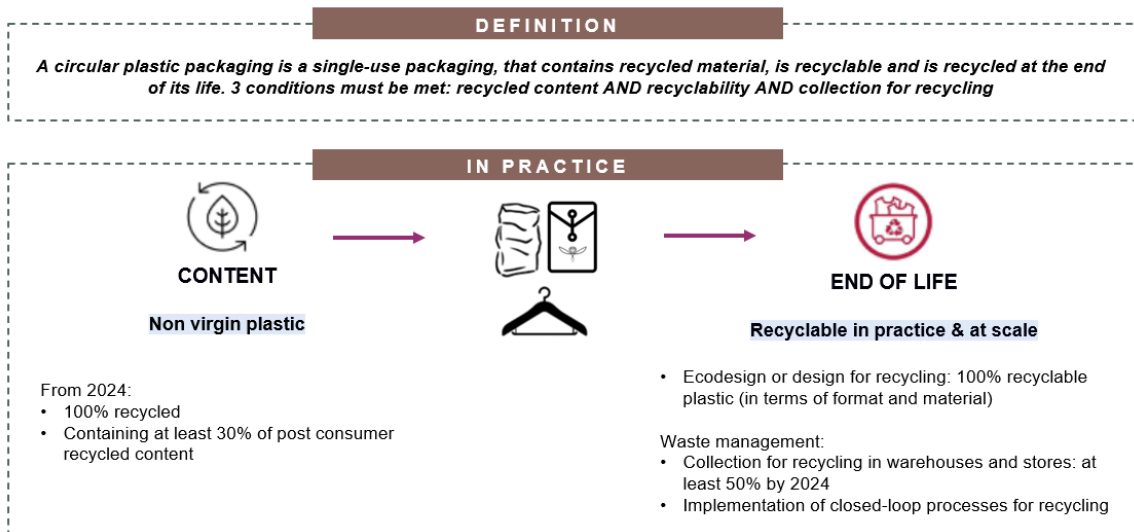
When creating a packaging strategy, remember that all three levels of packaging will affect the overall product’s environmental footprint. Changing primary packaging can heavily impact on secondary and tertiary packaging and lower saturation level. The complete system of primary, secondary and tertiary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



BOX 2: Kering SUP elimination strategy



Focus on Circular Plastic for B2B



	Post-consumer	Generated by households or by commercial, industrial and institutional facilities in their role as end users of the product, where that material can no longer be used for its intended purpose. In most cases, post-consumer material is of lower quality than pre-consumer material.
	Pre-consumer	External – Production ‘waste’ from another industrial facility. Internal – Production ‘waste’ from our own facilities. In this case, it is not possible to claim recycled content because it is excluded from ISO 14021.



BOX 3: Packaging recyclability guidelines

Packaging is recyclable if:

- The packaging design is proven recyclable ‘in practice and at scale’ achieving a 30% post-consumer recycling rate in multiple regions and collectively representing at least 400 million inhabitants (Source: Ellen Mac Arthur Foundation, New plastics economy global commitment, 2020).
- Its main components, together representing more than 80% of the entire packaging weight, are recyclable according to the above definition and if the remaining minor components are compatible with the recycling process and do not hinder the recyclability of the main components.

Main recyclable packaging materials: paper & cardboard, aluminium, steel, glass and certain types of plastic resin (see below). More information on [Circpack](#)

Paper packaging

Paper and cardboard packaging are not - automatically recyclable in the paper and cardboard recycling stream. Composition & design might impact the packaging recyclability¹. This is the reason why, to be recyclable, paper & cardboard packaging must be:

1. Designed to be recycled, following ecodesign guidelines, such as [Circpack by Veolia](#), or [CEREC](#) by Citeo.
Furthermore, certification can be obtained on “Design for recyclability”:
 - Perform paper & cardboard packaging recyclability tests, with CTP according to EN 13430: <https://www.webctp.com/en/packaging-recyclability-test>
 - Or [Circpack by Veolia](#) certification
2. Collected & recycled in practice and at scale, achieving a 30% post-consumer recycling rate.

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¹ Source: <https://www.cerrec-emballages.fr/content/uploads/2022/11/220901-brochure-cerrec-compressed.pdf>

Plastic packaging

Plastic packaging is not automatically recyclable. Composition, format & design might impact the packaging’s recyclability. This is the reason why, to be recyclable, plastic packaging must be:

1. Designed to be recycled, following eco design guidelines, such as [Recyclclass](#), or [COTREP](#) by Citeo
Furthermore, certification can be obtained on “Design for recyclability” from organizations such as [COTREP](#) or [Recyclclass](#). See table below for guidance
2. Collected & recycled in practice and at scale, achieving a 30% post-consumer recycling rate

Recyclable plastic packaging (adapted from Recyclclass to fit into closed-loop recycling):

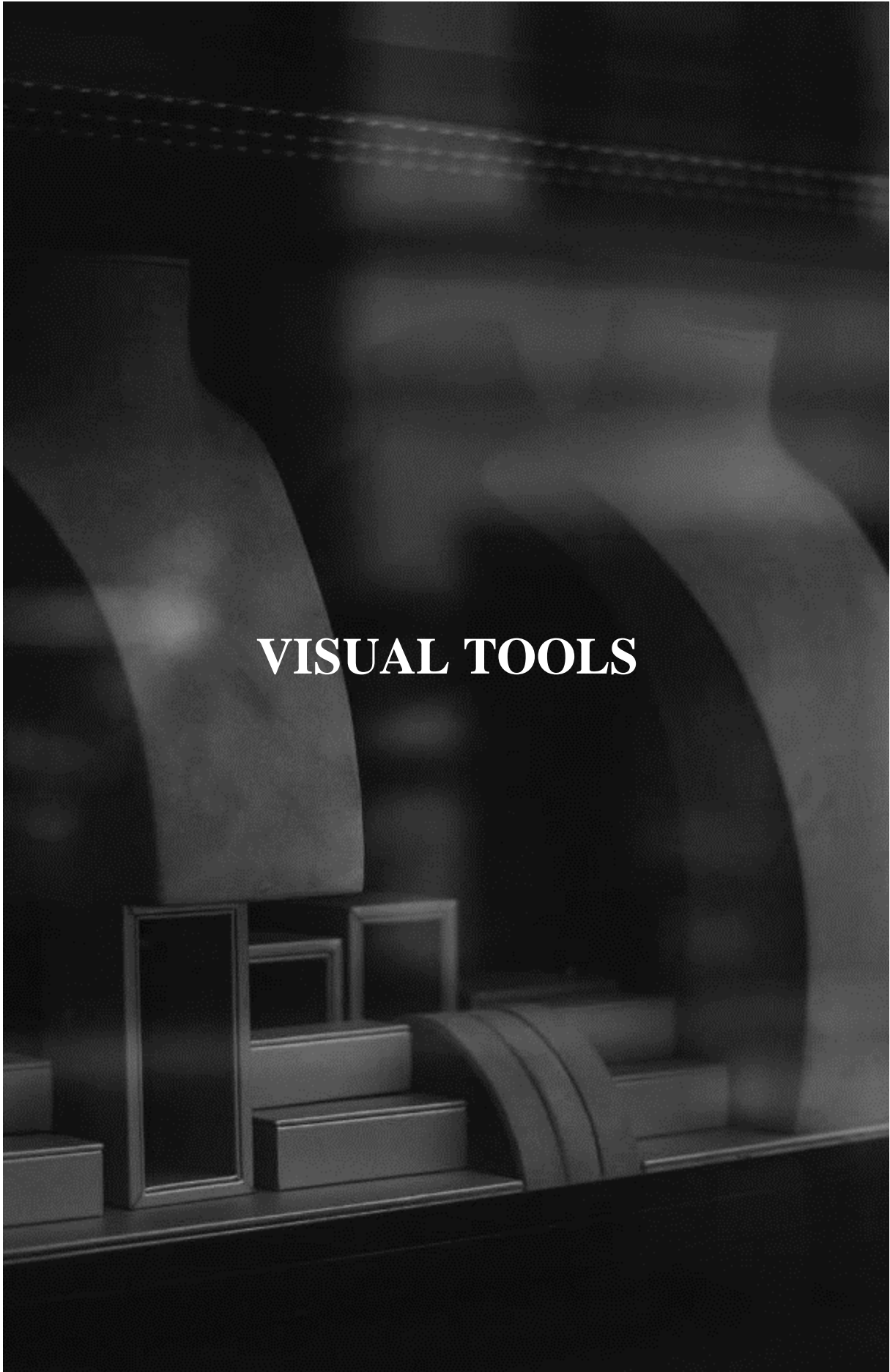
Format	Resin	Recyclable ?	Format	Resin	Recyclable ?
Rigid	PET	✓	Flexible	Transparent LDPE	✓
	HDPE	✓		Opaque LDPE	✗
	PP	✓		Flexible PP	✗
	LDPE tubes	✗		Multimaterial flexible	✗
	PS	✗		Other flexible (including PLA and other biobased and biodegradable plastics)	✗
	EPS	✗			
	PVC	✗			
	Other rigid (including PLA and other biobased and biodegradable plastics)	✗			



BOX 4: Design tips for more sustainable packaging

Hangers	
B2C	B2B
<ul style="list-style-type: none"> • No plastic • Maximize the use of recycled or certified content • Offer the client not to have the hanger • Recyclability or reusability <ul style="list-style-type: none"> ○ See BOX 3 – Recyclability guidelines ○ Encourage monomaterial solutions and avoid the use of velvet to help recyclability. ○ Avoid the use of logo or iconic patterns to make reuse or recycling easier ○ Choose suppliers with a global collection system for used hangers - for reuse or recycling 	<ul style="list-style-type: none"> • Avoid “seasonality”: customers won’t see these hangers, so keep them neutral and in use for several seasons • Maximize the use of recycled or certified content. If plastic, only 100% recycled content can be used – See BOX 2 • Reusability: Design a hanger with a long lifespan and for which arrangements are in place to make reuse possible for re-use. • Recyclability <ul style="list-style-type: none"> ○ See BOX 3 – Recyclability guidelines ○ Main requirements for plastic hangers: Avoid metal hooks when the hanger is made of plastic 100% monomaterial (PET, PP, HDPE, or alternatives materials); Black color should be avoided
Polybag	
B2C	B2B
<ul style="list-style-type: none"> • No plastic • Maximize the use of recycled or certified content • Reusability: test reusable polybag for ecommerce • Recyclability: See BOX 3 – guidelines 	<ul style="list-style-type: none"> • Maximize the use of recycled or certified content. If plastic, only 100% recycled content can be used – see BOX 2 • Reusability: Design a polybag that can be used numerous times and for which arrangements are in place to make reuse possible • Recyclability <ul style="list-style-type: none"> ○ See BOX 3 – Recyclability guidelines ○ Main requirements if plastic polybag: Use only recycled and transparent plastic, preferring LDPE materials Limit printing to compulsory information only
Paper/Cardboard	
<ul style="list-style-type: none"> • Maximize the use of recycled or certified content (FSC, Blue Angel) • Reusability: Re-use corrugated cartons several times • Recyclability <ul style="list-style-type: none"> ○ See BOX 3 – Recyclability guidelines ○ Requirements: Avoid colored paper packaging in pulp as this significantly reduces the chance of recycling due to the very low quality of the secondary raw material that cannot be re-sold. Use monomaterial solutions and try to avoid mixing paper with other materials Avoid laminate paper packaging, unless recyclability of final product can be proven. 	





VISUAL TOOLS



Visual tools, also referred to as “visual merchandising”, are important components for brand identity and also for the customer in-store. They are often temporary decorations available to display products, used for a season or two before being replaced by new ones. Visual tools can also include advertising banners displayed around a city and in retail store windows, showcasing items for sale. While Kering recognizes the need for visual tools to reinforce brand identity and store locations, the focus of the Kering Standard for Visual Tools is to implement best practices and better control the end-of-life of visual tools.

For Kering, visual tools include:

- Window displays
- Movable store decorations
- Mannequins
- Retail hangers
- Point of sale displays
- Seasonal displays
- Event decorations
- Advertising banners/canvas
- Trunk Show materials
- Etc.

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

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

- Comply with all applicable laws, conventions and regulations
- Rethink visual merchandising to improve disposability and enhance circularity
- Promote circular design by designing for reuse or repurpose and consider recycling as a last option
- Not use PVC
- Prioritize durable, long-lasting materials that enable multiple reuses



REQUIREMENTS FOR 2025

Review visual merchandising approach

Most efficient reduction of the environmental impact of visual tools can be achieved by reviewing the visual merchandising approach and questioning the necessity for temporary / disposable items. In particular, brands shall work with store/event designers on these questions and consider:

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

Give a second life to all visual tools

Disposal of visual tools is not accepted. All visual tools should be given a second life. By order of preference, Kering encourages brands to:

1. Include them in private sales for employees
2. Donate them to associations such as the ones described in [BOX 1: Giving a second life to Visual Tools](#)
3. Dismantle and recycle the parts to ensure 50% of the product mass will be recycled

© Follow Kering critical requirements on raw materials used for visual tools

When choosing materials for visual tools, refer to the relevant sections of the Kering Standards (e.g. plastics, wood, cotton) and follow the Requirements for 2025.

Design for dismantling and anonymizing

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

Therefore, brands are encouraged to do so by:

- Having removable logos on visual tools
- Considering the whole lifecycle of the visual tools including reuse by third parties or recycling in their end of life.

[See Guidance for Circularity](#)

© Do not use PVC (Polyvinyl Chloride) in visual tools

PVC poses several environmental and health threats. Chlorine contained in the polymer itself may cause the formation of harmful chlorine containing by-products (e.g. dioxins) during the manufacturing of PVC and burning of products that contain PVC. Chlorine by-products are carcinogenic and extremely dangerous to human health, the environment, and wildlife.

Moreover, plasticizers have to be added to PVC polymer to achieve softness and flexibility properties needed in textile products, plasticizers commonly belonging to the category of phthalates. The amount of phthalates is generally between 30 and 50% by weight of the polymer. Phthalates are chemicals with disrupting hormone characteristics. The toxicity of phthalates to reproductive systems, as well as other dangerous endocrine effects, has been known for many years. It is also well known that phthalates are substances which tend to migrate from the PVC materials, and to come in contact with the user of the PVC product. For these reasons phthalates are included in the Kering MRSL since its first release and are banned from use in any stage of the production processes for Kering Brands products and in any connected activities relating to Kering brands' productions.

Because of these risks, Kering aims to phase out PVC from visual tools by 2025. In particular, Kering expects suppliers of advertising banners/ canvas to work on innovative solutions to replace PVC.

Eco-design packaging and eliminate single-use plastic packaging

Packaging choice must be compliant with the Kering Standards and single-use plastic packaging must be phased out.

For additional information please refer to [Kering Standard for Packaging](#).



ADDITIONAL BEST PRACTICES

Kering additional best practices on raw materials use for visual tools

When choosing materials for visual tools, refer to the relevant sections of the Kering Standards (ex: Plastics, Wood, Cotton) and follow the Additional best practices.

3D printing (Additive manufacturing) provides excellent opportunities for producing small batches of items, moreover production uses a single material, potentially recycled plastics and therefore often easily recyclable when the item is no longer needed. The use of 3D printing is therefore recommended.

Consider single-material 3D printing for producing visual tools



BOX 1: Giving a second life to Visual Tools

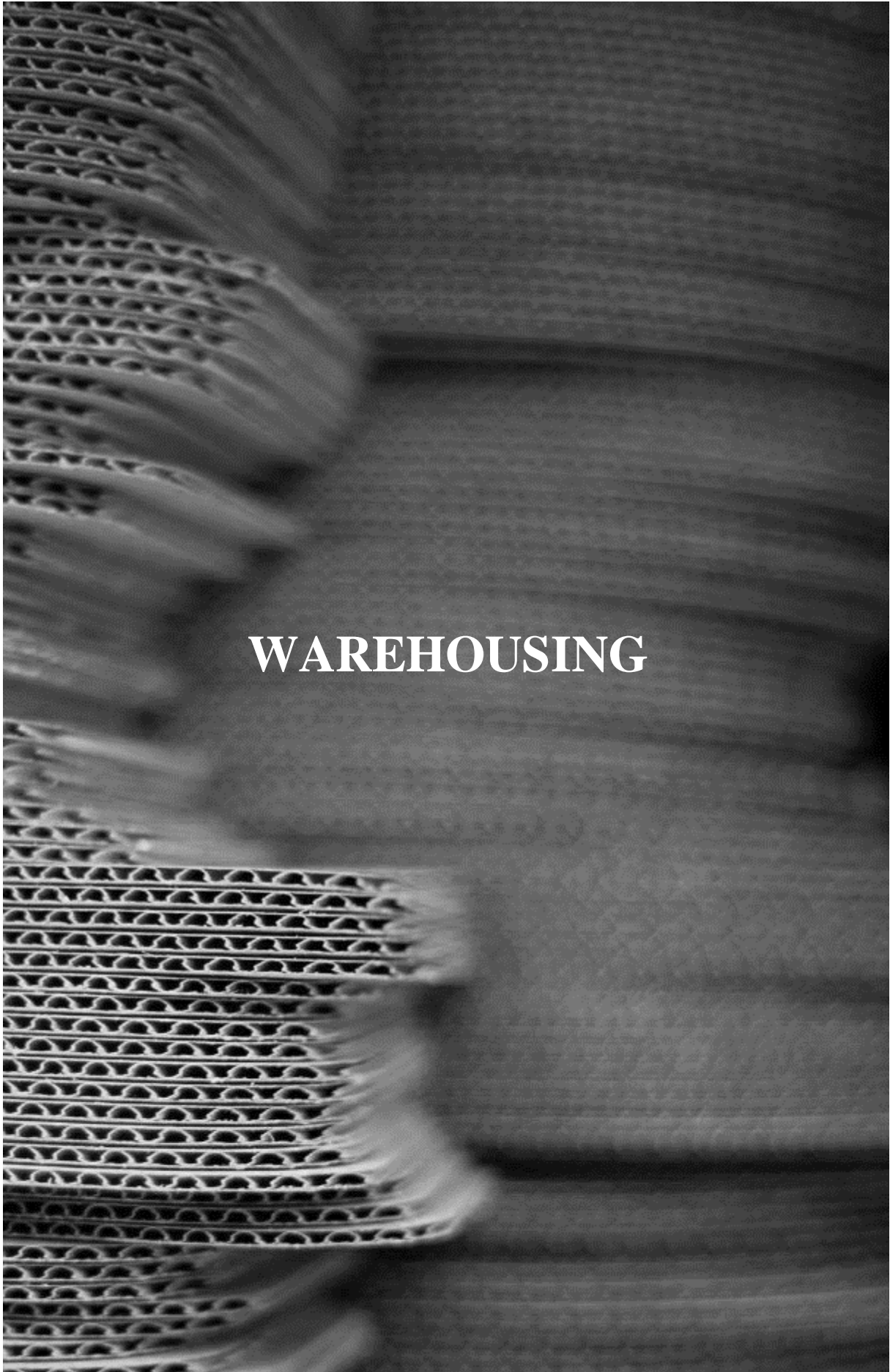
Kering is keen to ensure that its brands' visual tools have a second life, with a focus on reuse first or selling items at internal private sales. A third possibility is donating items to partners, such as to organizations specializing in the circular economy. Outlined below are examples of partners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

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

Social cooperatives, charities and local associations could re-use non-merchandising elements (benches, chairs, shelves etc).



STANDARDS FOR LOGISTICS



WAREHOUSING



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

There are a number of environmental impacts related to these activities. The main environmental footprint of warehousing is linked to packaging and waste management. At Group level, , warehousing is directly responsible for 5% of the total emissions of Supply Chain and Logistics emissions, logistics are directly responsible for more than 86% of the waste produced at Kering sites, and indirectly responsible for the majority of the waste generated at stores. This waste is largely related to packaging, with another minor, but important, stream related to products, which are typically stored in warehouses before being moved to their final destination. Greenhouse gas emissions and air pollution from warehouses are significant, especially at a local level where logistic centers are primary generators of road traffic. Although when compared to transportation, this is relatively small, there are various opportunities to minimize these impacts through eco design, installation of solar photovoltaic systems and electrification of all energy uses. Water and wastewater management at logistic centers are relatively limited but can also be reduced.

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

- Reception, storage, and shipping of goods
- Packing/unpacking activities
- Quality checks
- Design and physical features of logistic sites
- Operation activities at logistic sites
- Procurement and usage of consumables
- End Of Life management of non-merchandise items like packaging, visual merchandise tools, etc

For B2B and B2C activities.

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

- Compliance with all national and international laws, principles and regulations notably related to human rights, fundamental freedom, health and safety and the environment
- Properly managing waste, promoting reduction, recycling and reuse aiming at zero logistic waste
- Optimizing packaging
- Promoting energy efficiency and self-production aiming at net positive buildings through electrification
- Promoting circular practices such as reuse



REQUIREMENTS FOR 2025

© Comply with national legislation

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

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

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

To this end:

- Kering has extended its Alert System to external and temporary employees working for any service-provider/ supplier or external partner with whom the Group and/or its brands maintain contractual relationships. Therefore, Kering expects its direct suppliers to refer to the Group Ethics Committees (by mail or through an external hotline) when in doubt or in the event of any potential wrongdoing relating to the principles set out in the Kering Code of Ethics and its Suppliers' Charter. See Appendix: Kering Alert System
- Kering requires its brands' suppliers to comply with the Kering Suppliers' Charter which covers key ethical, social, environmental and security aspects in line with International Standards.

Ensure appropriate conditions and well-being for workers

Kering is committed to respecting and ensuring good working conditions for workers in its supply chains. This applies for warehousing activities, too, where suppliers are requested to ensure high standards of well-being at work in terms of ergonomics, proper shift duration, appropriate number of breaks and a safe and healthy working environment. Certification frameworks regarding organizations and sites, such as ISO 45001 for Health, Safety and Environment (HSE), SA8000 for Corporate Social Responsibility and WELL for well-being at work in new buildings are not considered a requirement for 2025 but provide a solid reference framework for ensuring workers' wellbeing.

Eco-design packaging and eliminate single-use plastic packaging

Packaging choice must be compliant with the Kering Standards and single-use plastic packaging must be phased out.

For additional information please refer to Kering Standard for Packaging.



REQUIREMENTS FOR 2025

Ensure waste sorting for recycling

Circular economy is the basis of the development model that Kering is aiming for. Suppliers are therefore requested to implement a comprehensive waste management system to ensure conditions for recycling are met. Good practices such as using segregated bins and accurately sorting waste should be implemented. Additionally, a contract with reliable waste manager should be established to enable that waste is directed to appropriate recycling channels, according to suppliers' local regulations and the infrastructure set up for recycling. Destruction of whole items is prohibited.

Particular care shall be taken in reconditioning areas and quality control stations when handling plastic packaging waste, in particular polybags and covers. Several solutions can be implemented:

- Challenge the functionality of the packaging, and eliminate if unnecessary
- Develop a closed-loop recycling model that involves both recycling companies and suppliers

Now, the target of 80% waste diverted to recycling is the minimum requirement and evolving towards 100% by 2025.

Consider recycling of obsolete items as the last resort solution after reuse.

Obsolete items are non-moving items that will not be used in the future. Whether merchandising or non-merchandising, obsolete stock must be carefully taken care of. Specific cleaning out initiatives shall be implemented so their end of life is aligned with the no-destruction policy of Kering. Actions shall be put in place in accordance with a hierarchy that prioritizes reuse first (internal sales, resale platforms, sales to stock lists, donations). When reuse is not possible (branded items, donation refusals etc), the last option is recycling. In this case, Kering encourages closed-loop or semi closed-loop recycling processes to retain value. An item is considered recycled if a minimum of 50% by weight of its materials are recycled. (See Kering Guidance for Circularity)

Implement best practices in design and operations

In 2021, Kering issued detailed guidelines to be followed for new logistic projects directly managed and operated by the Group. This was developed as a result of the creation of the Group's logistic hubs in Wayne (USA) and Trecate (Italy).

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

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

Ban idling

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



REQUIREMENTS FOR 2025

Develop innovative e-commerce solutions to reduce waste

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

© Provide Environmental Key Performance Indicators (e-KPIs)

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



ADDITIONAL BEST PRACTICES

Net energy positive logistic sites

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

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

Aim for best certification schemes

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

Set a Science Based Target for climate

Suppliers/Partners shall set climate targets aligned with the Science Based Targets initiative (SBTi), a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). Through this initiative, companies willing to play their part in Climate Change commit to reducing their scope 1 and scope 2 emissions, with clear intermediate and final targets aimed at reducing their greenhouse gases emissions. The SBTi recently developed a streamlined pathway for Small and Medium Enterprises that is suitable for the size of Kering suppliers and provides external recognition for the efforts made by suppliers

Propose new packaging to reduce waste

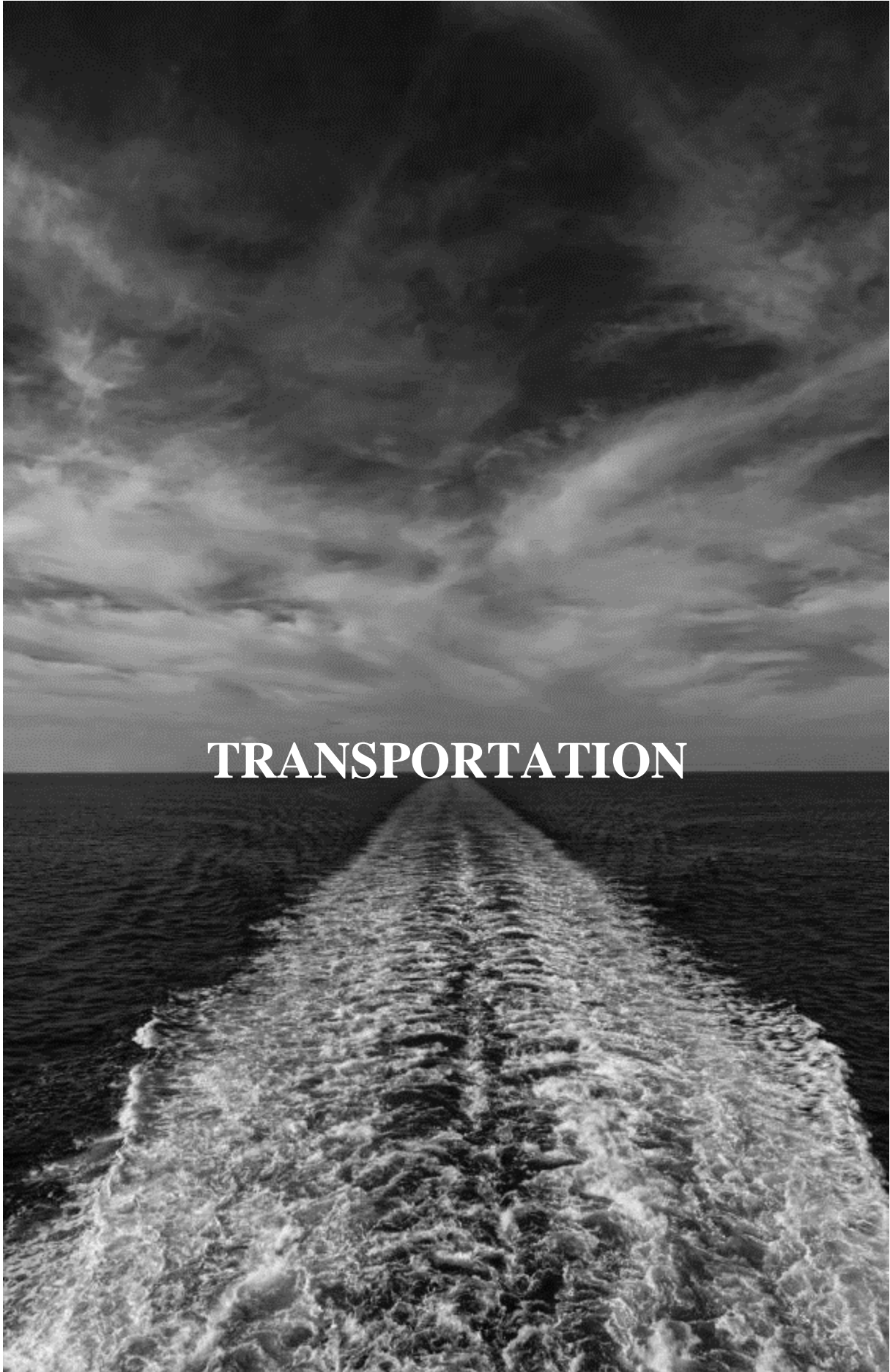
Packaging, which is largely single use, seriously contributes to global waste. Kering aim to implement best practices for packaging. I

In particular, to increase circularity of the packaging Kering fosters the 3R approach:

- Reduce volume and quantities of packaging used
- Set up reuse schemes
- Substitute plastic packaging with recyclable materials. When plastic remains, use recyclable plastic, and avoid biodegradable or compostable plastic.

For additional information about requirements for B2B packaging, please refer to [Kering Standard for Packaging](#). Please refer to [Kering Eco-design tool for packaging for further guidance](#).





The Kering Standard for Transportation applies to the transportation of goods, either B2B or B2C, directly managed or contracted by Kering. Due to the typical speed requirements for delivery in the Luxury sector, the majority of transportation activities are carried out by air, which is the most significant fuel and CO₂ intensive means of transportation, and thus contributes to the largest share of greenhouse gas (GHG) emissions associated with Kering's activities. For example, in 2023, 95% of the emissions generated by the Group's Supply Chain and Logistics operations were due to transportation activities, including emissions directly or indirectly from the Group's direct operations and related to energy consumption from the Group's sites and from B2B and B2C transportation. In order to comply with the European Non-Financial Reporting Directive (NFRD), Kering reports its annual GHG emissions associated with transport in its Universal Registration Document.

The type of transportation used for the Group's activities includes mainly air (for regional warehouses) and road freight (in Europe) and with little rail and sea freight, due to locations and time constraints. Around 30% of Kering's brands' volumes are distributed by road freight, however approximately 95% of the emissions linked to transportation relate to air freight and, consequently, this is where Kering focuses its main efforts. However, even though the Group's emissions caused by road freight are limited, it is important to highlight that this mainly occurs in city centers. Generally, the last mile of deliveries requires particular care as it is linked to negative externalities, such as air pollution, noise, accidents, and congestion, as well as respiratory issues that can impact people's health and everyday lives.

Kering's ambitious climate strategy includes a science-based target around reducing its GHG emissions in line with a 1.5° pathway and the Paris Agreement, with a commitment to achieving a 40% reduction in its GHG emissions, covering scope 1, 2 and 3 by 2035 in absolute value from 2021 baseline. The Group committed to reduce scope 3 of its GHG emissions (including not only transportation but mainly associated with the production of raw materials - their transformation into products and the related processes) by 70% per unit of value added by 2030, from a 2015 base year. Particular attention must be paid to Kering's transportation strategy whereby synergies with Kering's brands' suppliers is key. Adequate emissions reduction planning is necessary and the implementation of actions to make distribution more and more sustainable is essential.

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

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

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



REQUIREMENTS FOR 2025

© Comply with national legislation

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

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

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

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

© Contribute proactively to the achievement of the Group sustainability strategy, defining a clear roadmap for GHG reductions relating to transportation

As a prerequisite for collaboration, any freight forwarder is expected to be able to engage in stretching emissions reduction targets according to the Group's commitments

and is requested to contribute proactively to building the sustainability strategy. This includes proposing an effective CO₂e reduction plan; adopting initiatives aimed at increasing optimization of carton/container saturation and efficiency; shifting to less emitting fuels; and using electric vehicles and means of transportation. Suppliers are also requested to contribute to the Group's annual environmental reporting, sharing a greenhouse gas emission report as per the international standard EN16258, or ISO 14083.

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

Eco-design packaging and eliminate single-use plastic packaging

Packaging choice must be compliant with the Kering Standards and single-use plastic packaging must be phased out.

For additional information please refer to Kering Standard for Packaging.

© Assess GHG emissions

Suppliers are expected to share monthly with Kering, their environmental performance in terms of their chosen means of transportation, identification of the best available routing and average emissions generated, with particular attention to airfreight.

Improve environmental impacts of your activities

Couriers and freight forwarders are requested to identify and select the best solutions available on the market. They are asked to choose the best performing means of transportation with the lowest emissions generated (threshold for airplanes: 600 gCO₂/t.km; threshold for trucks and vans: EURO 6 or equivalent) and to reduce the distance for each delivery.



REQUIREMENTS FOR 2025

Adopt best distribution model to decrease your carbon footprint

An effective way to reduce CO₂e emissions from transportation can be achieved for Kering brands by adopting best distribution models and highlighting the environmental impacts to the drivers making the decisions.

Kering brands shall choose less emitting logistics solutions for items for which the delivery time is not critical, prioritizing sea and rail when possible. The same approach is highly recommended for reverse logistics and should be taken into consideration for slow movers and/or carry-over items.

Offer alternative last mile deliveries to reduce GHG emissions

Last mile deliveries to stores for B2B or to the final customer for B2C can often be affected by constraints and restrictions (e.g. heavy traffic in densely populated areas, restricted traffic zones) relevant to the urban areas where they take place. To contribute to improve the conditions of urban areas and communities, reduce negative effects and overcome restrictions that can limit the quality and the timeliness of the service, the suppliers are strongly encouraged to implement delivery services with electric vehicles and other less emitting alternatives whenever is possible.

© Provide Environmental Key Performance Indicators (e-KPIs)

Kering requests that suppliers provide a carbon footprint report as per international standard EN16258 or ISO 14083 and in line with the regulation (see [BOX 2](#)) in order to monitor and analyze the CO₂e emissions related to the distribution flows and to take relevant actions when trends are not in line with Kering's targets. On an annual basis, this data will feed into the Group's environmental reporting and contribute to the fulfillment of the Group's legal requirements for non-financial accounting.



ADDITIONAL BEST PRACTICES

Achieve measurable emissions reductions and compensation

Defining a roadmap for GHG accounting and reductions is a critical requirement for all Kering's transportation activities and services, achieving measurable reductions or properly accounting for emissions is an additional best practice that will be gradually focused on, prioritizing:

1. Avoiding and reducing emissions, through optimization of routes, electrification of transportation, model shifts, increasing fuel efficiency for lorries and airplanes, better saturation in all forms of packaging
2. Innovation around ways of avoiding and reducing emissions, such as rolling out Sustainable Aviation Fuels programs
3. Off-setting "hard to abate" emissions through robust initiatives. These should be reviewed by Kering to evaluate if they align with their standards.

Propose new technologies and business models aimed at reducing environmental impacts

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

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

Aim for best certification schemes

Suppliers are encouraged to have a recognized certification of their processes at global, regional, or

national level regarding sustainability and social responsibility. The ISO 14001 certification scheme is recognized as a clear added value and guarantees the implementation of an appropriate environmental management system. Beyond the environmental aspects, the ISO 9001 certification for quality management systems, ISO 50001 certification for energy management systems, ISO 45001 certification for HSE (Health, Safety and Environment) and SA8000 certification for social responsibility are highly recommended.

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BOX 1: B2B, B2C and omnichannel

The below definitions often occur in logistics:

B2B (business-to-business)

In B2B, products are shipped directly to a business or other retailer. Quantities are high and can involve a large number of pallets and parcels. When discussing B2B distribution, the Group refers to the replenishment of its stores with the products needed for day-to-day operations.

B2C (business-to-consumer)

In B2C, orders are sent directly to the end customer. This usually consists of small quantities and single parcels. B2C distribution refers to the flows relating to e-commerce (online orders) that allow the delivery of the goods directly to the final customers in accordance to their order requests and the selected delivery service.

Omni-channel

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

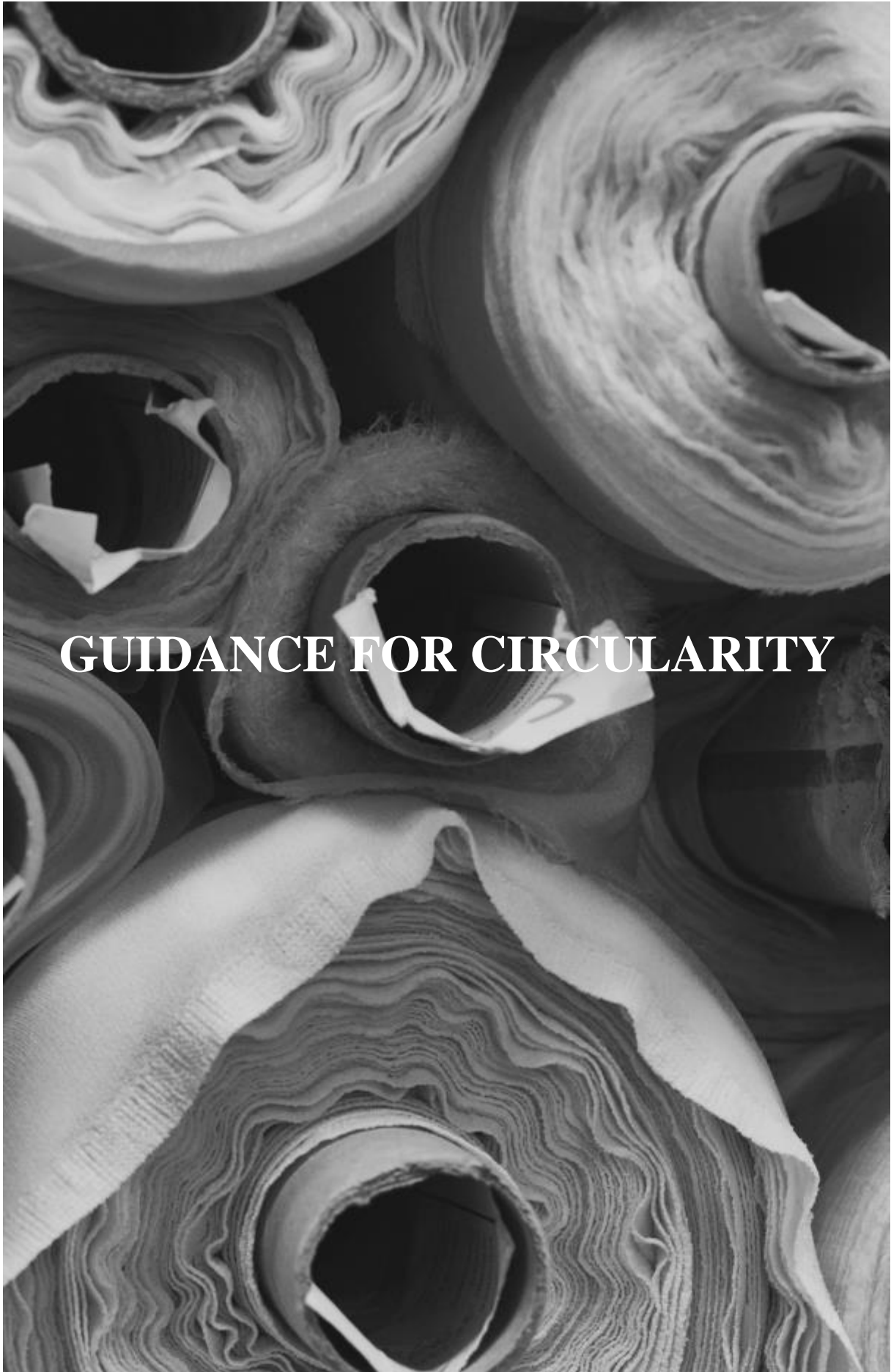


BOX 2: Carbon footprint reporting

In order to promote standardized, accurate, credible and verifiable information and effectively contribute to the Group's environmental reporting, Kering refers to the EN 16258 standard or ISO 14083 - a common methodology for the calculation and declaration of energy consumption and GHG emissions relating to any transport service whether freight, passenger or both. Kering asks main partners for a monthly report to monitor the GHG emissions from all outbound shipments. The report shall contain at least, for each single shipment information on the brand, origin and destination country, shipping mode, characteristics of the means of transportation (aircraft type, cargo/pax, 20ft/40ft container, etc.), number of pieces, volume, gross weight, chargeable weight, distances, t.km (included pickup and delivery), tons of CO₂ equivalent well-to-wheel (including pre-/on-carriage).



**GUIDANCE
ACCOMPANYING
THE KERING
STANDARDS**



GUIDANCE FOR CIRCULARITY



Moving away from the conventional "take-make-waste" model is about rethinking the way we produce, use, and extend the life of resources and products. A combination of extended product life and reduced production volumes, decreases dependence on virgin resources and avoids the destruction of materials. To promote a circular economy, managing the highest functionality of products at all stages of their life cycle helps to enable their subsequent transformation into new raw materials and products through reuse, repair, and recycling. Since 2020, Kering has included product use and end-of-life in its analysis as part of its enhanced EP&L methodology to capture the environmental impact of consumers' product care and disposal behavior for luxury products. This expanded scope of the EP&L enables the Group to understand and quantify the full life cycle of its products from cradle to grave. In 2021 Kering published its Circularity Ambition 'Coming Full Circle', to which this guidance is aligned.

This guidance is designed to promote circular economy principles and applies to finished products, as well as pre-consumer and post-consumer feedstocks. For instance, pre-consumer feedstocks include scraps, semi-finished and damaged products, production leftovers, and post-consumer feedstocks include products, packaging, and visual tools. Please note that specific recommendations are given for packaging and visual tools in the dedicated section of the Kering Standards.

The principles in the Kering Guidance for Circularity do not restrict innovation but accompany it, reflecting Kering's creativity, exceptional know-how, quality, and longevity. They should be read in conjunction with the 'Checklist for Durability' and the 'Checklist for Recyclability'. All the definitions of the relevant terms can be found in [BOX 5](#), or in the Glossary at the end of the Kering Standards. Kering is committed to respect and integrate the circular economy principles and drafted the Kering Standards in line with frameworks established by international institutions such as ISO 59004:2024.



Guidance for Circularity

This 'Guidance for Circularity' is based on the following three pillars, in line with the Kering Circularity Ambition 'Coming Full Circle':

1. Ensure circular sourcing and clean production
2. Craft luxury that lasts
3. Make luxury to be recrafted

(1) Ensure circular sourcing and cleaner production

Align with the principles of circular sourcing

Kering believes that the circular economy starts with materials. Not only should they be of high quality, which can be achieved by following the intrinsic durability protocol (See [Checklist for Durability](#)), but they should also be grown in a way that restores and respects nature. Circular sourcing aims to reduce reliance on conventional virgin materials and avoid waste generation. Virgin materials that comply with the Kering Standards (see the relevant guidelines in the material-focused chapters in these Standards) are produced using holistic farming practices, known as "regenerative agriculture". Reclaimed materials, include fibers or materials reused, recycled or recovered of post-consumer clothing or pre-consumer feedstocks such as scraps, semi-finished products, damaged products, and production leftovers that are reintegrated into the supply chain through various transformation processes.

In summary circular sourcing comprises:

- Materials produced using transformative farming practices
- Reclaimed materials which are transformed into reused, upcycled, recycled or recovered content

Choose post-consumer feedstock when designing upcycled products

Upcycling refers to a process in which materials that would have otherwise been disposed of as waste, are transformed into "new" products with a higher value so that they can re-enter the textile supply chain (closed loop). Various techniques can be used for this, such as deconstruction, re-dyeing, and re-printing. The final product will contain upcycled content and certifications can be used (see [Guidance on claims](#)) to prove this.

When upcycling materials, prioritize:

- Post-consumer feedstock, such as used garments, used uniforms, ...
- Pre-consumer feedstock, such as scraps, semi-finished, damaged, and unsold products

Upcycling these materials will avoid the destruction of these materials and the extraction of virgin materials.

Please note:

- Sourcing post-consumer garments as material complicates compliance (REACH, PRSL, Kering

Standards) and requires rigorous testing protocols. This process can be facilitated by using garments from the brand itself, which have been collected through a closed-loop scheme.

- Kering does not consider the use of unused materials (from previous collections) as upcycling. Stock optimization is considered the main priority for brands before sourcing new materials.

Choose post-consumer or pre-consumer feedstock such as scraps, for recycled content in products.

Recycling processes transform a product or component into its basic materials or substances and process them into new materials known as "recycled material" or containing "recycled content". A product containing recycled materials is not automatically recyclable. As embedded energy and value are lost in the recycling process, recycling should be considered as a last resort in the circular economy (See [BOX 1](#)).

Requirements:

- Prioritize materials with recycled content over bio-based content
- Prioritize materials with recycled content using (in order of priority):
 - Post-consumer feedstock, such as used garments, used uniforms, ...
 - Pre-consumer feedstock, such as scraps, damaged & semi-finished products

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Please note:

- There is currently no adequate certification for materials produced from pre-consumer unused products. Although these could be used to create "new" products, these cannot claim to be made with "recycled materials" (See [Guidance on claims](#))
- Recycled materials produced from recycled packaging, like PET bottles, should only be considered as an intermediary step in a sustainability journey, and not as part of the circular economy.

Please consult "Section 3: Make luxury to be recrafted" in the "Guidance for Circularity" or the dedicated "Checklist for Recyclability" for additional guidelines on recycling.

Align with cleaner production practices

Cleaner production means eliminating processes, waste and pollution. This includes saving water and energy, reducing chemical inputs, and improving overall efficiency. A methodology to achieve this has been provided by the NGO "Clean by Design". Furthermore, the Product Restricted Substances List (PRSL) provides guidance to suppliers and product manufacturers on complying with Kering's requirements for the manufacturing and sale of products that are safe, and free of harmful, toxic, and hazardous chemicals.



Avoid microfiber leakage throughout the products' lifecycle

Fashion supply chains can have an impact on marine biodiversity through the leakage of micro-fibers (including microplastics) into waterways and oceans. This also causes pollution of the soil, the exact consequences of which are still unknown. This pollution can occur during the manufacturing of yarn and fabrics, as well as during the consumer use phase of products. Knowing that microfibers shed from clothing during their complete life cycle, including end-of-life, Kering has concerns about the possible pollution of both synthetic and natural fibers. Pre-consumer preventative actions to limit potential impacts of microfibers include:

- Adoption of eco-design principles: implement standardized testing methods and research into the shedding behaviors related to various production parameters (i.e., such as those developed by The Microfibre Consortium).
- Avoid fabrics having a high persistence (low biodegradability) in ecosystems, especially synthetic and inorganic artificial materials. Prefer plant-based or animal-based fibers and artificial (cellulosic or other organic source) fibers to minimize microfiber impact on environmental score.

Kering refers also to The Microfiber Consortium indications for reducing the formation and emissions of microfiber in wastewater and waterways. The indications, developed with ZDHC, are addressed to brands and manufacturers, and include:

(actions for reducing formation)

- Usage of dyeing/laundry machines with low abrasion.
- Usage of process bath lubricants that reduce fiber-to-fiber and fiber-to-metal friction.
- Reduction of process times.
- Usage of clean yarns and implement singeing rather than biopolishing.

(actions for reducing emissions)

- Minimization of water consumption to increase dwell times in the effluent treatment plant and specifically in gravitational settlement.
- If flocculation is used to remove color – examine options that can potentially aggregate other solids including microfibers.
- Ensure clarifier exits are clear and perfectly horizontal to avoid channeling, a situation where localized high flow rates carry solids out of the clarifier.
- Consideration of ultrafiltration, nanofiltration or reverse osmosis to remove all solids (consider MBR design with integral filtration for new build effluent treatment plants). And consider on-machine filtration.

- Avoidance of land spreading of sludge.

Raise consumer awareness about preventative actions during the usage phase to limit potential impacts of microfibers:

- Wash clothing and home textiles less, preferably at a low temperature (30 degrees) and using a programme with a low spin cycle of 400 – 600 RPM³ (for reference: 400 revolutions per minute for delicates, while a programme for cotton is usually 1400 revolutions per minute).
- Use a front-loading washing machine where possible.
- Install a filter on washing machines to capture microfibers.
- Washing bags reduce the number of microfibers that may enter waterways and oceans from washing.
- Line-dry instead of using a tumble dryer.

Post-consumer preventative actions to limit potential impacts of microfibers:

- Extend eco-design principles to include the end-of-life phase.
- Work towards a sustainable downstream supply chain, as most microplastic leakage occurs when a product reaches its end-of-life (Plastic Leak Study by Quantis).

Limiting the impact of microfibers once they are in the environment is not an option, and filtration systems should be put in place to prevent microfiber release. Biodegradable or compostable fibers cannot be seen as a potential solution to the microfiber issue.

Ensure just working conditions

Just conditions encompass a wider spectrum than social only and covers the global landscape in which the fragmented supply chain of fashion brands is positioned. If the social dimension of a circular transition is neglected, we risk repeating negative patterns present in the current linear system. “Just Transition” is a principle, a process and a practice. It assumes that a healthy economy and a clean environment can and should co-exist. The process to realize this vision should be fair and not cost workers' health, the environment, jobs or residents' economic assets. Recently, various stakeholders have sought to combine the principles of the circular economy with those of just transition to find ways to achieve a just circular transition in the textile and fashion industry. This means that a circular economy must go beyond recycling, waste management and technological “fixes” and also consider social transformation.

³ <https://inthewash.co.uk/laundry-and-ironing/what-spin-speed-should-you-use/>



(2) Craft luxury that lasts

Implement a holistic approach to sustainability: design products with high intrinsic sustainability and organize your collection to maximize extrinsic sustainability

The Ellen MacArthur Foundation has found that the average useful life of garments has decreased by 36% compared to 2005, while garment consumption has continued to increase. To enable a circular transition, long-lasting garments are needed to counteract the throwaway culture seen in the current linear system. This should go hand in hand with adjusting consumption patterns and reducing production volumes. The industry's growing interest in durability has led to various research projects in which Kering is actively involved. The first is a scientific publication in October 2022: "Different dimensions of Durability in the luxury fashion industry: An analysis Framework to Conduct a Literature Review" (Vanacker et al., 2022).

Based on these findings, durability should be considered holistically for both the intrinsic and extrinsic dimensions throughout the life cycle of materials and finished products.

- The intrinsic dimension refers to how a product resists wear and tear. It can be quantified through intrinsic durability tests on both materials and finished products.
- The extrinsic dimension refers to external changes that influence user preferences. Long-term product attachment is directly affected by societal changes, fashion trends, and user experiences personal to the wearer, which includes body changes that affect fit. Due to its subjective nature, it is harder to quantify this dimension than the intrinsic one.

For more detailed guidelines, please consult the complementary "[Checklist for Durability](#)".

Respect the hierarchy of principles to support design decisions.

Luxury should be crafted to last, which can happen through different approaches, while always respecting this hierarchy ([See BOX 1](#)):

- (1) Reuse, the best option
- (2) Repair, a service to enjoy garments for longer

Enable reuse: durable products and innovative business models

Optimizing both intrinsic and extrinsic durability will create long-lasting garments, possibly with multiple users. Please consult the "[Checklist for Durability](#)" for further guidelines. Promoting alternative business models like reselling and rental further increases the opportunities for reuse and product life extension. Regarding the latter, various communities in the Global South are leading by example by continuously and successfully integrating indigenous

knowledge into small and larger-scale circular systems. Therefore, durability strategies should put people at the heart, as the principles of just transition demand. You can read more about the intersection of garment durability, circular economy and just transition in a second scientific publication to which Kering contributed: 'Circularity, Garment Durability, and Just Transition: Understanding the Trinary Interrelationship through an Integrative Literature Review' (Vanacker et al., 2023).

Adopt a culture of repair: design for reparability & repair services

On an intrinsic level, the reparability of products should be optimized ([See BOX 2](#)), taking into consideration common garment malfunctions from the start at the design stage ([See BOX 3](#)). On an extrinsic level, after-care and access to repair services should be an integral part of the circularity approach of brands. Therefore, it is extremely important to Kering to ensure that items are kept in use by offering qualitative and compliant repair services, providing clear information to customers regarding what repairs are possible, the price of repairs and the process they should follow. Furthermore, this allows products to retain a higher value for resale and increases the chances of reuse.

Kering asks brands to follow the PEFCR A&F V2.0 requirements, as well as future updates, regarding reparability ([See BOX 6](#)) taking into accounts the two dimensions of reparability:

- Intrinsic reparability:
The intrinsic reparability of an apparel or footwear product, as in the capacity of a product to be repaired, independently of whether or not the repair will actually happen (promoting ecodesign practices). This includes two criteria: the Repair Cost ratio and the Spare Parts criteria
- Extrinsic reparability:
The external reparability, as in the existence of an after-sales service for repair, and its quality. This includes two criteria: the Repair Service and the "Right to Repair" communication criteria

(3) Make luxury to be recrafted

Consider recycling as the last solution after reuse and prefer closed-loop recycling

Kering encourages its brands to create products that will last as long as possible. While the recyclability of a product and its materials, which include fabrics and trims, should be considered, recycling is only a last resort and not a goal in itself.

- To ensure materials retain the highest value possible, closed-loop recycling within a specific industry is the preferred option to stimulate design for recyclability, material innovation, and increase the demand for recycled inputs. Where finished products are recycled into materials for other industries or applications (semi-closed and open loop), these should be designed to be recyclable.



- Before choosing a material, fabric, or packaging, brands and suppliers should consider their end-of-life ([See BOX 4](#)), with the aim of avoiding their destruction. By destruction, we mean:
 - Solid Recovered Fuels (SRF)
 - Incineration, even if an output is energy recovery
 - Ending up in landfill

Please see [BOX 5](#) for the different steps implied in “From Garment to a Circular Material” and the accompanying “Checklist for Recyclability”.

Discourage the promotion of biodegradable or compostable fibers

In a circular economy, designing for recycling comes with the advantage of keeping the value of the material in the economy, which is preferred to designing for composting.

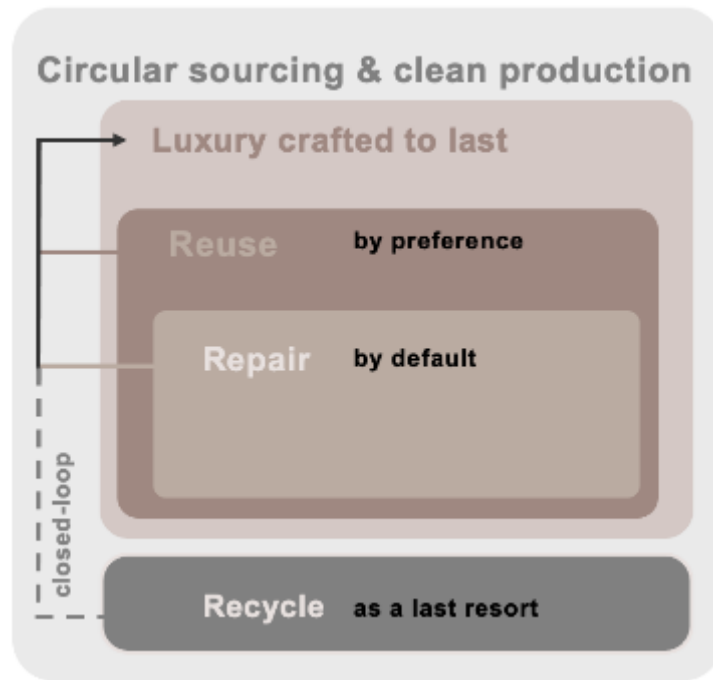
Depending on the material, composting can be considered either a waste disposal process or a waste recovery process (biological recycling). Composting is only a recycling process if the biological nutrients of the product or packaging it contains that would otherwise have been lost provides a mechanism to return to the soil, as fertilizer

or soil improvers. For example, composting vegetable waste is a form of recycling that allows carbon to be stored in the soil and provides organic matter for the soil. Whereas composting biodegradable plastics turns them into water and CO₂. Consequently, the plastic is no longer available to be reused, nor does it add any nutrients to the soil. Composting compostable plastic is not recycling. Furthermore, compostable material needs to go hand in hand with the appropriate collection and composting infrastructure in order to be composted. Composting can take place in an industrial facility using a controlled process managed by professionals, or at home, where the process depends on an individual’s knowledge or ability to be able to do this.

Both biodegradability and composability depend on very specific environmental conditions in terms of temperature and moisture, which may not exist in all environments where microfibers end up. As such, while a fiber may be considered ‘biodegradable’ or ‘compostable’ this might not occur easily in certain environmental (i.e., deep sea, extreme cold climates etc.). Finally, during any biodegradable or composting process textile chemicals may be released into the environment; these can include, but are not limited to, pigments and dyes (which may be synthetic), or coatings and finishes.



BOX 1: Hierarchy of principles supporting design decisions



BOX 2: Guidance on improving intrinsic repairability

TRIMS	SEAMS	MATERIAL CHOICE
<ul style="list-style-type: none"> Standardised trims, compared to ones that are designed for a specific collection, make eventual repairs easier, as the needed trims are easier to access 	<ul style="list-style-type: none"> Intricate seam construction can hamper disassembly Short seam allowances often don't enable repair and/or alterations 	<ul style="list-style-type: none"> Some materials are intrinsically harder to repair, due to their fragile nature, while others are more resistant thanks to their robustness Some reasoning apply for fabric structures
TO KEEP IN MIND	TO KEEP IN MIND	TO KEEP IN MIND
<ul style="list-style-type: none"> Offer spare parts on-demand Forecast estimated need of seasonal spare parts to answer to the demand Provide an equivalent if a certain trim is not available anymore 	<ul style="list-style-type: none"> Larger seam allowances where possible can facilitate repair and alterations Saddle stitches, crosscut seams or blind hems are often more difficult to detach 	<ul style="list-style-type: none"> Robust materials that can be handled extensively Identify stress points in advance



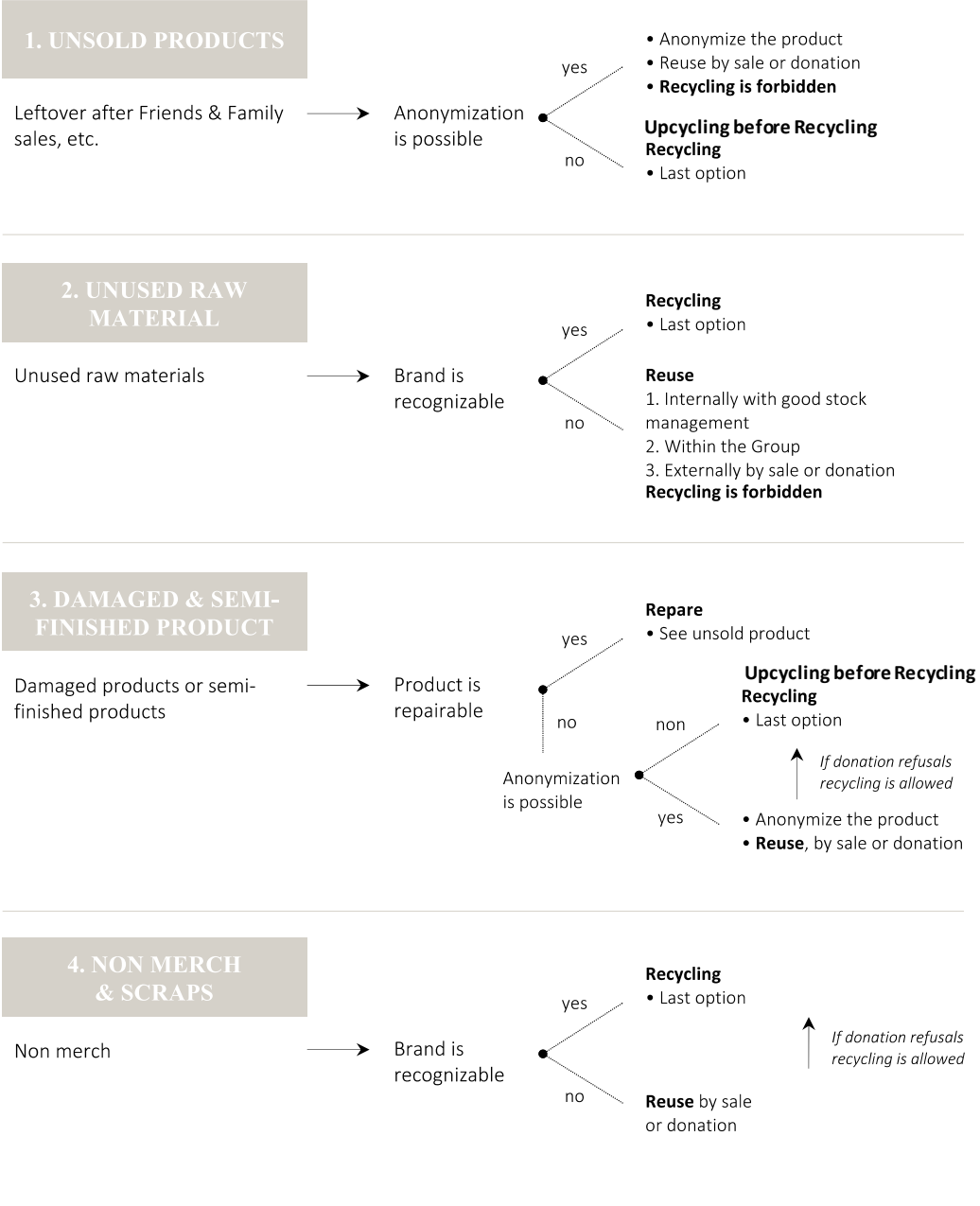
BOX 3: Repairability requirements based on common garment malfunctions

	Outsole replacement	Broken seam	Buttons	Glued pockets	Seam tape	Snaps/studs	Zip
T-shirt		X					
Shirts & blouses			X			X	
Sweaters & mid-layers			X			X	X
Jackets and coats			X	X	X	X	X
Trousers and shorts			X			X	X
Dresses, skirts & jumpsuits			X			X	X
Leggings, tights & socks		X					
Underwear			X				
Swimwear		X					
Apparel accessories		X					
Open-toed shoes	X						
Closed-toed shoes	X						
Boots	X						

Garment failures are based on the PEFCR for Apparel and Footwear Category Rules (V1.3)



BOX 4: Prioritization of actions



BOX 5: From garment to circular materials

1. DISMANTLING OF THE FINISHED PRODUCT

Manual

Preserves the materials of the garment; reclaim them as such that a homogenous quality is achieved.

Mechanical

Often less precise than manual, which causes a lower percentage of materials to be recycled. It can result in a mix of different fibers thereby affecting the final quality obtained.

2. PROCESSES TO PRODUCE RECLAIMED MATERIALS

Upcycle, remake

Simple transformation of the product to create a 'new product' from it or from components. E.g., through redyeing and reprinting. These can then be used to create upcycled materials.

Recycle

Reduce a product back to its basic material level, reprocessing those materials, maintaining the quality. These can then be used to create recycled materials.

Downcycle

Reduce a product back to its basic material level but with a lower quality.

3. DIFFERENT RECYCLING LOOPS

Closed loop

Used to replace the same virgin material for products

Semi-closed loop

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

Open loop

Used to replace another material in another sector (downcycling).

In the innovation space, textile-to-textile recycling solutions are available via mechanical processing but often with quality standards that are compromised. Chemical recycling technologies of textiles are growing and showing potential as they begin to enter the market.



BOX 6: Repairability parameters to maximize the product environmental score

Source: PEFCR A&F V2.0 method, 18th March 2024 version.

1. INTRINSIC REPAIRABILITY PARAMETERS

RATIO COST ($\frac{EU \text{ average price of repair}}{\text{Price of the product}}$)

Ratio shall be under 10%

(If ratio >33%, reparability is not taken into account)

Calculation methodology for the product price and the average price of repair in the EU is not fixed yet.

SPARE PARTS

Spare parts (identical or similar from an aesthetic or technical point of view) are available in all locations (online/offline) without time limits or the product does not require spare parts

A spare part includes all trims (buttons, zippers, belt buckles etc.), threads, and/or the spare parts that are obviously needed to repair the product

2. EXTRINSIC REPAIRABILITY PARAMETERS

“RIGHT TO REPAIR” COMMUNICATION

- Information related to the warranty period and its level of conformity with EU regulations (Warranty should be minimum 2 years).
- Information on whether the repair services have to be done by a professional or can be done by the consumer (effective if additional information is given to ensure good realization and only for the following repairs: Installation of knee pads, elbow pads; Fixing loose or missing buttons; Repairing undone seam, fallen hem; Tear repair, snag, moth hole; Cleaning of sneakers (beautification/restoration))
- Online/offline guide on where repairs can be made, covering either the location of repair services provided by the brand OR a map of all existing repair shops the product can be repaired at.
- List of spare parts available for the garment and spare parts’ accessibility for the ones “obviously” needed to repair the product.

This information shall be provided at the time of the purchase and accessible throughout the garment life.

REPAIR SERVICE

Following services have to be free and available in all locations (and for articles bought online)

- Apparel: Replacement of shirt collar or cuff; Belt-loop repair; Changing the lining; Installation of knee pads, elbow pads; Fixing loose or missing buttons; Pocket lining replacement; Repairing undone seam, fallen hem; Tear repair; Tear repair, snag, moth hole; Zip change
- Footwear: Forefoot sole part replacement; Complete resoling of the shoe; Repairing undone stitching; Bonbout replacement; Reattach a heel; Eyelet replacement; Lining repair (heel cover, interior, insock); Cleaning of sneakers (beautification/restoration); Heel replacement; Zipper replacement



Checklist for durability

This checklist accompanies the overarching 'Guidance for Circularity' and is supplemented by a 'Checklist for Recyclability'. The aim is to clarify the concept of durability and its different dimensions: intrinsic and extrinsic. It is based on scientific research (Vanacker et al., 2022), which highlights the complexity of the concept. For the sake of accessibility, this summary presents the content in a simplified manner without limiting its accuracy and comprehensiveness.

Address durability holistically

Durability is a complex topic, based on constant interactions with its wearer(s) and the environment. It is comprised of two different dimensions (See [BOX 1](#)):

- **Intrinsic** refers to how a product resists wear and tear and can be quantified through intrinsic durability tests on both the material and product.
- **Extrinsic** refers to external changes that influence user preferences. Long-term product attachment is directly affected by societal changes, fashion trends, and user experiences personal to the wearer, which includes body changes that affect fit. Due to its subjective nature, it is harder to quantify this dimension than the intrinsic one.

This means that when a garment is treasured, which falls under the extrinsic dimension of durability, the user wants to wear it repeatedly. Therefore, it must be able to withstand prolonged wear, and be intrinsically durable. This illustrates how both dimensions are inextricably linked with each other and both should be addressed.

Improve the intrinsic durability

Design phase: Consider intrinsic durability from the start

According to the Environmental Coalition on Standards, up to 80% of product environmental impacts are determined at the design and development stages. Design for intrinsic durability includes:

- Using high-quality materials.
- Using functional finishes to help avoid stains, odor, or humidity.
- Reinforcing heavily stressed parts through various techniques, that are more appropriate depending on the garment (for example, adding double stitching to a pocket opening to avoid tearing).

Production phase: Implement a garment testing protocol

Construction methods that are adapted to the appropriate garment use, enhance a product's lifetime. Assembly requires the craftsmanship, which is inherently present in all Kering brands products and in which further investments should be made. Kering encourages brands to conduct the garment tests mentioned in the durability testing protocols from the Annex V of the PEFCR A&F V2.0.

Note that PEFCR A&F V2.0 tests are to be made on the whole article, but some also assess the intrinsic durability of materials, which is one of the first focus to have in mind when designing for holistic durability.

PEFCR A&F V2.0 tests focus on the following aspect of durability:

- Fabric Strength (EN ISO 12947-2, ISO 13934-2, ISO 13937-1, ISO 13938-1 (or 2))
- Fabric Aspect Damage (ASTM D3939, BS 8479 modified, ISO 12945-1, ISO 15487)
- Colour Damage (ISO 15487, ISO 105-E02, ISO 105-E03, ISO 105-B02)
- Seam Aspect Damage (ISO 13936-2, ISO 15487)
- Product Deformation (ISO 6330/ISO 5077, ISO 16322-3, ISO 20932-1 and 20932-3)
- Accessories Aspect Damage (ISO 15487)

Use phase: provide care guidelines & repair services

How the user takes care of garments affects their lifespan. Therefore, Kering brands should cautiously choose accurate care instructions. Optimizing these is a quick win to assure sustainable care practices, and also maximizes resale value.

When product failures occur during use, Kering brands must optimize the customer repair journey and start implement PEFCR A&F V2.0 requirements (See Guidance for circularity [BOX 6](#)). At least all repair services presented in the Guidance for circularity (See [BOX 6](#)) should be accessible and Kering brands urge suppliers to provide the needed repair documentation and spare parts to facilitate the process (See [BOX 5](#) in the 'Guidance for Circularity'). Furthermore, investments in reverse supply chain logistics, like return or closed-loop schemes, should be considered.



Improve the extrinsic durability

Distribution phase: Adopt virtuous sales practices

Different Kering brands participated in a pilot to develop a multiplier for extrinsic durability, developed by the French association En Mode Climat. As customer data is subjective and hard to generalize robustly, the approach focused on brand behavior and its impact on product attachment.

The newly developed French environmental labelling method revealed similar parameters ([See BOX 2](#)). Kering brands are asked to consider the French environmental labelling criteria to optimize virtuous sales practices and start complying with future regulations ([See BOX 2](#)) especially as it is said to come into action before 2030. The upcoming PEFCR Apparel & Footwear methodology will most likely include extrinsic dimensions of durability in its calculations, Kering brands are solicited to take a close look on the indicators listed in the PEFCR A&F V2.0 ([See BOX 1](#)) and following versions.



BOX 1: Holistic durability definition

Holistic durability can be defined by its two dimensions, intrinsic and extrinsic. For each of these dimensions, we can provide elements that influence the two dimensions of durability:

<u>PHYSICAL</u>	<u>ADAPTABILITY</u>	<u>EMOTIONAL</u>	<u>SOCIETAL</u>	<u>AESTHETIC</u>	<u>FIT</u>
This pair of jeans can resist multiple washing cycles.	The trousers are designed to be adaptable and repairable.	This pair of slim-fit jeans were offered as a gift.	Fashion trends are constantly changing.	The aesthetics of these jeans appeal to me personally.	Over time my body is changing.
<i>"I keep wearing them as their appearance does not change."</i>	<i>"I keep wearing them as the features of the garment allow for adaptability and easy repair."</i>	<i>"I keep wearing them because of a personal attachment."</i>	<i>"There is a current trend for flared jeans, so I do not want to wear these slim-fit jeans anymore."</i>	<i>"I decide to keep wearing these slim-fit jeans because I like the look of them."</i>	<i>"I have a different size, so these jeans do not fit me anymore."</i>

INTRINSIC DIMENSION

EXTRINSIC DIMENSION

As "durability refers to the quality of being able to last for a long time without breaking or becoming damaged" (Vanacker & al. 2022), French and European authorities tried to modelized it as an additional number of times a product is used. In order to measure how much use cycles (1-Use, 2-Washing and cleaning, 3-Drying, 4-Ironing and steaming) could be added, specialists working on the PEFCR A&F V2.0 used the results of strong scientific studies on apparel and footwear disposal decisions. They came to the conclusion that:

- Physical durability was the leading cause of fashion articles discarding, 37% of the time on average.
- Little perceived value arrived second being the reason why people were getting rid of their item 35% of the time.
- Lastly, poor fit was the last reason, representing 27% of observed cases.



BOX 2: Extrinsic durability indicators

	FR Environmental labelling parameters detailed	FR Env. Labelling	PEFCR A&F V2.0
Product range size	Defined by the highest number of RTW SKU (model-color), available in one sales channel of a brand or a platform and marketed on the same day throughout the year. Calculations must be done by looking at the SKUs (model-color) available on the website for brands with significant online sales (no threshold given yet). As future results are not available, brands are asked to input a maximized estimated value based on previous administrative year results. As this number changes over the year, the number inputted per reference must remain the maximum as long as the SKU is available for sale.	X (accounts for 40% of the extrinsic durability factor)	X
Length of time on sale	Average time RTW articles SKUs (model-color for FR; model-material-color for PEFCR) are available for sale in the same channel as the one used for Product range size calculations. Brands must be able to demonstrate that the average sale period for all articles in the scope and channel shall not be under the declared value (the higher the value is, the better the score is).		X
Traceability disclosure	Parameter based on AGEC Art.13 requirements. The sales channels considered are the principal online wholesaler, and all the physical wholesalers, the online sales and the in-store sales. This parameter focuses only on the comprehensiveness of AGEC Art.13 traceability information on all RTW articles (online and offline via the label).	X (accounts for 20% of the extrinsic durability factor)	
Incentive to repair	This parameter is taking into consideration two elements: <ul style="list-style-type: none"> - Ratio between the average repair cost in France and the price of the article. - Repair and warranty services provided by the brands (if it is not an SME). 	X (accounts for 40% of the extrinsic durability factor)	(influences extrinsic durability, but already taken into account in PEFCR A&F V2.0 with two extrinsic parameters See Guidance on circularity BOX 6)
Average discount rate			X
Personalization			X
Ease of reuse/resale			X

Note: PEFCR A&F V2.0 do not have an extrinsic durability multiplier yet, but it might be taken into account in future versions. Kering encourages brands to stay updated on methodology changes (both European and French) regarding extrinsic durability as they will have a great influence on environmental score.



Checklist for recyclability

This checklist supplements the overarching ‘Guidance for Circularity’ and is accompanied by a ‘Checklist for Durability’. The aim is to specify guidelines to enable Design for Recyclability for both materials and finished garments.

A “Recyclable product” is a characteristic of a product, packaging or associated component that can be diverted from the waste stream through available processes and programs. It can be collected, processed, and returned to use in the form of raw materials (ISO 14201). This mostly refers to the end-of-life phase. A recyclable product does not necessarily contain recycled content ([See BOX 1](#)). To be called recyclable, a product should be:

- Designed for recyclability
- Collected, sorted, and recycled in practice and at scale

Incorporate design principles to ensure recyclability

Design for recyclability enables garments and their components to be recycled at their end-of-life. Already in the design phase, all the components should be carefully selected to ensure that at least 50% of the product mass of the 1st generation product will be recycled.

The recycling process of finished garments and shoes is often hampered by internal or external elements, also called disruptors ([See BOX 2 for garments and BOX 3 for shoes](#)). Design for recyclability considers eliminating these disruptors to enable a product’s full recycling potential. On a material level, certain choices can integrally improve the possibility of recycling and help retain the highest possible value ([See BOX 4](#)).

Recyclability is a focus of the PEFCR Apparel & Footwear category rules labelling method. Not complying to recyclability guidelines or failure to provide recyclability proofs will lead to lower environmental scores ([See BOX 2 for garments and BOX 3 for shoes](#)).

Implement garment collection and recycling in practice and at scale

Garments should be collected, sorted, and recycled in practice and at scale, representing a post-consumer recycling rate of 30% in multiple regions with collectively at least 400 million inhabitants. These targets were identified by the Ellen MacArthur Foundation for Plastics (EMF, Global Commitment) and have been adopted by Kering to apply to textiles as a first step. Achieving the targets can happen through sustainable downstream supply chain management, which encompasses collective or individual collection schemes and recycling at scale which can differ from one country or region to another.

EPR scheme: National level

Extended Producer Responsibility (EPR) schemes require a financial contribution by companies, selling products, with packaging, in a country. This should fund the end-of-life

management of the products or packaging entering the country. In Europe, many EPR schemes exist for packaging, however, France was the first country to have one in place for textiles. It is managed by the eco-organism ReFashion, which has the responsibility to use the financial contributions from the brands to divert garments and textiles from landfills and optimize their second life. Currently, different countries are developing an EPR scheme, the Netherlands for example has implemented one in July 2023.

Collection schemes: Brand

A brand can manage the end-of-life of its products for example through a take-back scheme. It collects its used products from consumers to manage their end-of-life through:

- Resale, which could be through their own second-hand platform
- Repair, to enable resale
- Remake, through upcycling techniques to create a new product
- Recycle, as a last resort

Due to the complexity of handling the above options, companies tend to collaborate with external partners for their downstream supply chain management. However, this limits transparency regarding the actual end-of-life of the collected goods.

Recycling at scale

Kering encourages suppliers to support ongoing research and efforts addressing emerging fiber-to-fiber recycling technologies, mechanical or chemical (both for synthetics and natural fibers) to enable scalability.



BOX 1: Recycled content VS. Recyclability

SOURCING PHASE

RECYCLED CONTENT



A product containing "x" % of recycled materials is not automatically recyclable

END OF LIFE PHASE

RECYCLABLE PRODUCT



A recyclable product does not necessarily contain recycled content



BOX 2: Disruptors and best practices of garment recycling

DISRUPTORS

Any elements that have a negative impact on at least one of the recycling channels or recycling stages, can be internal or external:

- Internal: cannot be removed or eliminated from the article by cutting or separating. They relate to the composition, the primer, the material, or the use:

(1) COMPOSITION	(2) PRIMER	(3) MATERIAL	(4) DUE TO USE
<ul style="list-style-type: none"> • > 2 materials • > 2 % of elastane of total product weight • <90% linen/hemp/silk • <90% cotton • <85% polyester/nylon • <50% wool • Metallic or carbon fibers / threads • Electrical and electronic equipment 	<ul style="list-style-type: none"> • Coating • Lamination • Heavy prints (All over - placed prints >10 cm²) • Glue an adhesives • Imprints • Flocking • Chemical primer 	<ul style="list-style-type: none"> • Jacquard fabric • Warp knitted fabric • Fabric with high Nm thread • Stretch fabric • Coloring / dye • Double or piping stitching • Numerous seams 	<ul style="list-style-type: none"> • Humidity • Dirt • Cleaning / laundry detergents

- External : external to the fabric, directly sewn or glued onto the product

(1) ATTACHMENT	(2) INFORMATION	(3) FUNCTIONAL	(4) AESTHETIC
<ul style="list-style-type: none"> • Zipper • Button • Clasp • Buckle • Press button • Sewing thread/seam • Carabiner • Hook • Braiding/cord • Eyelet 	<ul style="list-style-type: none"> • Woven label • Printed label • Imitation leather label • RFID chip • Incomplete label • Electrical and electronic equipment 	<ul style="list-style-type: none"> • Reflective strip • Non-slip band • Elastic band • Rivet • Stop cord • (Neck) whale • Ring • Foam • Lining • Electrical and electronic equipment 	<ul style="list-style-type: none"> • Badge • Lace • Embroidery • Yoke • Rhinestone / sequin • Pearl • Pompom • Knots • Pendant • Charm • Electrical and electronic equipment

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BEST PRACTICES

To optimize factors on at least one of the recycling channels or recycling stages.

Internal elements

(1) COMPOSITION	(2) PRIMER	(3) MATERIAL	(4) DUE TO USE
<ul style="list-style-type: none"> • Mono-material • Avoid elastane, or choose mechanical stretch or a PES based one • Avoid Lurex yarns 	<ul style="list-style-type: none"> • Discharge or digital printing • Water-based dyes • Functional finishes only 	<ul style="list-style-type: none"> • Solid weave • No stretch • Unified colours • Neutral colours 	<ul style="list-style-type: none"> • Provide clear and adapted care instructions on garments

External elements

(1) ATTACHMENT	(2) INFORMATION	(3) FUNCTIONAL	(4) AESTHETIC
<ul style="list-style-type: none"> • Removable trims • Trims in the same fibre as the main material (e.g., embroidered eyelets) 	<ul style="list-style-type: none"> • Same material as the main fibre (e.g., RFID chip) • Same colour as the main material 	<ul style="list-style-type: none"> • Same material as the main fibre • Limit if possible 	<ul style="list-style-type: none"> • Reconsider avoiding, if possible • Allow for easy detachment



BOX 3: Recycling disruptors of shoe

	(1) DISMANTLING	(2) SHREDDING	(3) OVERSORTING	(4) RECYCLING
UPPER	<ul style="list-style-type: none"> • Multicomponent and/or multimaterial upper • Presence of reinforcements • Numerous seams • Double stitching and piping stitching • >1 accessory • Accessory screwed or riveted 	<ul style="list-style-type: none"> • Elastane >5% 	<ul style="list-style-type: none"> • Laminated, coated, glued, overmolded component 	
SOLE	<ul style="list-style-type: none"> • Non-reactivable adhesives • Multimaterial soles • Non-separable materials • Foam midsole • Presence of residues after separation of the sole • Sole material other than TPU & EVA 	<ul style="list-style-type: none"> • Inserts in the sole (wood, composite materials, metals, non elastomer plastics) 		
SHOE	<ul style="list-style-type: none"> • Open-toe shoe • Sole and upper seamed together 	<ul style="list-style-type: none"> • Metal hard points 	<ul style="list-style-type: none"> • Density difference <0,2 g/cm³ between materials that are not compatible 	<ul style="list-style-type: none"> • Flame retardants



BOX 4: Ensure material recyclability

COTTON

MINIMUM STANDARDS

- > 90% by product weight is cotton
- < 2% of total product weight is elastane
- Blend with natural fibers (min 90% cotton)
- Blend with PES (min 70% cotton)
- As few trims as possible
- Avoid screen print
- Avoid multi-colour prints

BETTER PRACTICES

- 100% of product weight
- No elastane
- Cellulosic-based pigments for prints
- No optical brighteners
- No reactive dyes
- Unified colours
- Neutral colours
- Trims made from cotton yarns, like embroidered eyelets and rivets
- Cellulosic-based trims
- Colours of labels, trims and sewing yarns match the colour of the main product

POLYESTER

MINIMUM STANDARDS

- > 85 % by product weight is PES
- Blend with cotton (max 30% PES)
- Trims made from PES yarns, like embroidered eyelets and rivets
- Hard trims are removable

BETTER PRACTICES

- 100% PES
- No elastane or replace it by mechanical stretch or a PES-based elastane
- No trims at all
- (Hard) trims are made from PES
- Colours of labels, trims and sewing yarns match the colour of the main product

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WOOL (MECHANICAL RECYCLING)

MINIMUM STANDARDS

- > 50% by product weight is wool
- > 85% wool with < 15% nylon/viscose/acryl
- No PES blends
- Minimal trims and/or embroideries
- Easily removable labels
- Unified colours
- No prints

BETTER PRACTICES

- Product contains 100% pure wool
- No elastane or elastic components (like cuffs)
- No hard trims
- No embroideries
- Alternative to PES care label
- Neutral colours
- Colours of labels, trims and sewing yarns match the colour of the main product

LEATHER (MECHANICAL RECYCLING)

MINIMUM STANDARDS

- Limit trims where possible

BETTER PRACTICES

- 100% chromium & metal-free tanning
- Limit trims
- No prints
- No aesthetic, thick finishes





GUIDANCE FOR INNOVATION



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

The Kering Guidance for Innovation covers new technologies and solutions for processing and manufacturing as well as new materials that may complement or replace existing, traditional materials. These innovations must be a new technology or a new product significantly improved in terms of sustainability compared to existing ones: the footprint must be lower and the pressure on natural resources less.

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

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The Kering Guidance for Innovation refers to specific areas of “innovation” and are associated with new material or technology that will complement or replace existing, traditional materials and processes in the supply chain. The Kering Guidance for Innovation covers key topics such as:

- Bio-feedstock
- Material inputs and processing (for fibers)
- Manufacturing processes and related technologies (for fabrics)
- Manmade non-fiber materials
- Nanotechnology
- GMO

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

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



GUIDANCE FOR INNOVATION

Apply the Precautionary Principle and Assess Impact

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

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

- Ask the innovator for data, preferably an LCA (based on ISO 14040, specifically: UNI EN ISO 14040 (2006) and UNI EN ISO 14044 (2018) to best understand the potential impact of the innovation on the environment and society
- Many innovations are at a very early stage, and therefore difficult to assess in terms of impact (e.g. it is not possible to do an accurate LCA and when an innovation is still in lab stage). If an LCA is not available or possible to do, self-reported impact data as well as third-party verified data are both acceptable as a Requirement for 2025
- Viable impact data that is gathered from an innovator should be directed to the Kering Sustainability Department to help determine its EP&L impact and potential savings over traditional materials and processes.
- Prioritize innovators who have conducted third party LCAs

Apply the Precautionary Principle when using nanotechnology

Kering will not use any nanotechnology applications unless such applications are analyzed and proven to have no potential negative impact on human health and the environment, including an evaluation of end-of-life impacts. Please see BOX3: Nanotechnology for more information.

Steps to take when considering a product containing nanotechnology:

- If a nanotechnology is detected and necessary for the solution to work, be sure its safety is scientifically verified and based on scientific studies
- If more information is required to determine safety of the nanotechnology, have the supplier and/or brand test the product using the Nano Risk Framework. See BOX3: Nanotechnology for further information and FAQ for more details.

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

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

In such cases, it is acceptable for Kering brands to accept genetic engineering in the process to create a new product or material process when impact data shows that the environmental or societal benefit outweighs the potential risk. However, the final product should not contain GMO material (i.e., the genetic material should be destroyed and appropriately disposed of after processing and not detectable in the final material or technology to be used). See BOX4: GMO/GE for further explanation of GMO and GE issues.

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

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

The PRSL and MRSL are appendices to the supplier agreement (contract or purchasing terms and conditions)



with Kering brands. More information is available in the [Appendix: Summary of Kering Chemical Management Policy](#).

Inquire about the source of bio-feedstock

When analyzing the potential impact of innovations based on bio-feedstock, it is important to understand which one is used to produce the energy, chemical reaction, or material. Please see [BOX 1](#), for a detailed explanation of the different bio-feedstocks. For bio-feedstock:

- Try to collect as much information as possible from the innovator about the bio-feedstock used in order to assess its impact
- Generally, the level of potential harmful impact of a feedstock is greatest with First Generation feedstocks (e.g. competition with food sources, land use, GMO use, etc.) and decreases as you proceed to Fourth Generation feedstocks. For this reason, try to avoid innovations using First Generation feedstocks. This can be difficult as they currently are the most commercially available
- If it is not possible for an innovator to avoid using a First-Generation feedstock, innovators should be encouraged to move to other sources where possible. As solutions become more mature and ready for commercialization, Kering brands should always source innovations that are “best in class”. This means that, as they become commercially available, Kering should source innovations based on Second, Third and Fourth Generation feedstocks
- If there are known negative effects of an innovation’s feedstock such as competition with local food security, toxic chemical compound release, negative impact on water use or quality, etc., then the innovation should not be used
- Make all efforts to ensure that the feedstock is not grown with genetically modified organisms (GMO). Kering does not support GMO
- Suppliers should source biobased materials that have been certified according to:
 - DIN CERTCO Biobased
 - OK Bio-based TUV
- These certifications verify only the biobased carbon content in materials
- Suppliers should provide Kering brands whenever possible, with any additional information and/or certifications about the biomass feedstock management. Some certifications are: RSB (for biomass and biomaterial production and processing), ISCC (referring to their chain of custody for biomass), FSC and PEFC (for materials based on wood and its by-products), RED Cert (referring to their chain of custody regarding sustainability of the biomass). See [BOX 2](#) for certifications recommended by Kering.

Prioritize using materials with a higher recycled or bio-based content

Within the innovation space, recycled content is the priority, specifically choosing post-consumer recycled material feedstock and then pre-consumer, aiming to achieve material with 100% recycled content from chemical recycling technologies when available.

For materials that are partially bio-based, try to obtain the highest percentage of bio-content possible. In today’s market, at least or above 30% should be the target. In the future, it should be possible to have a higher percentage of sustainable bio-based content in materials, without compromising performance and quality.

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

Kering supports ongoing research by experts to: (1) evaluate the risk of sourcing innovative materials from countries based on energy mix, farming practices, environmental pollution, animal welfare, labor practices, etc. and (2) identify countries where it is more favorable to source from.

All suppliers are required to only source innovative materials for Kering from innovators whose raw material are certified to one of the certifications listed in [BOX 2](#).

Ensure that no innovation activities are linked with deforestation, conversion or degradation of natural ecosystems.

The production, sourcing and financial investments of companies in Kering’s supply chains must not cause or contribute to the loss of natural ecosystems (or conversion – including land, freshwater and marine ecosystems), or to their degradation. This covers all natural ecosystems, including but not limited to natural forests (deforestation) and to those ecosystems that meet the criteria of Key Biodiversity Areas and High Conservation Value Areas (including High Carbon Stock or Irrecoverable Carbon Areas). Please refer to the [Introduction to Standards for Raw Materials](#) where this is covered.

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

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



Ensure best environmental practices of the innovative materials processes

Innovative material processing can have a significant impact on the environment mostly due to water use, energy use and chemicals. Ensure that these impacts are monitored and minimized. In particular:

- Require **innovators** to use best efforts to establish a closed-loop chemical management system, so that chemicals that are used and produced during the transformation of wood pulp to cellulosic filament and the production of synthetic fibers, do not escape into the environment and also potentially harm workers. A closed-loop chemical management system means preventing and reducing chemical air emissions, decreasing water consumption, minimizing chemical impacts and phasing out and eliminating hazardous waste
- Use of resources must be managed and reduced to the minimum: water, energy and land are precious.
- Address microfiber and microplastic leakage with an innovative approach to minimize them as much as possible
- If the manufacture of the innovative material or the innovative process involves microorganisms, ensure they are not harmful to the health of those handling them, and that they are not GMOs.

For additional information about requirements for raw material processing and finishing, please refer to [Kering Standard for Textile Processing and tanning](#).

Use best efforts to provide full transparency of the supply chain

Kering is committed to achieving the highest levels of transparency within its innovation supply chains. In this context, innovators will provide Kering with information from raw materials to finished products: the innovator should be able to provide information about its own suppliers.

Use best efforts to ensure full traceability of products

Kering expects to have full traceability of innovative processes or materials from raw material production level, supported by physical and digital systems (platforms, tools, programs, etc.), preferably third-party verified.

Address end-of-life by ensuring full circularity

When looking to adopt an innovation, particular attention should be paid to the end-of-life solution. Kering promotes recyclability rather than composability.

See [Kering Guidance for Circularity](#): section (3) Luxury made to be recrafted and the BOX 4: Prioritization of actions for more information on this topic.

In the innovation space, fiber-to-fiber recycling solutions are available by mechanical processing (the quality of which might be inferior). Chemical recycling technologies of fibers are nascent but promising and now entering the market. Closed loop solutions should be chosen. Thermo-mechanical recycling is an innovative process that could be considered for single material shoes

Analyze material inputs and related processing for fibers

Material inputs (synthetic or bio-based) and the way they are processed (bioprocessing, mechanical, or chemical) are key elements to be considered when determining the impact of an innovation related to fiber production. Prioritize materials that are made with recycled content certified to the Global Recycled Standards (GRS). If this is not possible, source materials with bio-content (non-fossil/petrol content) taking into account the recommendations in the previous paragraph.

Material inputs can be categorized as follows:

1. Natural fibers where the material inputs are plants or plant-derived (e.g. leaf, bast, seeds from agri-waste and residues or food industry by-products) that do not require fiber formation or reformation. The fibers are usually obtained through chemical or mechanical processing and the basic structure of the fiber is kept intact. There are also artificially produced fibers (e.g. lab-grown fibers). Generally, these materials have a low impact both on input and processing, but the quality needs to be improved if it is to become more widely used.

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

2. New MMFs where bio-based feedstocks (bio-synthetic MMFs) go through extensive bio- and/or chemical processing to produce thermoplastic polymers (e.g. PLA, PHA, bioPET, etc.). Synthetic alternatives are also known as CCU (Carbon Capture and Utilization) technologies, which refers to the process of capturing carbon dioxide (CO₂) and using it as a feedstock for polymers in textile applications (e.g., CCU PLA) reducing the CO₂ in the atmosphere and its negative impact. Innovations in this fiber category are promising but at an early stage, their technology readiness levels (TRLs) needs to be improved for scaling.
3. MMFs derive from alternative natural polymers (e.g. protein, algae, chitin, etc.). In some cases (e.g. bio



fabricated silk), the main ingredients (building blocks) of the fibers, are produced by microorganism (e.g. yeast, bacteria) through a fermentation process which is then further mechanically or chemically processed and transformed into fibers or spun into filaments. It is often challenging to measure the impact or define the sustainability assessment for these specific innovations, even more difficult when they are in the R&D phase. Concern may arise about using Genetically Modified Organism (GMO) in bioreactors, as well as for the used feedstock (e.g. sugar usually from GMO crops) to feed the living organisms.

There are three categories of processing:

1. Chemical processing (e.g. applying chemical-based solvents, etc.)
2. Mechanical processing (e.g. carding, shredding, etc.)
3. Bio processing (e.g. using bacteria in a fermentation process, etc.)

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

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

- When possible, combine bio-based material with bio or mechanical processing

Analyze manufacturing processes and related technologies (for fabrics)

Kering promotes the development of innovative, disruptive techniques allowing large reductions in the use of resources, the generation of wastes, and overall environmental impact. Depending on the field of application, such techniques must deliver at least one of the following benefits, and Kering supports innovation that provides as many benefits as possible.

Processing and manufacturing

- Reduce the use of resources (energy, water, chemicals, land etc.)
- Use biobased lubricants and additives
- ▲ Use technology that minimizes scraps or waste (e.g. advanced defect detection technologies, knitting innovation, additive manufacturing, bio fabrication)

Dyeing and printing

- Choose technology that reduce the amount of energy (e.g. cold-pad batch dyeing, etc.), water (e.g. waterless process, spun dyeing for cellulosic fibers, low liquor ratio dyeing, etc.) and reagents used (e.g. ultrasound, plasma treatment, supercritical CO₂ dyeing, ozone process for bleaching, recycling of dyes from post-consumer textiles, etc.)

- Replace conventional reagents with more sustainable chemicals (e.g. phase out of sodium hypochlorite for bleaching)
- Use natural or biogenic pigments (e.g. natural indigo from regenerative agriculture, black pigment from renewable resources, pigments from microbial fermentation etc.)

Finishing, coating and treatment process

- Choose efficient and less resource consuming processes (e.g. waterless, ultrasound assisted, plasma treatment, etc.)
- Replace conventional reagents with green chemistry alternatives instead of non-renewable chemicals and choose enzyme catalyzed finishing processes.
- Water resistant finishing should guarantee performance avoiding PFAS.

Analyze non fiber materials

A wide range of innovative materials is being developed for the fashion industry for use in shoes, bags, watches straps, garments and store planning.

When looking into these materials for research and development activities, several things should be considered:

- The physical properties of the material in terms of mechanical resistance, color fastness, ageing, behavior to humidity, etc.
- Material's dimensions, manufacturing scale-up capacity, production costs and timing. The presence of polymers that are bound to the biomass to improve its properties. Biobased polymers are preferred.
- Despite their potential advantages, the full lifecycle of the innovative material must still be assessed. For this reason, possible environmental claims related to such materials should be supported with data or even better a LCA using the ISO 14 040 standard.

Some of these materials can be combined with textiles. The standards for coated fabrics are described in BOX 4 of the Kering Standards for Textile Processing and needs to be referred to when the case arises. It is also important to consider:

- The type of fabric used: certified, recycled, circular or organic textiles should be chosen,
- In case of coating, the material used to coat the fabric: biobased and waterborne resins should be used,
- The origin of the filler dispersed in the coating: biobased fillers should be used especially if coming from residues or leftovers from agro-industrial value chains or from certified biomass feedstock management.

These materials can be grouped as follows:

Bio based materials

Following Textile Exchange's definition, a biobased material means that the feedstock from which the material is made comes from a renewable, biobased



source, rather than from fossil-based non-renewable resources. Many materials fall in this category, including more innovative solutions of great interest to Kering, as the following:

**Bio assembled material:
Mycelium**

This type of material is obtained from mycelium biomass (the vegetative part of the fungi) that is chemically and physically processed to improve the properties of the material. Mycelium biomass can be obtained from different fungal strains and fermentation methods.

When evaluating such materials, strains must be chosen wisely and carefully managed: invasive species of microorganism are not recommended because they can take over an ecosystem.

**Bio assembled material:
Microorganism-derived**

Kering is keen to promote nature-inspired solutions and biomaterials, but the conditions must be well controlled, and organisms must be managed within a limited space: invasive species of microorganism are not recommended.

In the case of bacterial cellulose, the organisms are trapped within the final material hence all microorganisms must be lifeless.

**Bio fabricated (or bio manufactured)
Lab grown tissue**

Using tissue engineering techniques, it is possible to grow hides in laboratory. Currently there is no bio-cultivated genuine animal hide on the market, but some companies are developing in vitro hide prototypes. Lab-grown hide is the only material with a similar chemical composition and structure of leather, the cells being usually grown on a matrix. Some of these materials can be either backed with textiles or cultivated on it. Here also, it is important to consider the type of fabric used and the origin of the filler dispersed within the material

Scaling innovation

Expectations must match the TRL (Technology Readiness Levels), these are points on a scale from 1 to 9 used to measure the maturity level of a technology, where TRL 1 is the lowest and TRL 9 the highest. This scale considers: the size and nature (training, background) of the team behind the innovation, capacity and available sample sizes, reproducibility, current and forecasted production costs.

Ask the innovator how he plans to:

- increase the bio-based content in the material,
- determine how the product shall be treated at the end-of-life,
- move out of First-Generation feedstock over time.

It is also necessary to check that the innovative material has physical, chemical, and aesthetic qualities in line with the level of quality required by each of the Group's brands.



BOX 1: Bio-feedstocks

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

1. **Feedstock from non-renewable resources:** these are obtained by mining or extracting fossil resources from the soil which is very costly in energy. Such resources cannot be replenished at the same speed at which they are consumed. Examples are earth minerals, metal ores, coal, crude oil, and natural gas. The use of such resources produces multiple impacts on the environment during the extraction phase, the refining treatment, and the end of life. For these reasons, the use of these resources should be limited by:

- Choosing recycled feedstocks whenever possible, and as secondary option renewable resources
- Developing more efficient processing that reduces the need and waste of non-renewable resources

It is interesting to consider that land, when referring to its availability, can be considered a nonrenewable resource and its use also considered.

2. **Bio feedstock from renewable resources:** these are natural resources which will grow again over time.










- **First-Generation:** Sourced from food or feed crops, such as corn, wheat, sugarcane, potato, sugar beet, rice, plant oil and fruit. Unintended consequences of using a First-Generation bio-feedstock could be: competition with food crops, land use change, use of pesticides and GMO, reliance on industrial monoculture, soil degradation, reduced biodiversity.
- **Second Generation:** bio-feedstocks that do not compete directly with food and feed crops because they derive from biomass such as waste and agricultural residues of nonfood crops such as wheat straw, fruit waste, or wood waste. These are an improvement over First-Generation and are becoming available on the market today. However, they do still hold potential negative consequences such as pesticide and GMO use, land use change and reliance on industrial monoculture farming.
- **Third Generation:** These bio-feedstocks are sourced from non-land-based crops such as biomass derived from algae, fungi, and bacteria. These are more difficult to find at a commercialized scale at the moment, although it is a growing area. Potential negative impacts are methane production, destruction of natural habitats in harvesting, and potential environmental contamination or leaks.
- **Fourth Generation:** This involves sourcing carbon from greenhouse gas emissions released by industrial or waste management processes. This is the most promising type of feedstock in terms of impact as it removes harmful gases from the atmosphere. However, it is also the most experimental and not widely available. Potential negative consequences also exist such as how to handle the end-of-life of such feedstocks as well as supply chain stability and energy efficiency.

Sources: Fashion For Good, Textile Exchange (2017), McClellan, James E., III; Dorn, Harold (2006). Science and Technology in World History: An Introduction. JHU Press. ISBN 978-0-8018-8360-6



BOX 2: Recommended Certifications for Sustainability

Kering encourages brands to source innovative materials carrying the voluntary certification listed in this table which provide third-party verification of recycled or biobased carbon content.

Name	Standard or Organization	Logo	Geographic Scope
RECYCLED CONTENT			
Global Recycled Standard (GRS)	Textile Exchange		Global
Circular materials ISCC certified	ISCC		Global
BIOBASED CONTENT			
Biobased	DIN CERTCO		Global
OK Biobased	TUV		Global
RSB Standard	Roundtable on Sustainable Biomaterials		Global
Biomaterials ISCC certified	International Sustainability & Carbon		Global
Bio-circular material ISCC certified	International Sustainability & Carbon		Global
FSC	Forest Stewardship Council		Global
Certified PEFC	Programme for the endorsement of Forest Certification		Global
REDcert2	REDcert		Global



BOX 3: Nanotechnology

What is “nano”?

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

Nanomaterials are designed to change the surface and/or overall properties of the material, to achieve:

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

Can “nano” be risky?

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



BOX 4: GMO/GE

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

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

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

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

Some key considerations

The debate: The issues around GMOs are hotly debated.

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

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



BOX 5: Biomaterials

Biomaterials

Biomaterial is a general term used to describe any material that is in some way biologically derived. Biomaterials also cover materials such as leather and cotton.

The **biomass** is the dry mass of a living thing. Commonly, biomass waste is taken from other industries for new purposes. For example, agricultural biomass is the dry mass of plant waste left over from farming.

The below is a classification of biomaterials and you can also see the relation between the different biomaterials:

Biobased materials are derived partly or wholly from biomass, such as from plants, animals or microorganisms.

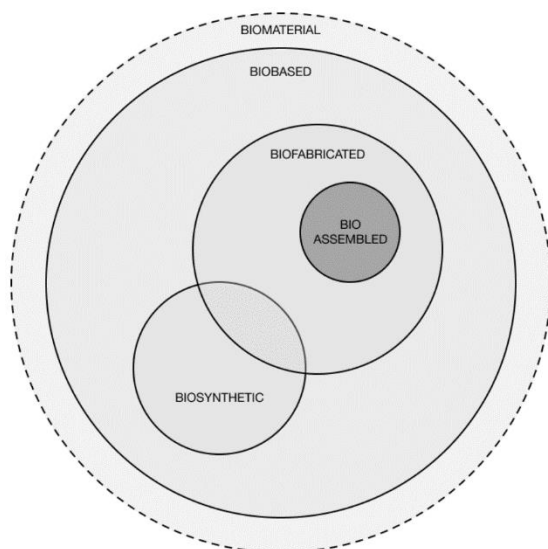
Biosynthetics are synthesized raw materials comprised in whole or in part of bio derived ingredients. These can either be made with biomass and/or using a biological process such as with a living organism.

Biomanufactured materials are produced by living cells (e.g. mammalian) and microorganisms, such as algae, bacteria, yeast, and mycelium.

A **bioassembled** material is grown from living microorganisms such as mycelium or bacteria. The organism either makes up the material (e.g. mycelium) or may still be present in the material (e.g. bacteria), but the materials are stabilized so the organisms cannot continue growing.

Warning concerning the biological risk potentially associated with biosynthesis and bioassembled materials: any microorganisms still present in the biomaterials must be neutralized before being released from the laboratories to avoid the risk of spreading germs, viruses, or other pathogenic microorganisms.

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[Resources — Biofabricate](#)

Polymers

A polymer is a repetition of an elementary motif called a monomer. It is a large chain-like molecule made up of smaller molecules that repeat to form the chain.

Bio-based polymers

These are polymers derived from living organisms or polymers synthesized from renewable resources. They can be found in nature.



BOX 5: Biomaterials (continued)

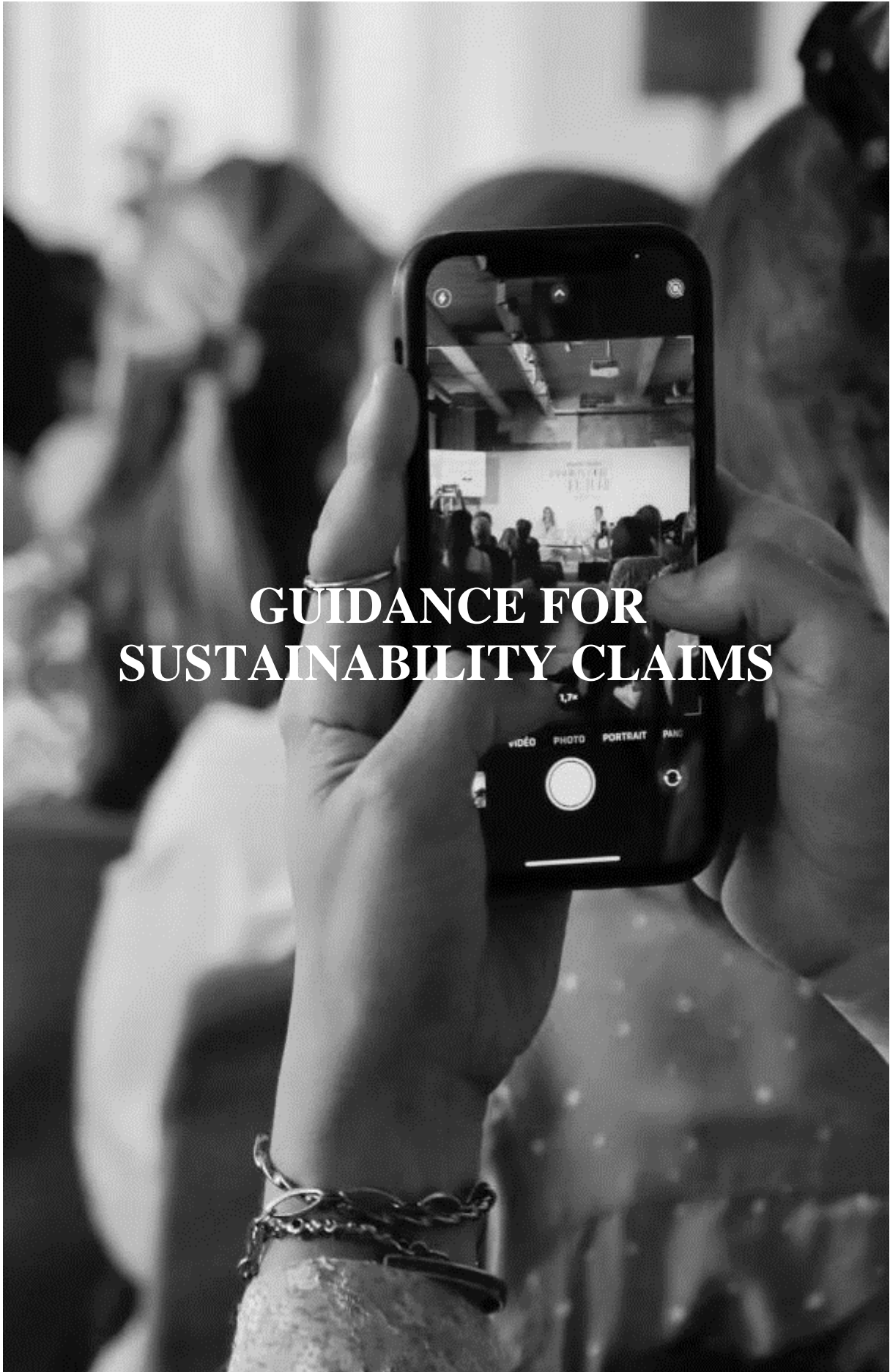
Bio-based polymers must not be confused with synthetic biodegradable polymers which need additives to be biodegradable.

Bio-based polymers are derived from biomass (native or modified organic waste). There are 3 types:

- Bio-based polymers derived from living organisms:
 - o Plants, algae, fungi such as agar-agar, sodium alginate, starch, cellulose...
 - o Animals, such as collagen proteins or casein
- Bio-based polymers produced by chemical polymerization: this family includes PLA, (polylactic acid).

Bio-based polymers produced by micro-organisms (genetically modified or not, are known as "wild type"), e.g. PHA, PHV, PHBV.





GUIDANCE FOR SUSTAINABILITY CLAIMS



There has been growing awareness over the past years of sustainability. Increasingly, consumers around the world are looking for products and services with lower environmental and social impacts. This interest has led to an increased demand for “green” products and services.

In response to this demand, companies have increased their ‘green’ product and service offerings, however, at the same time, misleading environmental claims have also increased. Known as “greenwashing”, this is a serious obstacle to achieving a sustainable transition in the fashion industry and in the wider world as it prevents consumers from making informed purchasing decisions. Furthermore, it is also a form of unfair competition that can harm companies that communicate their sustainability efforts in a more responsible and honest way. This issue is now under the spotlight with the increasing criticism of inappropriate claims on social media and the tightening of the regulatory framework in several countries. Highlighting the misleading nature of these claims has the potential to damage corporate and brand reputation.

At Kering, the Group encourages its brands to communicate their sustainability efforts and results transparently and appropriately, with data supporting statements made where possible. As vocal leadership is needed to push the sustainability agenda forward in the fashion industry, waiting to be perfect is not an option since sustainability, by its very nature, is a process of continuous improvement.

According to best practice guides on green claims (see [BOX 1](#) and [BOX 2](#)), for a claim to be justified it must be: truthful and relevant, clear and unambiguous, accurate and specific, substantiated and verifiable, not over-using visual or sound natural or nature-like elements, and clearly detail certifications.

Applying these principles and definitions as a benchmark, the Kering Guidance for sustainability claims has been designed to provide support to its brands and to avoid any risk of potential greenwashing statements.

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Scope and target audiences

The Kering Guidance for sustainability claims is aimed at brands, suppliers, retailers, and consumers and refers to product claims of products sold in-store or on the brand’s e-commerce site. The Guidance covers claims related to all environmental and social issues, written information on the website, labeling, advertising, etc. It does not cover mandatory information that is legally required on product labels. It does not relate to packaging or corporate communications.

In terms of the Guidance’s scope, a sustainability claim is a representation of the environmental and/or social impacts of a product’s raw materials, production, distribution, use and disposal. Claims can be made in many forms, including both words and pictures and they can be either expressed or implied.



GENERAL RECOMMENDATIONS

Tell the story of the product rather than making a single isolated claim taken out of context

Because a single isolated claim can be more easily criticized, Kering encourages its brands to continue telling the story of the product's production, the craftsmanship, the exceptional quality, etc. Sincerity and transparency are key.

Be sincere and accurate when describing the product's environmental or social benefits

The use of broad, generic sustainability-related statements such as "eco-friendly", "environmentally friendly" or "green" should be avoided. Such vague claims are already forbidden in some countries (e.g. France passed a decree in 2022 with an immediate ban of vague environmental claims such as "eco-friendly", "respectful of the environment", "protects nature") and will be banned in all European countries by 2026 (see BOX 1).

Visuals shall not mislead the consumer and present a product as being "more sustainable" than it is. Without excluding their use all together, the use of visual or sound elements associated with nature or evoking nature must not mislead the consumer about the environmental properties of a product.

A product's properties shall be described using factual and accurate details. Specific information should also be given when making comparisons. Any statement about a lower environmental impact or an increase of efficiency must be precise and detailed figures and data, indicating the baseline for the comparison immediately provided. Any products that are compared to show the sustainability benefits of one over the other should meet the same needs or be intended for the same purpose.

Great care should be taken when emphasizing the absence of a component, especially when it relates to biobased/plastic materials ("no plastic", "fossil-fuel free"). An environmental claim should not emphasize the absence of a component, ingredient, characteristic, or

impact (typified by formulations such as "without ...", or "no ..." or "...-free") when it has never been associated with the product, process or activity.

Regarding plastics, based on definitions by the European Commission, all chemically modified polymers are considered plastics. Biodegradable plastics are considered plastics just like other plastic resins (PLA). Coating varnish and laminates are considered plastics. If a product contains some plastic, even a very limited amount, it cannot be considered "plastic-free".

Provide evidence to support claims

In order to make a sustainability claim, a product has to align with the requirements outlined by the Kering Standards. All information declared must be proven and verified: in the case of claims or inspections, documentations must be available on request. Examples of evidence requested:

- Proof of certification (GOTS, RCS, GRS, OCS...)
- Documentation proving the relative percentage of recycled content of the material
- The Product Environmental Footprint (PEF) report
- The Product Carbon Footprint report

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Clearly differentiate what is related to a component or the overall product

Kering recommends that its brands and brands suppliers clearly differentiate the component-related sustainability claims from the product-related claims. In addition, to make a sustainability claim, components and products shall comply with the following recommendations:

- When making a claim about a product, the product's less impactful materials represent at least 80% of the product's weight;
- When making a claim of a component, his component has to represent at least 50% of the product's weight.



SPECIFIC RECOMMENDATIONS

Strictly follow the rules for claims associated with certified materials

Kering doesn't encourage the use of certifications not on its list of preferred certifications schemes and labels as outlined in the [Raw Materials](#) and [Manufacturing Processes](#) sections of Kering Standards; as they are not as robust as the Kering approved Standards.

Rules, conditions and guidelines for product claims and labelling associated with certified materials are defined by individual certifying bodies, protocols or programs. These guidelines:

- Regulate how brands and suppliers shall communicate
- Provide guidance on technical aspects (such as minimum percentage of certified material in the product), and accepted blending conditions for the remaining conventional/non-certified materials

Product labelling or claims around certifications, standards or protocols is generally only permitted by certified/authorized entities. The conditions and processes to become a certified/authorized entity are set out by each certification organization and executed by accredited auditing bodies.

Brands have to be careful with labelling and claims associated with certified materials.

When labelling and communicating on products and components comprising certified materials, Kering's brands shall first consult each certification, protocol or programs' labelling guideline. Generally, brands need to be certified in order to use a certification's logo (registered trademark) or mention certifications on the product and they need to follow protocols within the certification scheme for product labelling. Examples of product labelling schemes include:

- Textile Exchange for OCS, GRS, RCS, RDS, RWS, RMS, RAS. All Textile Exchange Standards apply the Content Claim Standard as the chain of custody requirements used to track materials from the source to the final product.
- GOTS: The [Licensing and Labelling Guide](#) specifies the licensing conditions for companies participating in the GOTS

There are various certification stipulations, for instance:

- Brands cannot claim to be RWS certified or label a product as RWS certified (e.g. "this jumper is RWS certified") neither they can communicate the use of RWS certified wool in a product (e.g. "this product is made with RWS certified wool") without being RWS certified and consulting Content Claim Standard (CCS)-section RWS

- If brands would like to claim specific percentages of sustainable certified content on products (e.g. recycled content, sustainable wool content, etc.), they should verify the related transaction documentation (e.g. GRS, RWS, etc.) on materials received by direct suppliers and determine the correct percentage (sustainable content on overall product materials)
- Additionally, there may be country specific regulations to follow. For instance, in China, no product can be called "organic" without having the Chinese certification from the China National Standards for Organic Products

Suppliers must provide all evidence to support claims for certified materials

Thorough evidence must be collected across the supply chain to substantiate any product sustainability claim. Suppliers shall align with the following recommendations:

- Direct suppliers must provide all necessary documentations to demonstrate their eligibility to manufacture and sell certified materials (e.g. Textile Exchange Scope Certificate)
- Suppliers have to provide documentation (physical or digital) that validates direct transactions of sustainable materials, preferably verified by third parties (e.g. Textile Exchange Transaction Certificate). Note that supplier self-declarations without additional verification should not be considered a valid verification document for certified sustainable materials, given the high risk of counterfeiting
- Suppliers are requested to issue verification documents for each sustainable material transaction

If the direct supplier is not certified and cannot issue verification documents, it is strongly advised to communicate externally only if there is strong evidence of verification (chain of custody) at the fabric/yarn stage. It is not advised to communicate any claims if the evidence exists only for the raw material.

When it comes to sustainability related statements or claims, Kering expects compliance with the following principles:

Recycled content

A recycled material is a material that has been reprocessed from reclaimed material by means of a manufacturing process and made into a final product or into a component for incorporation into a product. The reclaimed material would have otherwise been disposed of as waste or used for energy recovery, but has instead been collected and reclaimed as a material input, instead of a new primary



material, for a recycling or a manufacturing process. (ISO 14021)

Only recycled content derived from post-consumer feedstock recycling or brand's external pre-consumer feedstock recycling can be considered for recycled content claims (ISO 14021). This means that brands' internal pre-consumer feedstock is excluded from the scope of the recycled content claim, specifically material derived from the recycling of unsold products and/or leftover materials.

Where a claim of recycled content is made, the percentage of recycled material shall be stated.



The use of the Mobius loop symbol is optional and if used, it shall include the recycled content percentage value stated as "X %". If the percentage recycled content is variable, it may be expressed with statements such as "at least X %", or "greater than X %".

Upcycled content

Products made from upcycled content are often referred to as "upcycled product" or "made from upcycled materials." However, this designation is not standardized because there is currently no adequate definition for materials derived from upcycling processes, such as deconstruction, recoloring, and reprinting. Based on the ISO 14021 definition of recycled content, Kering expects adherence to the following principles:

1. Only upcycled content derived from post-consumer feedstock or brand's external pre-consumer feedstock can be considered for upcycled content claims. This means:
 - a. Brand's Internal pre-consumer feedstock is excluded from the scope of the upcycled content claim, in particular material obtained from the dismantling of unsold products.
 - b. Kering does not consider the use of a brand's unused materials (from previous collections) as upcycling or "upcycled content". Optimizing stock is considered good business practice for brands before sourcing new materials.
2. The origin of the material should be specified: scraps, semi-finished products, used uniforms; for example: "Made from used leather garments".

3. The percentage of upcycled material should be specified.

The use of the Mobius loop symbol is optional and if used, it shall include the recycled content percentage value stated as "X %". If the percentage recycled content is variable, it may be expressed with statements such as "at least X %", or "greater than X %".

To distinguish upcycled content from recycled content, upcycling is often represented with an open Mobius loop. Please note that this logo for upcycling or upcycled content is not official or standardized, and Kering doesn't support its use.

See the table in [BOX 3](#) for a comprehensive overview of the above topics, considering that if brands use their internal pre-consumer feedstock as secondary-raw materials, the claim recycled/upcycled cannot be used, alternatives such as, for examples, "made with brand's unused materials" or "made with brand's recovered materials" are recommended.

Beware of end-of-life statements

Based on the Ellen MacArthur Foundation definition, it is necessary to ensure that the end-of-life of a product has been proven in practice and on a large scale. This is especially important because local waste management varies from region to region, country to country and end-of-life claims are always complex.

In addition, Kering's brands strive to increase the longevity of their products by designing them with durability in mind in terms of physical longevity, repairability and the possibility of a second life. Therefore, it can be complex combining end-of-life claims with this ambition.

When it comes to end-of-life statements or claims, Kering expects compliance with the following principles:

Biodegradable: a biodegradable material is capable of being naturally decomposed by bacteria or other living organisms within a specified time and at a specified rate. "Biodegradable" claims are illegal in several countries/states such as France, Belgium for packaging and California. Compliance with these regulations is mandatory. In other countries, Kering advises against making claims around biodegradability because it can be misleading.

Compostable: a compostable material is a material that can break down in an industrial facility or at home (if facilities exist). All compostable materials are biodegradable, but not all biodegradable materials are compostable. The "compostable" claim is prohibited by law in some countries (e.g. France) unless the material is certified "home compostable". In all cases, Kering advises against using this claim because it is not in line with Kering's ambition for product durability.



Recyclable: a recyclable product or component can be diverted from the waste stream and collected through existing processes and programs and reused as raw materials or products. A general “recyclable” claim is not recommended because recyclability varies from country to country and because there is currently no harmonized methodology for ensuring that a product is recyclable. Please note that this does not cover the mandatory information required in France by Article 13th of the AGEC law. Refer to the [Guidance for Circularity](#) for more details.

When it comes to climate action, mention specific emission reduction efforts and contributions to carbon offset programs rather than claiming product “carbon neutrality”

Kering has chosen a scientific approach to develop an impactful climate strategy and drive forward a real paradigm shift. For this reason, the Group has decided to align its climate policy and structure its targets using the Science-Based Target (SBT) standards. Particular attention needs to be paid to claims relating to climate action on products so as not to discredit Kering's overall approach and mislead consumers.

The Science Based Targets initiative (SBTi) is a partnership between CDP, the United Nations Global Compact (UNGC), the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). It firmly opposes the use of any “carbon neutrality” claims, as it can be

counterproductive and bring reputational and legal risks. Companies should focus on drastic decarbonization efforts as a priority, ahead of any actions to offset their emissions outside their value chains.

Claims of “carbon neutrality” of products or services are strictly regulated in Europe (see [BOX 4](#)).

In Europe and in all other countries, Kering recommends avoiding the use of “dry” carbon neutrality claims and respecting the “mitigation hierarchy”.

- It is essential to go beyond the purely mathematic approach to “neutrality”, and to avoid communicating the alleged “carbon neutrality” of any product or service
- Kering recommends communicating, in a clear and transparent manner, about the complementary levers that contribute to collective carbon neutrality, especially: the reduction of the product’s carbon emissions and the contribution to high-quality and certified carbon offset programs with positive outcomes

Please refer to the Kering Guidelines for high quality carbon offsets for recommendations on carbon offsetting programs and to the [Environmental Profit and Loss \[EP&L\] Appendix](#) for recommendations on greenhouse gas emissions calculations.



BOX 1: Hard law - Regulation

France

Anti-waste Law (2020)

- Prohibition of the term “biodegradable”, “environmentally friendly” or any equivalent term on product or packaging
- When the recycled nature of a product is mentioned, the percentage of recycled material used must be specified

Climate and Resilience Law (2021)

- Greenwashing is recognized as a misleading commercial practice
- The use of the "carbon neutral" claim for a product or service is regulated

European Union

Empowering Consumers Directive (2024 – Members states have 18 months to bring it into force). Key measures

- Prohibition of generic environmental claims whenever no recognised excellent environmental performance can be demonstrated
- Prohibition of environmental claims, in particular climate-related claims, when they are not supported by clear, objective, publicly available and verifiable commitments and targets and are not set out in a detailed and realistic implementation plan.
- Ban on displaying sustainability labels which are not based on a certification scheme, or which have not been established by public authorities.
- Prohibition of claims, based on greenhouse gas emissions offsetting, that a product has a neutral, reduced, or positive impact on the environment in terms of greenhouse gas emissions.

Green Claims Directive (project)

- In June 2024, the Council of the European Union adopted its position on the green claims directive, which aims to address greenwashing and help consumers make truly greener decisions when buying a product or using a service. The directive sets minimum requirements for the substantiation, communication and verification of explicit environmental claims. The proposal includes:
 - clear criteria on how companies should prove their environmental claims and labels;
 - requirements for these claims and labels to be checked by an independent accredited verifier;
 - new rules on governance of environmental labelling schemes to ensure they are solid, transparent and reliable.



BOX 2: Soft law – Green Claims Codes – ISO Standards

Consumer protection codes

UK

- Competition and Market Authority
[Green Claims Code](#) (Revised in 2021)
It sets out 6 key points to check that environmental claims are genuinely 'green'.

USA

- Federal Trade Commission
[Green Guides](#) (published in 2012 – Revision expected late 2024 or 2025)
They are designed to help marketers avoid making environmental related claims that mislead consumers.

Canada

- Competition Bureau
[Environmental claims and greenwashing webpage](#)
It outlines good practices and the regulatory setting for environmental claims.

Australia

- Australian Securities and Investments Commission
[How to avoid greenwashing guide](#) (published in 2022)
It outlines the current regulation for communications about sustainability-related products issued by funds (green bonds).

New Zealand

- Commerce Commission
[Environmental Claims Guidelines](#)
These guidelines aim to help traders understand their obligations when making environmental claims, sometimes known as 'Green Marketing'.

France

- General Directorate for Competition Policy, Consumer Affairs and Fraud Control
[A Practical Guide to Environmental Claims](#) (Revised in 2023 – in French)
It defines the conditions of use of seventeen environmental claims and highlights the French legislation for combatting greenwashing.

Self-regulation rules

International Chamber of Commerce

- [Advertising and Marketing Communications Code](#) (revised in 2018)
- It is a globally applicable self-regulatory framework, developed by experts from all sectors worldwide.

France

- Advertising self-regulatory organization
- [Sustainable Development Code](#) (revised in 2020)
It applies to all advertisements that either directly mention sustainability or include elements that are not aligned with the objectives of sustainable development, even if they don't explicitly reference them, and so on.



ISO Standards

An ISO standard is an official document that unifies quality procedures and criteria on an international scale. Certification is a voluntary process. Such standards are also seen as good benchmarks for developing internal practices.

- ISO 14021:2016. Environmental labels and declarations. Self-declared environmental claims (Type II environmental labelling) (2016). This norm specifies requirements for self-declared environmental claims, including statements, symbols and graphics, regarding products.



BOX 3: Environmental Claims

SOURCE	TYPE		ENVIRONMENTAL CLAIMS	
			Upcycled content	Recycled content
POST-CONSUMER	<ul style="list-style-type: none"> • Garments • Non merchandising, used uniforms 		Yes	Yes
PRE-CONSUMER	External	<ul style="list-style-type: none"> • Scraps • Semi-finished products • Damaged products <p>Considered external, as they are managed by suppliers (Tier 1)</p>	Yes	Yes
	Internal	<ul style="list-style-type: none"> • Unsold products • Non merchandise, unused uniforms, unused materials 	No	No



BOX 4: Carbon Communication Guidance

International**Voluntary Carbon Markets Integrity Initiative (VCMI)**Claims Code of Practice (2022)

A guide for companies on how to make transparent and credible claims about their progress towards a longer-term Net-Zero commitment.

France**Climate and Resilience Law (2021)**

Since January 2023, an advertiser making a claim that a product or service is "carbon-neutral", "zero carbon", "zero carbon footprint", "climate neutral", "fully offset", "100% offset", or any other claim of equivalent meaning or significance, shall comply with the following recommendations:

- generate a carbon footprint for the product or service concerned covering its entire life cycle;
- publish a summary report describing the carbon footprint of the product or service and the process by which the greenhouse gas emissions are first avoided, then reduced, and finally offset.

This report includes three appendices:

1. An appendix presenting the result of the carbon footprint, along with a summary of the methodology used to conduct the carbon footprint analysis
2. An appendix setting out the greenhouse gas emission reduction trajectory associated with the advertised product or service, with quantified annual progress targets, covering at least the ten years following the publication of the report under this section
3. An appendix detailing the steps taken for offsetting residual emissions, including the nature and description of the offsetting projects. This appendix also provides information on their cost. This publication must be updated annually. The company must withdraw the claim if it appears that the unit emissions associated with the product or service before offsetting have increased between two successive years.

French Environmental Agency (ADEME)Use of the « carbon neutrality » argument in communications (2022)

This document is intended to be used by all communication and marketing professionals who seek to promote their organization's stance against climate change. It includes examples of terminology to be avoided and recommendation by ADEME, along with examples of best practice. ADEME recommends that all stakeholders:

- get rid of the purely arithmetic approach to carbon neutrality and not focus their communication on the alleged carbon neutrality of their activity or product,
- communicate in a transparent, proportionate and distinct manner on the different levers contributing to collective carbon neutrality, in particular, the massive reduction of their carbone footprint and the financing of offset projects.

European Union

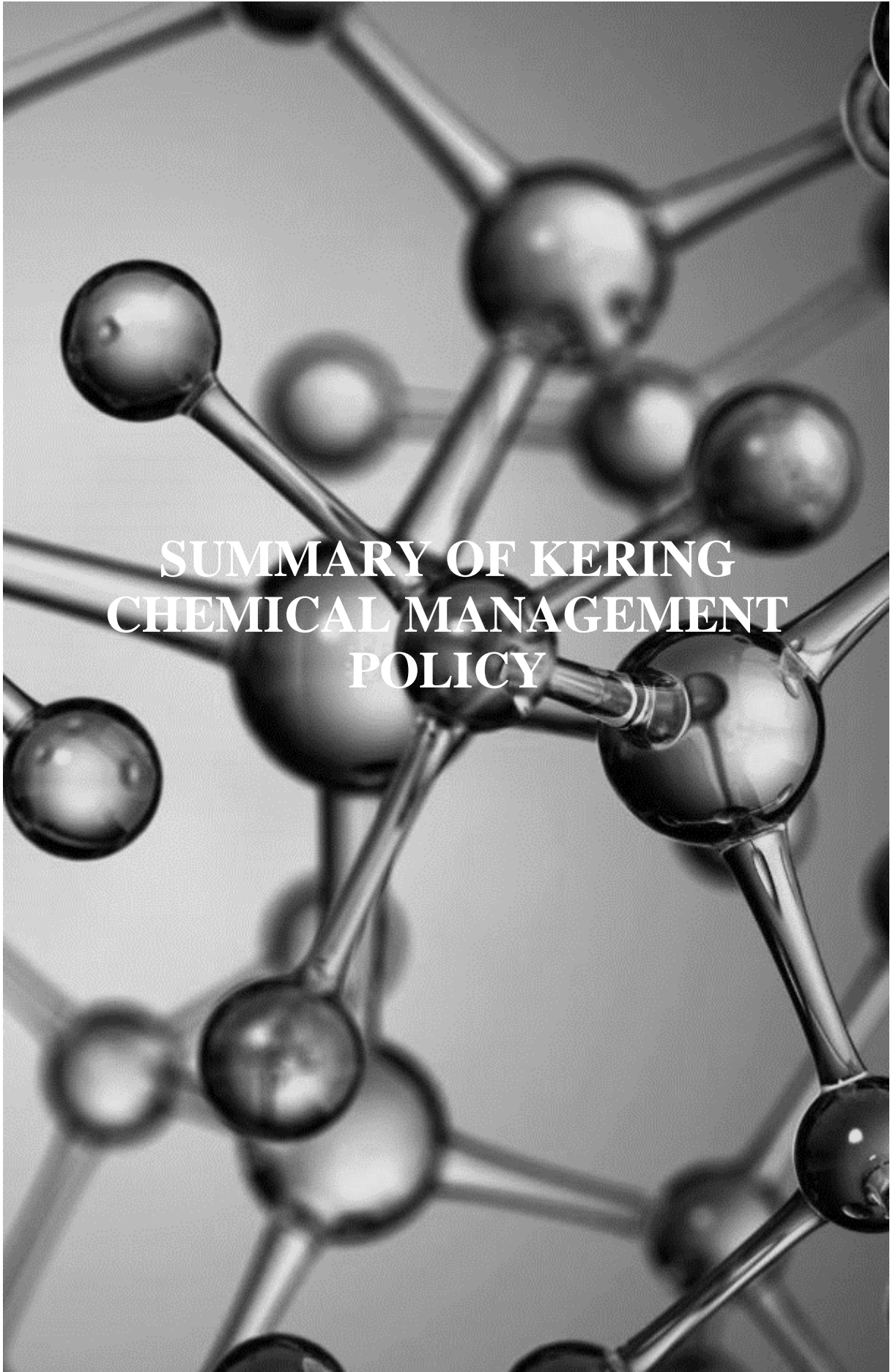
Measures related to climate communication claims in the Empowering Consumers Directive (2024):

- Prohibition of climate-related claims when they are not supported by clear, objective, publicly available and verifiable commitments and targets and are not set out in a detailed and realistic implementation plan.
- Prohibition of claims, based on greenhouse gas emissions offsetting, that a product has a neutral, reduced, or positive impact on the environment in terms of greenhouse gas emissions. Examples of such claims are 'climate neutral', 'CO2 neutral certified', 'carbon positive', 'climate net zero', 'climate compensated', 'reduced climate impact', 'limited CO2 footprint' among others. Such claims can only be allowed when they are based on the actual lifecycle impacts of the product in question, and not based on greenhouse gas emissions offsetting outside the product's value chain. This should not prevent companies from advertising their investments in environmental initiatives, including carbon credit projects, as long as they provide such information in a way that is not misleading.



APPENDICES





**SUMMARY OF KERING
CHEMICAL MANAGEMENT
POLICY**



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

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

Regarding the elimination of hazardous chemicals in the supply chain, Kering has the following 2025 target:

- 100% of eligible suppliers evaluated in the Vendor Portal on chemicals management and compliance with the MRSL
 - 100% of strategic suppliers covered by the MRSL compliance control process, which comprises audit or certification and the ZDHC Supplier to Zero program
 - Testing of wastewater in line with the ZDHC Wastewater Guidelines, for all strategic suppliers
-



© Comply with Kering Product Restricted Substances List

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

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

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

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

© Carefully monitor and minimize the formation of Chromium VI

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

© Do not use PVC (Polyvinyl Chloride) in Kering’s brand products and packaging

PVC poses several environmental and health threats., The chlorine contained in the polymer itself may cause the formation of harmful chlorine containing by-products (e.g. dioxins) during the manufacturing of PVC and burning of products that contain PVC. Chlorine by-products are carcinogenic and extremely dangerous to human health, wildlife and the environment.

Because of these risks, in 2021 Kering asset a public target of eliminating PVC from collections and products.

Moreover, plasticizers have to be added to PVC polymer to achieve softness and flexibility, properties needed in textile products; plasticizers commonly belong to the phthalates category. The amount of phthalates is generally between 30% and 50% by weight of the polymer. Phthalates are chemicals with disrupting hormone characteristics. The toxicity of phthalates to reproductive systems, as well as other dangerous endocrine effects, has been known for many years. It is also well known that phthalates are substances which tend to migrate from the PVC materials, and come in to contact with the user of the PVC product. For these reasons, phthalates have been included in the first Kering MRSL and they must not to be used in any stage of the production processes for Kering Brands products and in any connected activities relating to Kering brands’ production.

© Apply the precautionary principle for nanotechnologies

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

© Ban PFC’s in all Kering supply chain

Perfluorochemicals compounds (PFCs) are highly persistent substances, many of them show high bio accumulative potential and toxicity. PFCs have been frequently observed contaminating groundwater, surface water and soil. Due to the strength of the carbon/fluorine bond, the molecules are chemically very stable and are highly resistant to biological degradation; once in the environment they will stay there for a long time. These compounds have been used for many industrial applications including stain and water repellency. Kering requires that all suppliers remove formulations containing PFC’s from any stages of production processes, should these process steps take place at the supplier’s facility or upstream in the supply chain. PFCs are included in the Kering MRSL V.3.0.



© Comply with Kering Manufacturing Restricted Substances List

The Kering Manufacturing Restricted Substances List (MRSL) provides guidance to suppliers and product manufacturers addressing hazardous substances that are potentially used and discharged into the environment during manufacturing and related processes, and not just the substances that could be present in finished products (PRSL).

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

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

The Kering MRSL is regularly updated. Kering envisages a "transition period" following new releases of the Kering MRSL, during which time suppliers can work towards compliance with the latest MRSL release, whilst being compliant only with the previous version. The latest version is MRSL V.3.0.

The Kering MRSL V.3.0, is the ZDHC (Zero Discharge of Hazardous Chemicals) MRSL V.3.0 plus the additional ban on PFC use.

Kering recognizes that it is more difficult to ensure compliance with an MRSL than a PRSL, and that suppliers must implement a chemical management system and investigate their supply chain to ensure compliance with them. Suppliers must take the following steps:

1. Adopt a chemicals management system that:
 - Demonstrate the control and understanding of the origin and chemical composition of purchased chemical products through a review of technical and safety data sheets. The supplier must have a copy of the technical and safety data sheets for all chemical products
 - Share Kering's MRSL with suppliers and sub-suppliers and require the monitoring of its implementation. Suppliers and sub-suppliers who do not comply with the MRSL risk termination of the relationship.
 - Ensure the use and purchase of MRSL compliant chemical products for use in production processes for Kering brand's products.

The ZDHC (Zero Discharge of Hazardous Chemicals) Chemical Management System Framework and the ZDHC Technical Industry Guide provide guidance for the

implementation of the chemical management system required.

In addition, suppliers shall register on the ZDHC Gateway platform as a supplier. Suppliers are recommended enrolling in programs and training supporting the implementation of the MRSL and a Chemical Management System, such as the ZDHC Supplier To Zero program and the ZDHC Academy.

2. The supplier must develop and maintain an inventory of chemical products used in the production processes of Kering's brands' products that:
 - Documents all chemical products used in production processes, indicating for each product the activities for which it is used. This could include dyes, inks, paints, solvents, primers, adhesives, surfactants, detergents, and other chemical aides.
 - Includes, for each chemical product, information on conformance to the MRSL, identifying chemical products containing the chemicals mentioned in the MRSL.

Compliance with the MRSL must be documented. Suppliers must request their chemical suppliers provide adequate documentation to show compliance with the MRSL. This can be done through ZDHC tools such as the ZDHC Gateway and the ZDHC InCheck Report.

3. Suppliers must prepare and define a MRSL compliance plan that details how chemical products used in production processes that do not comply with latest new release of the Kering MRSL (currently the Kering MRSL V.3.0) will be phased out and replaced by the end of the transition period. Suppliers must require their chemical suppliers to provide adequate documentation showing compliance with the MRSL. This plan must be updated and indicate which steps have already been taken and those planned in order to reach full compliance with the MRSL by end of the transition period.

All Kering brands suppliers must have documented compliance with the Kering MRSL. Since 2020, Kering has been conducting audits of suppliers' chemical management systems at least every couple of years.



© Managing wastewater and sludge for MRSL compliance

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

Regarding MRSL conformance, applying good practices for output management provides suppliers with an additional tool for monitoring the performance of their Chemicals Management System as well as tracking progress. In particular, suppliers shall:

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

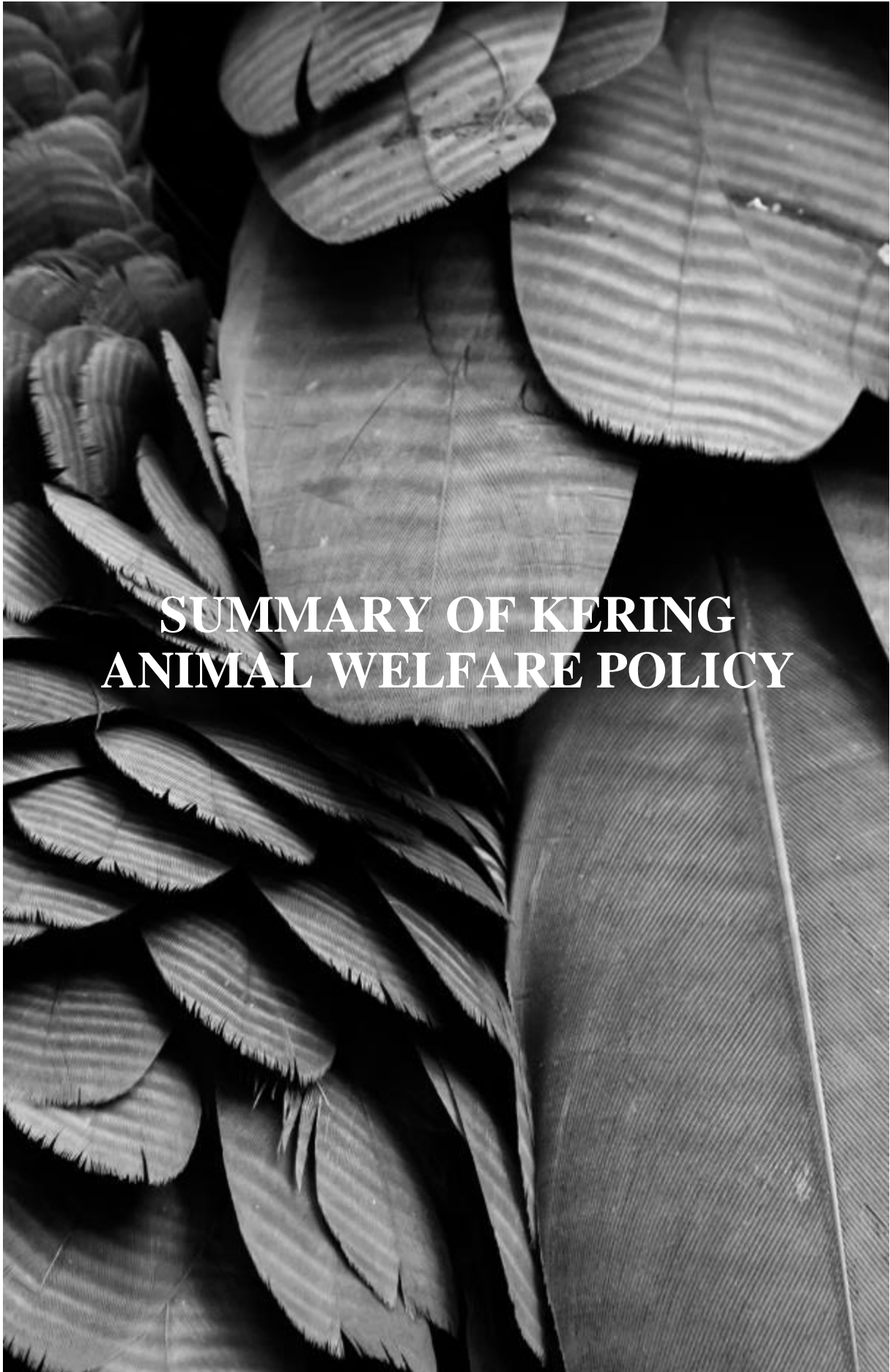
Additionally, suppliers should publish wastewater test result reports on the ZDHC Gateway platform and share ZDHC ClearStream reports.

Enroll in the ZDHC Supplier to Zero Program and Achieve “Progressive Level”

Suppliers should enroll in the ZDHC program and training to support the implementation of the MRSL and a Chemical Management System: the ZDHC Supplier To Zero program and the ZDHC Academy.

Kering strategic suppliers shall achieve “ZDHC Supplier To Zero Progressive level”. This means regularly verifying chemical products’ conformance through the ZDHC InCheck Report and performing wastewater testing in line with ZDHC Wastewater guidelines (Clearstream Report) at least once a year.





**SUMMARY OF KERING
ANIMAL WELFARE POLICY**



Kering expects all suppliers in the supply chain to:

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

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



Kering's commitment to animal welfare

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

Kering also engages with industries beyond the luxury and fashion sector. To achieve meaningful results and progress, Kering has started to work with the food industry as the supply chain of both sectors tends to overlap. By aligning expectations, sharing best practices, and strengthening collaborative efforts, Kering has ambitions to create the highest possible animal welfare standards.

Kering Animal Welfare Standards

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

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

Kering's Animal Welfare Standards focus primarily on the welfare of animals and are designed to be specific to particular species, as well as specific to the type of production (i.e., farm or wild harvest) and, in some cases, geographic location. The Standards comprise three levels (Bronze, Silver, Gold) and aim to drive continuous improvement towards the very highest standards.

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

While the scope of the Kering Animal Welfare Standards covers the entire supply chain of live animals (from farms/wild harvest to killing facilities), the verification of the implementation of these standards will depend on the situation verification through pre-existing 3rd party certification or standards; verification through 2nd party audit carried out by

the food industry (or other industry if relevant); verification through our own audits when necessary.

Kering recognizes that these standards set a new precedent for animal welfare and, as such, will take time and effort to implement. While Kering expects all its suppliers to commit to the Kering Animal Welfare Standards and make continuous improvements, Kering will approach implementation of the standards in a collaborative manner with suppliers. The following sections highlight the operational steps for suppliers in order to align with the Kering Animal Welfare Standards.

Supply chain transparency

Supply chain transparency is a prerequisite for Kering to assess its supply chain against the Kering Animal Welfare Standards. With this in mind, suppliers will be regularly requested to provide information about their own supply chain. For all animal-based material, a requirement for 2025 is to provide the country of origin, where farming/harvesting/hunting/herding happens as well as manufacturing information.

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

- **Hides & Skins for leather (ovine, bovine, caprine):** List of abattoirs supplying tanneries (including name & location)
- **Precious Skins:** List of processing facilities/killing facilities supplying tanneries (including name & location)
- **Cashmere:** List of cleaning/dehairing processors and herding cooperative if possible
- **Wool:** List of cleaning/scouring processors

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Preferred sourcing countries

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

For each material, the list of favored countries is specified in the corresponding section of these standards. These lists reflect the best knowledge available to Kering when writing this document and may change with additional research and information. We encourage suppliers to share information with Kering of their knowledge of the different risk issues in sourcing countries.

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

Working with third-party standards and certification



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



**SOCIAL COMPLIANCE AND
ENFORCEMENT OF THE KERING
CODE OF ETHICS IN SUPPLY
CHAINS**



Kering is committed to ensuring its suppliers respect human rights and the environment and to helping its suppliers and sub-suppliers improve labor, health and safety and environmental conditions in the workplace. This helps Kering achieve its high ethical and environmental sourcing standards. In order to uphold its high social standards, Kering has updated its social auditing scheme to be aligned with best practices from SMETA social audit methodology.

The Code of Ethics affirms Kering’s commitment to responsible business practices, which includes the respect for human rights, not only for all its employees, but also for all those who work in its supply chains and contribute to the value creation. Regularly updated, the Code of Ethics aims to clarify and explains the ethical principles expected daily while the Suppliers’ Charter outlines the ethical, social and environmental requirements expected from our suppliers.

All Kering suppliers must agree to announced and unannounced assessments/audits by Kering and third-party representatives. Kering also expects all suppliers to make improvements when its policies and standards are not met, and to develop sustainable management, reporting and tracking systems within the factory or site to ensure continued compliance. Time lines for achieving compliance shall be reasonable and defined. Providing proof of correction to Kering for each non-compliance is also required.



Scope

Kering requires audits to assess the compliance of the supplier to the principles set out in the Kering Suppliers' Charter and Sustainability Principles acknowledged by the supplier when signing the supplier agreement that cover key ethical challenges. These include:

- Child labor
- Forced labor
- Safe workplace
- Freedom of association
- Discrimination
- Working/Overtime hours
- Living wage
- Compliance with environmental laws
- Compliance with security standards
- Supplier sites are adequately protected by security systems
- Respect of the main environmental principles (emission, water, waste, etc.)
- No counterfeit and fraudulent activities
- Supplier sites are covered by insurance

Documentation for suppliers and sub-suppliers

To map Kering brands' supply chain and perform the required social, environmental and security compliance review, Kering collects information about its suppliers and sub-suppliers through the Kering Supplier Database System (called SCS, Security Control System).

Once created in the system, the supplier has to complete their profile and declare its sub-suppliers working for Kering (web access) including:

- General Information
- Existing certification
- Use of sub-suppliers: names and VAT codes
- Contractual and financial information

In the case of Tier 1 supplier:

- Total turnover of the supplier

In the case of sub-supplier:

- Type of contractual link between the Tier 1 supplier and its sub-suppliers
- Consolidated turnover of all sub-suppliers
- Detailed turnover for each sub-supplier
- Employees: number of employees in the company (global data) and the number of employees dedicated to work by brand, in detail
- Number of owners, partners, and employees' family
- Number of full-time / part-time employees split between: Italian, EU, and non-EU
- Number of homeworkers split between: Italian, EU, and non-EU
- Total number of employees dedicated to each brand split by activities

- Full Address

Audit Types and Frequency

Kering performs two types of audits on suppliers: the global audit and the follow-up audit. Audits are carried out either Kering auditors or third-party representatives. Both type of audits are based on the same checklist but cover specific areas.

The global audit is performed during the set-up process (i.e., before a supplier can start working with a Kering brand). The supplier is then re-audited every two to four years depending on the supplier's risk. The global audit monitoring goal is to check the critical areas and prevent the presence of 'Zero tolerance' and 'High Non-conformity' issues. See chart below for examples of these issues.

The follow-up monitoring is performed as a secondary check to ensure the implementation of action plans from the global audit and to cover less critical areas.

Communication of audits

In the context of general audits, the communication flow (audit planning, sending the corrective action plan, etc.) between the Kering Audit Team and the suppliers should be as follows:

- For direct suppliers: Kering Audit Team contacts the direct supplier directly copying in the brand's production and sustainability departments
- For suppliers and their sub-suppliers: the Kering Audit Team contacts the supplier copying in the brands' production and sustainability departments. The supplier then liaises with the sub-suppliers. For audit confirmation and audit date at the sub-suppliers' site, the supplier reverts to the Kering Audit Team copying in the brand's production and sustainability departments.

In the case of a follow-up or a suspicion of a violation, the audits are unannounced.



Type of activity	Type of suppliers	Type of audit	Timing	Frequency
GLOBAL AUDIT SUPPLIER ACTIVATION	Direct supplier and Sub-supplier	Announced General Audit	Notification, normally one week in advance	Only for new supplier activation
GLOBAL AUDIT SUPPLIER MONITORING		Announced General Audit	Notification, normally one week in advance	At least every 2 years
FOLLOW-UP SUPPLIER MONITORING		Unannounced follow up	Anomalies deadline or depending on need	Depending on anomalies correction deadline
SUSPICION OF SOCIAL VIOLATION OR ANY OTHER SPECIFIC VIOLATION		Mostly unannounced General Audit based on situation in collaboration with the BU	ASAP	Depending on alert

Methodology

During the global audit the auditor will:

- Observe key site activities
- Interview management
- Interview selected workers without management present to respect the confidentiality of the interview
- Inspect key company documentation including worker contracts, union agreements, management procedures, management records, and any other documentation, and records relating to wages, disciplinary practices, health and safety, discrimination, working hours, freedom of association and collective bargaining agreements (unions) and employment of young workers

Close attention is paid to:

- Child labor
- Forced labor
- Health and safety
- Freedom of association and collective bargaining
- Discrimination

- Disciplinary practices
- Working hours (regular and overtime)
- Wages and regular employment
- Management systems and subcontracting
- Environmental compliance
- Physical security
- Working condition and organization
- Undeclared subcontractors

Audit results, grading system, and re-audit frequency

Once the audit is performed, any non-compliance will be detailed in the Supplier Database system for Kering, the brand(s) and the supplier to see.

Grading system

The outcome of the audits conducted by the Kering Audit team will categorize suppliers in three distinct categories: non-compliant, partially compliant, and compliant.



Type of Non Conformity

		Zero tolerance	Serious non conformity	Non conformity	Observations
Categories	ZERO TOLERANCE	Any	Any	Any	Any
	NON-COMPLIANT	None	Any	More than 5	Any
	PARTIALLY COMPLIANT	None	None	Less than 5	Any
		None	None	None	More than 5
	COMPLIANT	None	None	None	Less than 5

Follow up audit timeframe

The most serious of the findings identified during the audit will define the timing of the follow up audit as below:

Most serious findings during audit	Follow up audit timing	Type of audit
ZERO TOLERANCE	Termination, none	Termination, none
SERIOUS NON-COMPLIANCE	Within 1 month	Announced follow up or unannounced investigation
NON-COMPLIANCE	Within 3 months max	Announced follow up
OBSERVATIONS	Within 6 months max	Announced follow up



Submission of evidence for non-compliance closure:

After the audit has been carried out, the supplier can send the Kering Audit team evidence of missing documentation or any other type of evidence to close off some or all non-compliances identified during the audit before the follow up audit is scheduled.

Should the Kering Audit team consider the evidence as acceptable, the non-compliances will be closed. This might affect the timing of the follow up audit depending if any non-compliances remain open.

Going Beyond Compliance: Social Impact

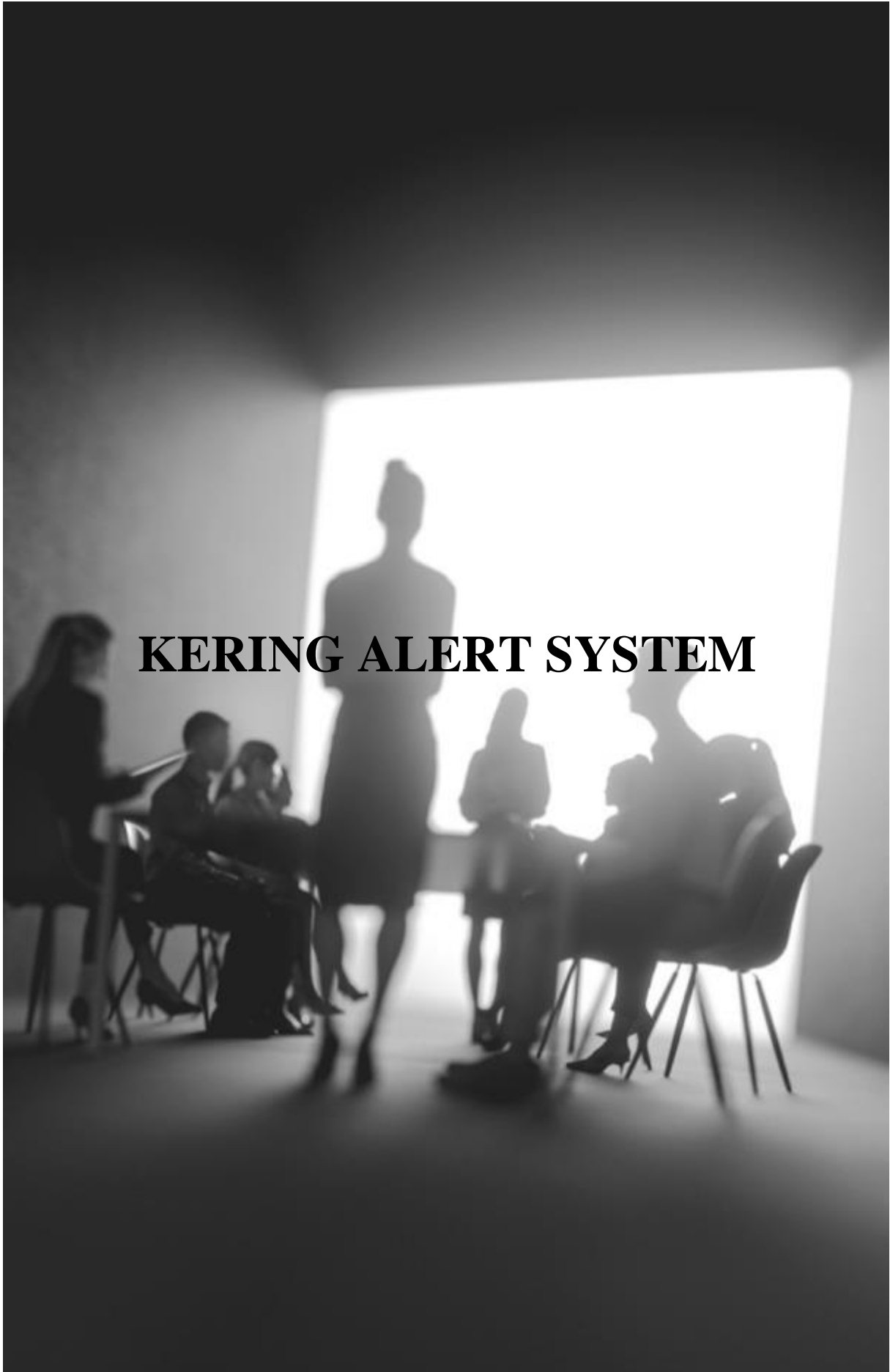
Social audits are a cornerstone to manage risk in supply chains and to ensure compliance with local regulations. This system is regularly updated to reflect best practices and align with increasing legislation.

Beyond its social auditing system, Kering also considers wider-ranging topics which can be perceived as going beyond compliance with laws and regulations. This aspiration pertains to a variety of social impact topics such as:

- Living Wage
- Gender Equality
- Trainings and Skills Development
- Diversity & Inclusion
- Job Quality

Living Wage and Gender Equality have clearly been identified as priority areas and Kering is actively working to develop and implement its strategy to set the standards for these impact categories.





To ensure the implementation of the Kering Code of Ethics and the principles it defends, the Kering Group Ethics and Compliance Committee is complemented by two regional Committees: the Asia-Pacific Ethics and Compliance Committee (APAC) and the Americas Ethics and Compliance Committee.

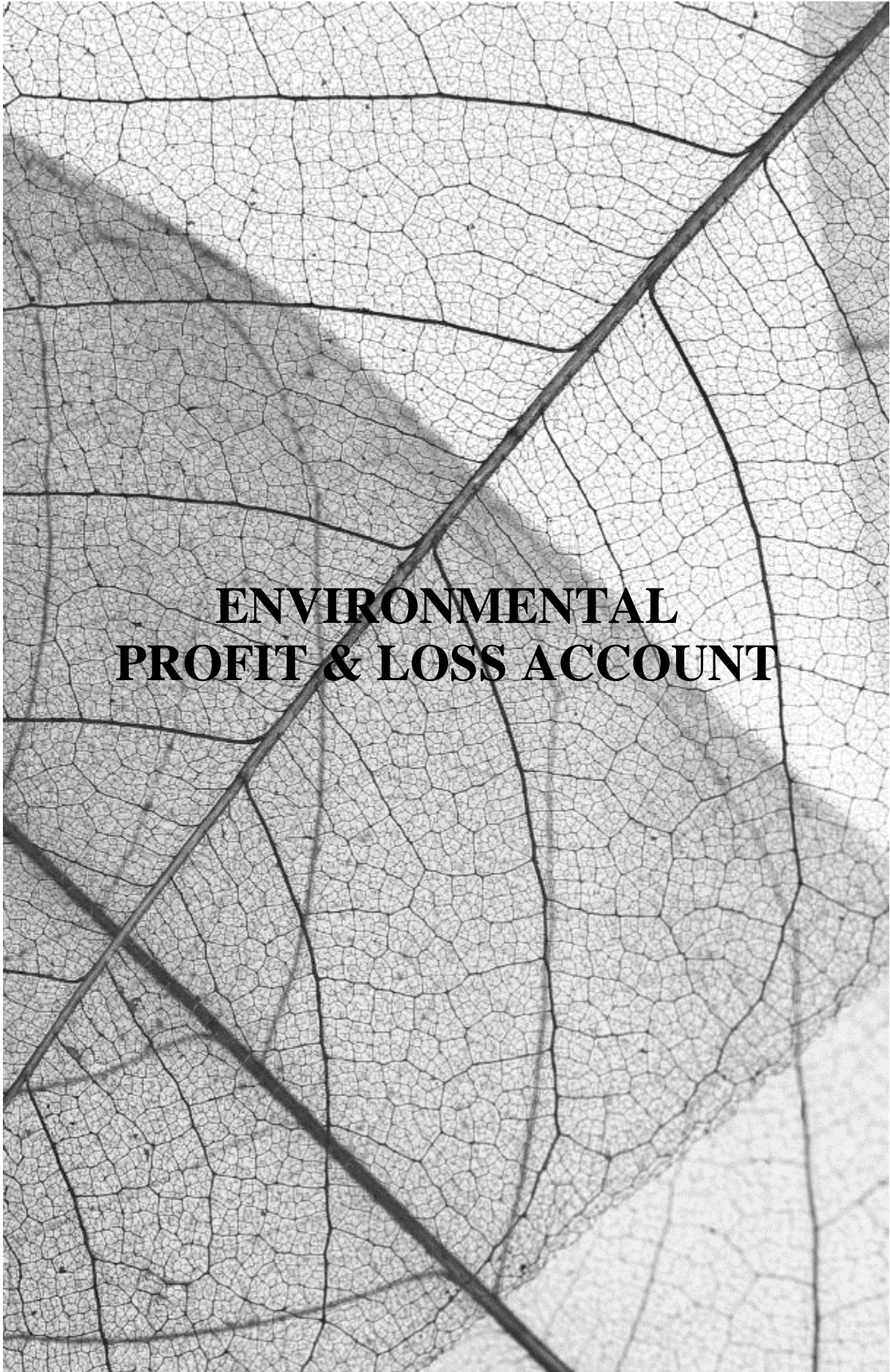
Additionally, a hotline, accessible worldwide, is also available in the most widely spoken languages of the Group.

This Alert System is available, among others, for paid employees and interns of the Kering Group, as well as to external and temporary employees working for any service-provider / supplier or external partner with whom the Group and/or its brands maintain contractual relationships.

Anonymous alerts can be raised to the Committees which will study its admissibility in accordance with internal procedures. Since anonymous alerts can turn out to be difficult to investigate, non-anonymous alerts are encouraged. Issues raised to the Ethics and Compliance Committees remain confidential and the Ethics and Compliance Committees implement a no-retaliation policy when solicited in good faith. Good faith means that the issuer believes the information is true at the time the concern is raised, even if the information later turns out to be incorrect. A status update will be provided within a period of three months to the alert issuer.

The contact details to reach out to the Kering Ethics and Compliance Organization can be found in the Kering Code of Ethics at kering.com.





**ENVIRONMENTAL
PROFIT & LOSS ACCOUNT**



What is an EP&L?

Kering has developed an innovative tool, the Environmental Profit & Loss (EP&L) Account, which makes the ‘invisible’ environmental impacts of business visible, quantifiable and comparable. The EP&L is designed to measure and monetize environmental impacts from a business’ activities in its own operations and across its’ supply chain. The tool highlights key areas where a company can focus and prioritize its efforts to mitigate its impacts more effectively.

The results of the EP&L allow Kering to:

- Understand its true impacts and identify hotspots
- Reveal risks and identify effective solutions for mitigation
- Translate its environmental impacts into a business language
- Compare different environmental impacts with each other, which was not directly possible previously
- Compare the magnitude of the impact of production or sourcing of raw materials in each location (this is particularly relevant to the availability of freshwater resources that is location specific)
- Facilitate comparisons between brands or business units

- Monitor progress of the 2025 strategy, while forecasting and preparing for the future
- Be transparent with its stakeholders and investment community

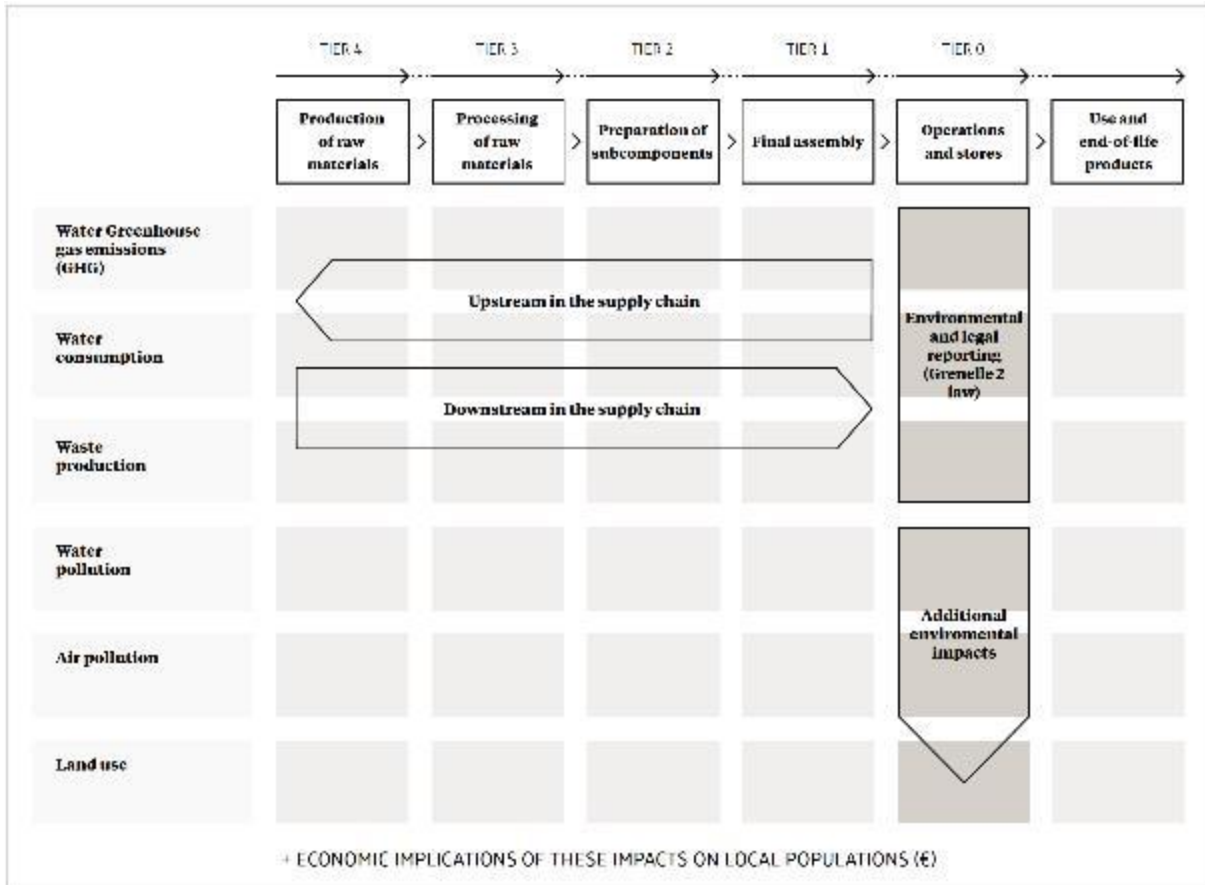
In short, the EP&L can be used as a decision-making tool for Kering brands to influence daily decisions and make responsible sourcing choices, by understanding the environmental impacts the company has on the world.

Summary of the methodology

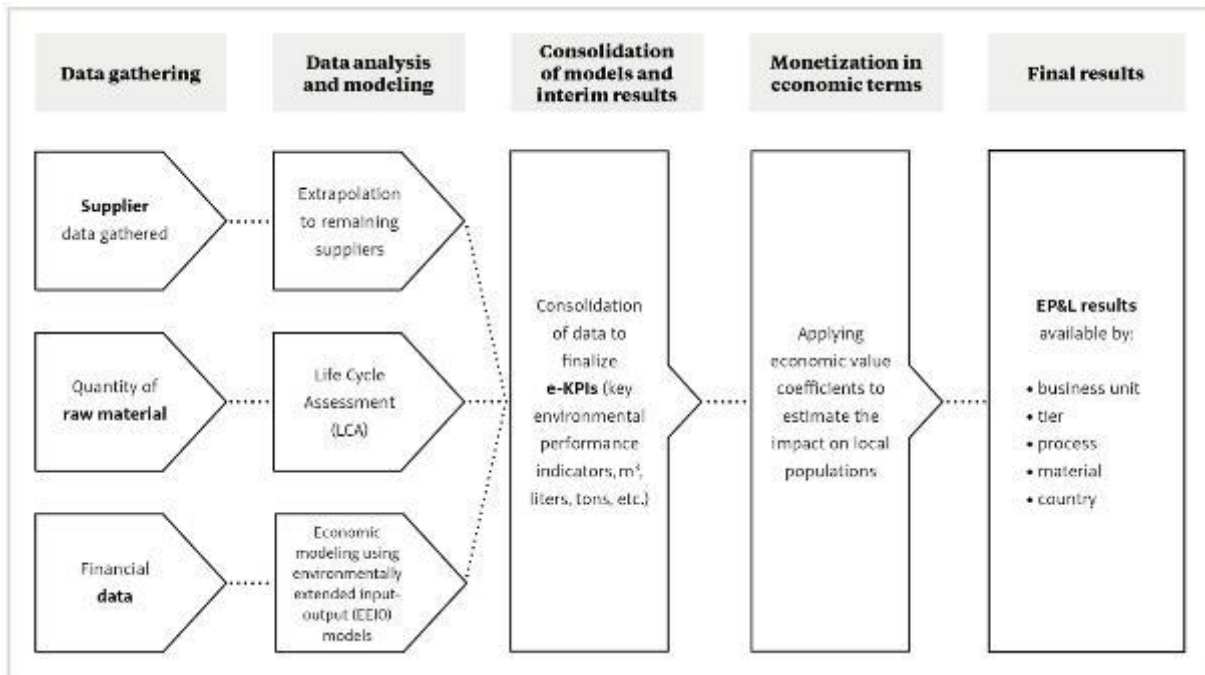
The EP&L approach goes far beyond standard environmental reporting, producing a more comprehensive picture of the impacts of Kering’s business activities.

It covers every tier of the supply chain, from Kering’s own operations and stores all the way upstream to the production of raw materials. At each tier, indicators are measured covering greenhouse gas emissions, water consumption, waste production, water pollution, air pollution and land use. In 2020, Kering added the use phase and end-of -life into the scope of the EP&L.

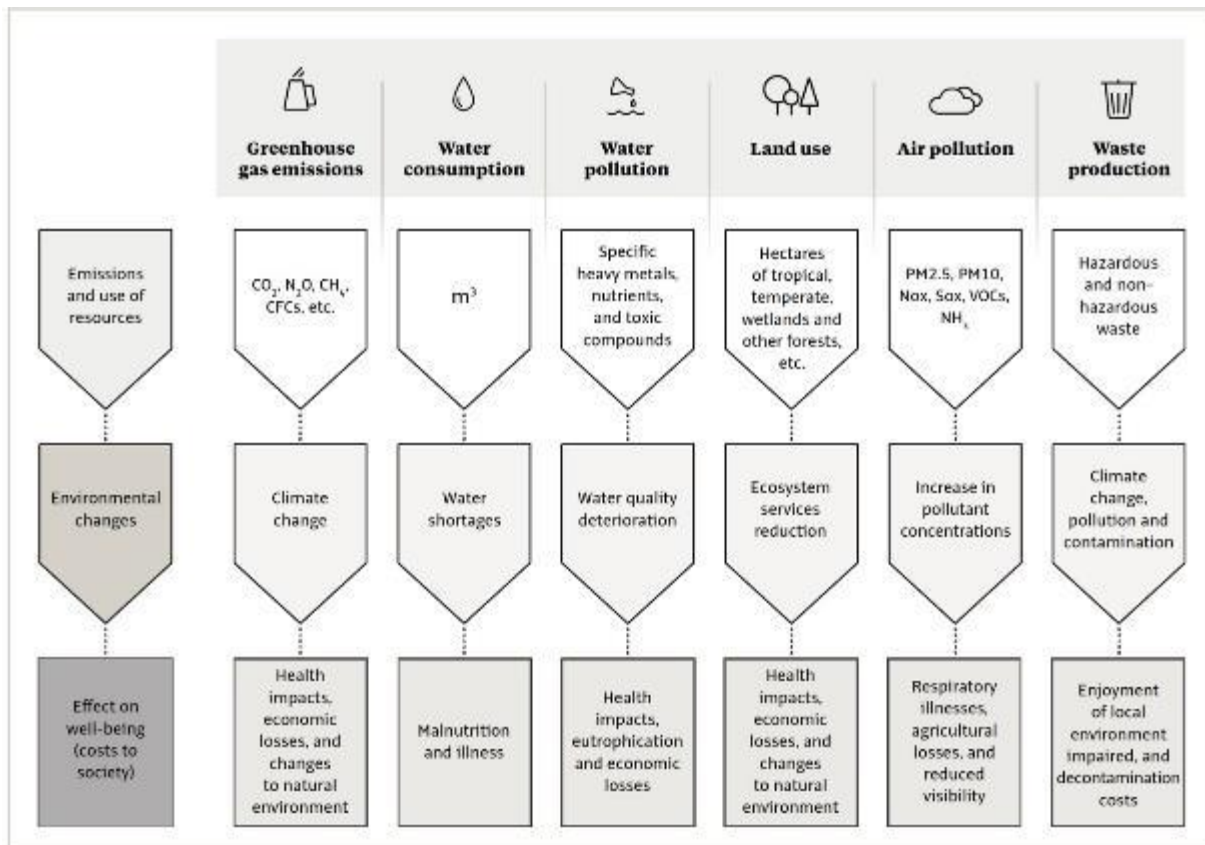
Scope covered by the EP&L approach:



Key stages in building the EP&L:



To develop the EP&L, Kering gathered information onsite and from suppliers wherever possible. When primary data was not available, Kering used studies derived mainly from lifecycle analyses, reviewed by panels of experts, and from economic studies. The data was then adapted to the specific countries where the impacts occur. This is then analyzed and the environmental changes resulting from emissions or use of resources by Kering’s businesses are translated into economic terms, taking into account local situations and the effects on the welfare of local populations.



Building on the extensive work done by Kering and its brands to map and engage its suppliers over recent years, Kering has acquired extensive environmental impact data for each production process from each country in which it takes place. Kering has now benefited from this invaluable work to reduce the data-gathering process and developed software for calculating the EP&L. Built on a financial calculation tool, this software calculates a brand's EP&L in minutes once the key indicators reflecting its activity have been collected and entered. The software also proposes dynamic visualization to help understand impacts in a more tangible way. Using the software, scenarios can be modelled to test the EP&L impacts of different projects and monitor Kering's sustainability target achievements regarding EP&L reduction and sourcing. This progress is key to creating a fast and simple decision-making tool that can be used on a day-to-day basis by Kering and the brand's various decision makers.

The EP&L has helped Kering brands unlock new insights into their businesses and supply chains. Notably, it helps Kering discover potential efficiencies, areas for innovations and improvements that can provide business value.

Requests to supply chain for calculating Kering EP&L

Kering calculates the EP&L of all its activities and for all its brands at least every year and is starting to have more dynamic reporting.

Therefore, suppliers are asked to provide qualitative and quantitative data annually on the type and origin of all raw material purchased, and on the environmental impacts of the production.

An open-source methodology

Kering open-sources and shares the EP&L methodology and publishes the EP&L consolidated results for the Group every year at www.kering.com.



FAQ

Are the Kering Standards a contractual document?

No, the Sustainability Principles that are attached to the supplier agreement (contract or purchasing terms and conditions) are a legal document, but the Kering Standards are an implementation tool to help support compliance with these principles.

Who do I contact if I have questions regarding these standards?

Contact the Sustainability Lead of the brand you work with. However, if you have a question regarding the principles set out in the [Kering Code of Ethics](#) and the Suppliers' Charter and/or if you suspect a breach of their principles, you can contact the Ethics Committees. See [Appendix: Kering Alert System](#).

What if complying with the Kering Standards has additional cost for me?

This should be part of your upfront commercial discussions with the brand. Kering is asking suppliers develop solutions to address these requirements in a long-term, economically viable manner.

What if following the Kering Standards violates trade secrets or exposes confidential business information?

Kering worked to develop the standards so that they will not cause these problems. For example, when Kering asks for traceability, Kering is not asking for confidential business information. If you have concerns, please discuss this with the Sustainability Lead for the brand you work with.

How can I give feedback on the Kering Standards?

Contact the Sustainability Lead of the brand you work with.

Have the Kering Standards been externally reviewed?

Yes, they were reviewed by the brands, key suppliers, and external experts.

What are the consequences for not following the Kering Standards?

Compliance with the Kering Standards affects your vendor rating, which is visible to all Kering brands and plays a part in supplier selection. By following the Kering Standards, you develop a better relationship with the brands. If you

don't meet the requirements of the Kering Sustainability Principles, brands will require corrective actions and may consider terminating their relationship with a supplier in case they are not implemented.

Why does Kering have such high Standards?

Kering is committed to mitigating its environmental and social impacts and to redefine business value and drive future growth. Kering believes that its commitment will allow it to become more resilient in order to thrive and prosper in the future, while at the same time helping to transform the luxury sector and contributing to meeting the significant social and environmental challenges we face.

What if sub-suppliers won't work with me to follow the Kering Standards or provide me with the information I need to follow the Kering Standards?

Implementing the Kering Standards does require due diligence from suppliers. Kering recommends finding alternative sub-suppliers that will incorporate the Kering Standards.

What are Kering Standards regarding nanotechnology?

The Summary of [Kering Chemical Management Policy](#) details Kering's position on nanotechnology. In short, Kering follows the pre- cautionary principle and will not use any nanotechnology applications unless such applications are analyzed and prove to have no potential impact on human health and the environment, including an evaluation of end-of-life impacts. To comply with the Kering Standards, suppliers must do the same.

What is Kering's position on genetic engineering / genetically modified organisms (GE/GMO)?

Kering does not support the use of GE or GMO fiber and/or food for live- stock that provides raw materials for its brands' products and packaging. Kering references this position in several places in the Kering Standards, particularly in the [Kering Standard for Cotton](#), as genetically modified cotton is often present when cotton is not certified as organic.

Kering has taken this position on GMOs because of its concern for their potential negative impacts: on the contamination of GM plant varieties with natural plant varieties, the reduction in diversity of plant species/varieties, and the increased use of pesticides required by GMO crops.



GLOSSARY

ARTISANAL SMALL-SCALE MINING (ASM)

Informal mining activities carried out using low technology or with minimal machinery. Practiced by individuals, groups, or communities often in developing nations.

BETTER COTTON INITIATIVE (BCI)

A non-profit organization that aims to make global cotton production better for the environment, people who produce it and the future of the industry by bringing together cotton's supply chain from farmers to retailers. However, as BCI cotton allows GMO seeds, this is not a preferred certification Kering brands' suppliers.

www.bettercotton.org

BIO-BASED FIBERS

Bio-based fibers consist of polymers made from renewable resources such as sugars, starches, or lipids (i.e., sugar, corn, castor beans).

BIODEGRADABLE

A biodegradable material is capable of decomposing d by bacteria or other living organisms in a determined time and rate of decomposition. Elements resulting from the decomposition should not damage the environment. Bio-based plastics are not all biodegradable; some petrol-based plastics are biodegradable.

BIODIVERSITY

Also known as biological diversity, is the variety of all life on earth. Biodiversity can also be studied within a particular ecosystem.

CANOPY

An award winning environmental not-for-profit organization dedicated to protecting the world's forests, species and climate. www.canopyplanet.org

CAPTIVE BREEDING

For species that are born and raised entirely in captivity, with no direct interaction or genetic contribution from wild populations. This method ensures complete control over the breeding process and is often used to maintain and increase population numbers of certain species within a controlled environment.

CARBON CAPTURE AND UTILISATION

This is the process of capturing carbon dioxide (CO₂) to be recycled for further usage.

CARBON DIOXIDE (CO₂) EMISSIONS

Carbon dioxide (CO₂) emissions are caused by the combustion of fossil fuels (coal, natural gas, and oil) primarily from energy and transportation. CO₂ emissions can also be caused by industrial processes and burning forests and peatlands. CO₂, one of a suite of greenhouse gases, is the major emitter from human activity.

CELLULOSE

Cellulose is a starch-like carbohydrate obtained from the bark, wood or leaves of plants. Manufactured cellulosic fibers are fibers structured from cellulose. Cellulosic fibers are created by dissolving natural materials such as

cellulose or wood pulp, which are then regenerated by extrusion and precipitation.

CHAIN OF CUSTODY (CoC)

Chain of Custody (CoC) refers to a process by which inputs and outputs and associated information are transferred, monitored, and controlled as they move through each step in the relevant supply chain.

A chain of custody system refers to a set of measures designed to implement a chain of custody, including documentation of these measures

Kering relies on CoC's systems used by Standards and Certifications present in Kering Standard for Raw Materials.

CIRCULAR SOURCING

Circular sourcing aims to reduce reliance on conventional virgin materials and avoid waste generation. On the one hand, for virgin materials, this refers to materials sourced from regenerative agricultural practices that comply with the Kering Standards (see the relevant guidelines in the relevant chapters). On the other hand, this includes the recovery of post-consumer clothing or pre-consumer feedstocks such as scraps, semi-finished products, damaged products, and production leftovers that are reintegrated into the supply chain through various transformation processes, resulting in upcycled or recycled content.

CIRCULARITY

Waste is designed out of the system at the start of the creative process and business activities are decoupled from the consumption of finite resources. The aim is for resources in the system to cycle multiple times within and across industries depending on their use and value. Ideally, in this system, materials are constantly reused or recycled and waste is eliminated. The system is restorative and regenerative by design, creates shared value, and enhances equality and society wellbeing.

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA (CITES)

CITES is an international agreement between governments that regulates international trade of wild animals and plant species to ensure trading does not threaten their survival. The list of species protected by CITES is regularly amended, the latest version can be found on their website. www.cites.org

CITES APPENDIX I

Endangered species that are prohibited from being bought or sold internationally.

CITES APPENDIX II

Species that are not threatened with extinction now but could be if trading is not closely monitored.

CITES APPENDIX III

Species where the trade is already being regulated and needs the cooperation of other countries to prevent illegal exploitation.

CLEAN PRODUCTION



In clean production processes, waste and pollution are eliminated. This includes saving water and energy, and reducing chemical inputs, while also improving overall efficiency. A clear methodology to achieve this has been provided by the “Clean by Design” program.

CLOSED-LOOP SCHEME

This refers to a program established by brands that allow customers to return their used products. The end-of-life of these collected pieces is then handled by the brand, depending on their condition, through reuse, repair, upcycling, and recycling.

COMPOSTABLE PLASTIC

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

CSCB

Certificação de Sustentabilidade do Couro Brasileiro (CSCB) is a Brazilian certification for sustainable leather.

DEADSTOCK

Deadstock products are defined as products that could not be sold through traditional sales channels, or through discount sales or private sales (according to the SAC PEF CR V1.3).

DEFORESTATION

Deforestation is when forests are cut down in order to make the land available for other uses such as animal grazing. This is a major contributor to global warming.

DEGRADATION

Degradation is the deterioration of an environmental element such as soil, air or water. The change or disturbance has negative effects on the ecosystem and can lead to wildlife extinction.

DURABILITY

The durability of a product is its ability to resist changes caused by the environment, both in the intrinsic and extrinsic dimensions. Intrinsic refers to wear, tear, material decay or other physical aspects. Extrinsic dimension refers to changes in user preferences resulting from changes in personal needs, such as fit, or external influences, such as fashion trends.

ECOSYSTEM

An ecosystem is a system formed by the interaction of a community of organisms within their physical environment (e.g. tropical forests, wetlands, and grasslands).

ENVIRONMENTAL PROFIT AND LOSS (EP&L) ACCOUNT

The EP&L is a tool developed by Kering to help measure and understand a businesses impact on natural capital

across the supply chain. The EP&L is a new way to measure and monetize the cost to society of the changes in the environment as a result of business activities.

www.kering.com/en/sustainability/measuring-our-impact/our-ep-l/what-is-an-ep-l/

FAIRTRADE COTTON

The cost of cotton may decrease even though the price of its production may increase resulting in many farmers struggling to survive. Fairtrade Cotton ensures farmers are paid a fair price for the cotton they have grown.

www.fairtrade.org.uk

FEEDSTOCK

A feedstock is a raw material that supplies or fuels an industrial process. Polyester based polymers predominately use petroleum (i.e., paraxylene and monoethylene glycol (MEG)), while recycled polyester currently uses PET bottles as feedstocks. Biobased polymers use starch/sugar-based feedstocks (e.g. corn, sugar cane, etc.). Polyamide based polymers predominately use lipid/oil-based feedstocks.

FIVE FREEDOMS

The Five Freedoms was developed by the World Organization for Animal Health (OIE) to define an animal’s welfare throughout its life.

FOREST STEWARDSHIP COUNCIL (FSC)

The FSC is an organization that sets their own global standards to promote environmentally sound, socially beneficial, and economically prosperous management of the world’s forests. They have a subsidiary called Accreditation Services International (ASI) which is a member of the International Social and Environmental Accreditation and Labelling Alliance (ISEAL). www.fsc.org

GENETICALLY ENGINEERED / GENETICALLY MODIFIED

Genetically modified usually refers to a process whereby genes are altered by humans (this is different to traditional breeding practices to create different varieties of plants or animals). In the case of cotton, the genetic modification is “transgenic” which means genes from one species (bacteria) are inserted into the genome of another species (cotton plant). This practice is controversial.

GLOBAL ORGANIC TEXTILE STANDARD (GOTS)

GOTS is a standard aiming to ensure organic textile production from the raw material through to the labeling to provide credible assurance to the end customer.

www.global-standard.org

GLOBAL RECYCLED STANDARD (GRS)

The Global Recycled Standard was released in 2014. The GRS gives companies the ability to create a full product standard by providing a tool to ensure the identity of recycled materials throughout the production stages, as well as processing. www.textileexchange.org/integrity

GREENHOUSE GAS EMISSIONS (GHG)



GHGs are gases that trap heat in the atmosphere. They include carbon dioxide, methane, nitrous oxide, and fluorinated gases. They are responsible for the greenhouse effect, leading to global warming.

ICEC

The Institute of Quality Certification for the Leather Sector is a certification body focused on leather.

www.icec.it/en

ISO 14001

ISO 14001 is a standard that sets out criteria for an environmental management system.

IUCN RED LIST

The Red List provides tax, conservation and distribution information on plants, fungi and animals evaluated using IUCN criteria. The system determines the rate of extinction. The list is maintained by the charity International Union for the Conservation of Nature

www.iucn.org

KERING CODE OF ETHICS

The Kering Code of Ethics, which includes the Suppliers' Charter, sets out the Group's principles on ethical business conduct and the behavior expected from its employees and business partners; including with regard to human rights, fundamental freedoms, human health and safety and the environment.

KPI/E-KPI

Key performance indicators or environmental key performance indicators are metrics used to track progress towards Kering's sustainability targets.

LEATHER WORKING GROUP

The Leather Working Group is a multi-stakeholder group that monitors and assesses the environmental compliance and performance of leather tanneries and promotes sustainable business practices within the leather industry. www.leatherworkinggroup.com

MAN-MADE FIBERS

A type of fiber that is made artificially, such as polyester or rayon, rather than occurring naturally like cotton or wool.

MAN-MADE NON-FIBER MATERIALS

According to Textile Exchange ([Textile-Exchange_PFMR_2022.pdf \(textileexchange.org\)](#)), "while leather is a by-product of the meat and dairy industry, some brands prefer emerging manmade non-fiber materials. While most manmade non-fiber materials are fossil-based synthetics, a rapidly growing number of partially (and rarely fully) recycled and biobased manmade non-fiber materials are being developed. Many are still in development as it is not easy to achieve some of the quality attributes of natural leather, such as its durability. While partially or ideally fully substituting fossil-based with biobased or recycled content is a start, continuous improvements and a holistic approach including material health and circularity are important".

MANUFACTURING RESTRICTED SUBSTANCES LIST (MRSL)

The Manufacturing Restricted Substances List outlines the chemicals that cannot be used intentionally in the manufacturing of Kering's brands' products.

MATERIALS INNOVATION LAB (MIL)

The Kering Materials Innovation Lab is focused on providing support to promote the integration of materials aligned to Kering Standards and/or innovative ones into Kering brands' supply chains.

MICROFIBER

Microfiber is commonly intended as a synthetic fibre with a linear density of less than 1 denier; in this specific context it is intended as a short piece of textile fibre, broken from the main textile construction or through its subsequent breakage in the natural environment (source: "The Microfibre Consortium" glossary).

These fiber fragments shed (microfiber shedding) from clothing during production, consumer use, or end of life, and end up as pollution in the environment. This is also referred to as fibre fragmentation. It can originate from all textiles and therefore can be comprised of both synthetic and natural materials.

MICROPLASTIC

A small piece of plastic debris measuring 5mm or less, found in the environment from the disposal or breakdown of consumer products and industrial waste. Synthetic fibre fragments are considered microplastics (source: "The Microfiber Consortium" glossary).

NANOTECHNOLOGY

Science, engineering, and technology conducted at the nanoscale, which is about 1 to 100 nanometers, and involving the ability to see and control individual atoms and molecules.

OHSAS 18001/2

The OHSAS 18001/2 is an internationally applied British Standard for occupational health and safety management systems. It evolved into ISO 45001 in March 2018.

ORGANIC AGRICULTURE

Organic Agriculture is a production system that sustains the health of soils, ecosystems and people and relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Additionally, it combines tradition, innovation, and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved.

ORGANIC CONTENT STANDARD

The Organic Content Standard was created by the Textile Exchange and relies on third-party verification to confirm the accurate amount of organically grown material in the final product. www.textileexchange.org

ORGANIC PRODUCT

Certified organic products are those which have been produced, stored, processed, handled and marketed in accordance with precise technical specifications



(standards) and certified as “organic” by a certification body

POST-CONSUMER FEEDSTOCK

Post-consumer feedstock refers to materials generated by households or by commercial, industrial, and institutional facilities in their role as end-users of a product that can no longer be used for its intended purpose. This includes returns of materials from the distribution chain. (ISO 14021)

PRECAUTIONARY PRINCIPLE

The Precautionary Principle is a strategy to cope with possible risks where scientific understanding is yet incomplete, such as the risks of nanotechnology, genetically modified organisms, and systemic insecticides.

PRE-CONSUMER FEEDSTOCK (WASTE OR MATERIAL)

Pre-consumer feedstock (waste or material) refers to materials diverted from the waste stream during a manufacturing process. Excluded is the reutilization of materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that generated it. (ISO 14021)

PRODUCT RESTRICTED SUBSTANCES LIST (PRSL)

The Product Restricted Substances List outlines the chemicals which cannot be detected or must meet certain limits on Kering’s brands’ finished products.

PROGRAM FOR THE ENDORSEMENT OF FOREST CERTIFICATION (PEFC)

PEFC is the world’s largest forest certification system. The PEFC provides an alternative forest and chain of custody certification. Their benchmarks for sustainability are based on globally recognized principles and its criteria and guidelines are developed by intergovernmental and international bodies. www.pefc.org

PVC

Polyvinyl chloride is a synthetic plastic polymer associated with worker safety and end-of-life hazardous chemical concerns.

RANCHING

This term refers to a system where wild eggs or juveniles are collected and then raised on farms. This practice is often designed to support wild populations by providing economic incentives to landowners to conserve the habitats where these animals live. Ranching helps maintain a connection between farmed species and their wild counterparts.

RAW MATERIAL

Raw materials are an unprocessed first input (for example, cotton, hide, gold, etc.) which will be transformed into the finished product through the various stages of processing, manufacturing, and assembly.

RECOVERED CONTENT

Proportion, by mass, of recovered material in a product (product intended as the output of a production, a fabric is a product, as well as a packaging). Only the brand’s internal pre-consumer feedstock materials will be considered as recovered content. This definition is proposed by Kering to qualify this feedstock. Please note that recovered material and repurposed material are considered synonymous.

RECYCLABLE

A characteristic of a product, packaging or associated component that can be diverted from the waste stream through available processes and programmes and can be collected, processed, and returned to use in the form of raw materials or products.

RECYCLING

Transforms a product or component into its basic materials or substances and reprocesses them into new materials. Embedded energy and value are lost in the process. In a circular economy, recycling is the last resort action (Ellen MacArthur Foundation).

RECYCLED CONTENT

Proportion, by mass, of recycled material in a product or packaging. Only brand’s external pre-consumer and post-consumer feedstock recycled materials shall be considered as recycled content, consistent with the following usage of terms. (NF EN ISO 14021)

A product containing recycled materials is not automatically recyclable.

RECYCLABLE PRODUCT

A characteristic of a product, packaging or associated component that can be diverted from the waste stream through available processes and programs and can be collected, processed, and returned to use in the form of raw materials or products. A recyclable product does not necessarily contain recycled content.

REFILLABLE PACKAGING

‘Refillable packaging’ refers to specifically designed containers that can be replenished with the same product they originally contained, thus extending the lifespan of the packaging, and reducing waste.

REGENERATIVE AGRICULTURE

Regenerative Agriculture is a way of growing crops and rearing animals that – by working with natural ecosystems – ensures the long-term viability and resilience of the land thereby continuing to provide for generations to come. Key principles and outcomes used to define regenerative agriculture include: (1) increasing carbon in the soil and other improvements to soil health; (2) protecting and restoring native habitat and biodiversity; (3) eliminating the use of unnecessary, synthetic harmful chemicals; (4) improving farmer livelihoods, and (5) enhancing animal welfare. The context-specific nature of practices and outcomes in regenerative agriculture makes it challenging to certify or verify a production system as “regenerative.” However, Kering has developed tools and methodologies to evaluate whether projects within specific production



systems meet the key stakeholders' expectations for "regenerative agriculture."

REMAKING

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

REPAIR

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

RESPONSIBLE DOWN STANDARD (RDS)

Responsible Down Standard is an independent, voluntary global standard to ensure that down and feathers come from ducks and geese that have been reared according to good animal husbandry practices.

www.responsibledown.org

REUSE

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

SCIENCE BASED TARGETS

Science-based targets provide a clearly defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth.

SUPPLIERS

Suppliers are the entities that touch the raw material in its transformation from its natural state to finished product including those that are involved in the processing, manufacturing, and assembling of the item.

SUB-SUPPLIER

A sub-supplier is a supplier to a Kering Tier 1 brand's supplier; a second-tier supplier.

SUPPLIERS' CHARTER

Kering's Suppliers' Charter sets out in detail Kering's specific expectations of its business partners on ethics, social and environmental issues.

STRATEGIC SUPPLIERS

Strategic suppliers are those needed to ensure business continuity due to their production volumes and/or their specific know-how.

SYNTHETIC FIBERS

Synthetic fibers are man-made fibers from high polymers which are produced by polymerization, polycondensation or polyaddition. Original substances are simple organic chemicals based mainly on mineral oil or natural gas.

THIRD-PARTY LOGISTICS

In logistics and supply chain management, third-party logistics is an organization's use of third-party

businesses to outsource elements of its distribution, warehousing, and fulfillment services.

TRACEABILITY (MATERIAL)

Material traceability is a set of activities and tools able to build up by evidence (trace) the processing and trading history of a product starting from the raw material production stage.

Materials to be traceable need to be physically segregated and each phase of processing history need to be recorded when it occurs. For these reasons, the following are all required to enable the traceability of products related materials:

- Chain of custody documentation
 - Digital platform based on traceability data protocol
- Verification programs with tracer technologies (forensic tracer, additive tracer or any other kind of physical marking system) can be considered complementary activities to improve traceability consistency. Improving traceability requires strong collaboration across the entire supply chain.

TRANSPARENCY (MATERIAL)

Material transparency is a set of activities and tools able to provide relevant information which allows visibility, in a standardized way, of materials' supply chain up to primary production stage of raw materials (material supply chain mapping). Verification programs with tracer technologies (forensic tracer, additive tracer or any other kind of physical marking system) can be considered complementary activities to improve the consistency of information related to material supply chain mapping.

TRACEABLE DOWN STANDARD (TDS)

The Traceable Down Standard was created by Patagonia as an approach to sourcing down to prevent unnecessary harm to the animals involved.

www.patagonia.com/traceable-down.html

UPCYCLING

A process in which materials that are not of use anymore, are turned into 'new' products of a higher value so they can re-enter the textile supply chain (closed loop). Various techniques like dismantling, redyeing, and reprinting can be used. Internal stocks of fabrics or garments are excluded from this definition.

VIRGIN MATERIAL

Materials that have not yet been used in the economy. These include both finite materials (e.g. iron ore mined from the ground) and renewable resources (e.g. newly produced cotton) (Circular Design for Fashion, Ellen MacArthur Foundation).

WASTE

Materials or substances that are discarded and no longer used, typically end up in landfill, being incinerated, or leaking into the environment (Circular Design for Fashion, Ellen MacArthur Foundation).

WILD

Refers to species that are captured directly from their natural habitats. The capture of wild individuals must be



strictly regulated to ensure it does not negatively impact wild populations.



Kering

Société anonyme
au capital de 499 183 112 €

—
Siège social
40, rue de Sèvres, 75007 Paris
552 075 020 RCS Paris

—
Tel.: +33(0)1 45 64 61 00

—
kering.com

 @KeringGroup  @kering_official  Keringgroup  Kering

Contact

Any questions regarding the **Kering Standards**
and their use should be directed to sustainability@kering.com

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Empowering Imagination