KERING

KERING STANDARD FOR STORES

STORE OPERATION AND MANAGEMENT

April 2020

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INTRODUCTION

As part of the 2025 Sustainability Strategy, “Crafting Tomorrow’s Luxury”, Kering committed to reducing its overall environmental impact by 40% and its controlled greenhouse gas emission by 50% between 2015 and 2025. Kering reports publicly every year in its Reference Document its progress vis-à-vis these ambitious goals.

An important impact of Kering activities on the environment is related to renovating and operating the more than 1500 stores around the world. There is where we have the most lever to decrease direct energy use and direct waste production for instance.

This document is meant to operationalise how to achieve environmental efficiency for store operation and management, i.e. during commercial life of the store, between opening and renovation or closure.

As shown in Exhibit SM-1, this document is part of a more complete set of documents, the Kering Standard for Stores, that encompasses not only Store Planning and Construction but also Real Estate (which regards features falling within the landlord’s action perimeter and not any action to be directly implemented by any of the Group’s teams) and Store Operation and Management.

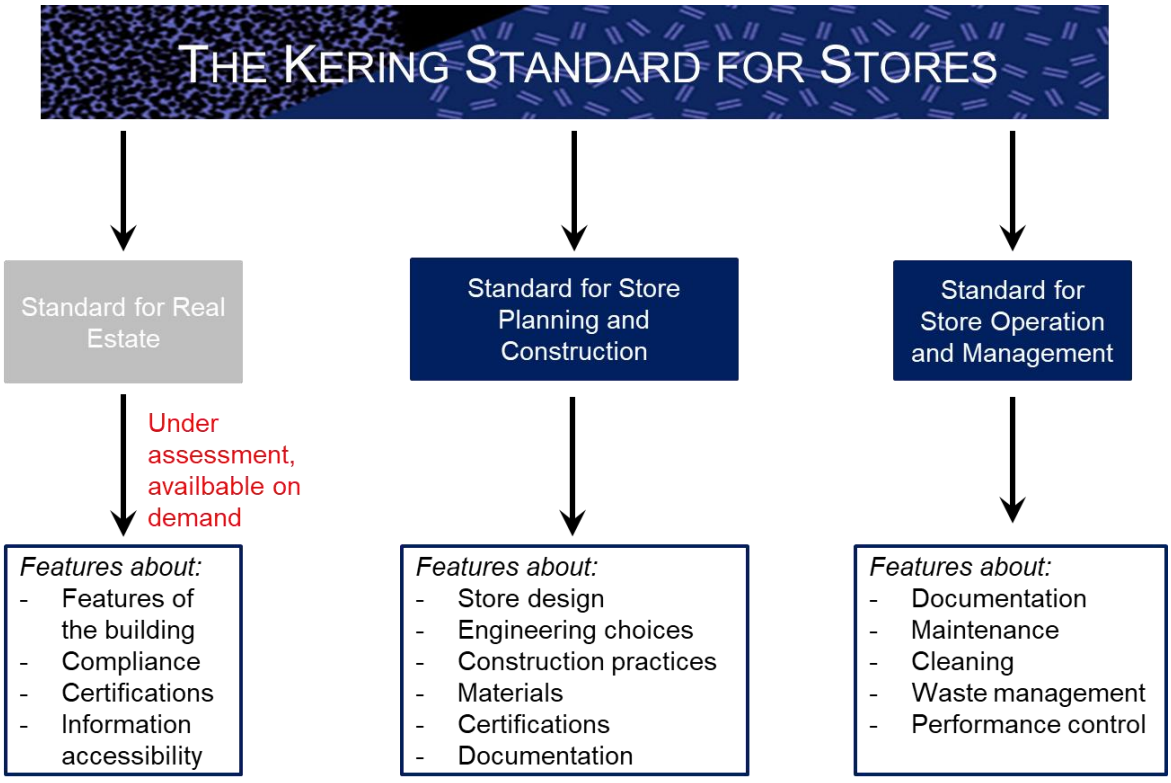

Exhibit SM-1: the Kering Standard for Stores

SM-I GENERAL DESCRIPTION AND INSTRUCTIONS FOR USE

SM-i.1 Why a Standard on Store Operation and Management

We want our stores to be fully sustainable, showcasing that a luxury store can be beautiful, comfortable, functional and attractive as it shall be, but operating with limited amounts of energy and water, and producing minimal amounts of non-recyclable and non-reusable waste.

The way in which a store is designed and built determines most of its environmental impact, but the way in which it is operated and managed is very important in determining the amounts of energy and water used and in a good management of waste collection and selection. Moreover, in day by day operation and maintenance of a store, resource efficiency goes nearly always parallel to operational efficiency and internal well-being of customers and workers. For example, routines that aim at reducing water and energy consumption call for improved preventive and periodic maintenance and for analysis of consumptions; this reduces unexpected failures and reduces idles (lights, HVAC and other equipment operating when not needed). On the other side, environmentally friendly cleaning products avoid depleting air quality at the benefit of people in the store, and a well-organized waste collection allows a more rational use of spaces and, often, lower waste collection invoices.

A larger attention to sustainability can also reveal easy possibilities of permanent interventions, such as re-lamping or installation of water flow reducers, or at an improved use of equipment controls. Actions like these allow sensible reduction of energy and water use, and of waste production.

SM-i.2 Contents of the Kering Standard for Store Operations and Management

The Store Operation and Management Standard applies to facility managers, engineering firms, equipment and furniture suppliers, maintenance, cleaning and waste collection companies and other subjects involved in operations, management and maintenance of a store.

The Standard relates to two main types of actions:

1) Periodic actions on store O&M. They include, for example:
   - Environmental reporting data collection
   - Lighting systems management and maintenance
   - Air filter cleaning and change, and ventilation maintenance
   - Waste collection
   - Recording of preventive and periodic maintenance actions
   - HVAC maintenance
2) Improvements of the store that remain after a single action. This includes, among others:
   - Relamping of less efficient light fixtures with more efficient ones
   - Installation of presence sensors and timers piloting lighting and air conditioning
   - Installation of metering systems
   - Implementing or expanding selective waste collection

These improvements fall within the topics covered by the Standard on Store Planning and Construction, and can happen during operation following retro-commissioning, auditing or other sustainability improvement activities. Their implementation brings to the improvement of the store rating in terms of Store Planning and Construction.

The value of these two types of actions is different: periodic actions need to be repeated with a certain frequency, whereas permanent improvements remain for the life of the store, as what is done in the phases of planning and construction. Thus:

- The Standard regarding regular routine actions is explained in detail in the following paragraphs, and includes:
  - SM-1 O&M Manual
  - SM-2 Enhanced maintenance
  - SM-3 Metering and consumption analysis
  - SM-4 Standard audits and permanent changes
  - SM-5 Use of renewable energy
  - SM-6 Sustainable cleaning practices
  - SM-7 Circularity and sustainable waste management
  - SM-8 Environmental management

  Most of this document is related to these eight points.
- Permanent improvements and assessment of the situation of a store are encouraged; section SM-4 is dedicated to this. Exhibit SM-2 shows the topics touched within the eight issues specific to facility O&M.

Issue	Topic
SM-1 O&M Manuals and store documentation	**SM-1.1 Mechanical systems and plumbing documentation**
	SM-1.2 Electric systems documentation
	SM-1.3 Architectural design drawings
	SM-1.4 User guide
SM-2 Enhanced maintenance	**SM-2.1 Smart operation and maintenance contracts**
	SM-2.2 Maintenance register
	SM-2.3 Update of inventory and as built drawings
	SM-2.4 Socially responsible maintenance contracts
SM-3 Metering and consumption analysis	**SM-3.1 Calculation of real energy and water consumption KPIs**
	SM-3.2 Enhanced analysis of consumption
	SM-3.3 Enhanced analysis of consumption by energy use
SM-4 Standard audits and permanent changes	**SM-4.1 Standard audits and permanent changes**

SM-5 Use of renewable energy	**SM-5.1 Green power and carbon offsets**
SM-6 Sustainable cleaning practices	**SM-6.1 Low emitting materials**
	SM-6.2 Responsible sourcing of materials
	SM-6.3 Socially responsible cleaning contracts
SM-7 Circularity and Sustainable waste management	**SM-7.1 Identification and Inventorying of waste types**
	SM-7.2 Reduction and reuse strategy
	SM-7.3 Recycling strategy
	SM-7.4 Socially responsible waste management contracts
SM-8 Environmental management	**SM-8.1 Environmental management**

Exhibit SM-2: Issues and topics within store operation and management

For each topic, the standard explains the range of applicability and the requested action(s) or feature(s).

Not all of the topics touched are relevant for each store, and not all prescriptions of the standard may be followed in each project due to the specific situation. Exhibit SM-3 provides the indication on when some topics can be put out of scope.

As not all topics have the same importance, the standard assigns a score to each topic, and in some situations, it provides different alternatives allowing to get the maximum for the topic or (as a second or third option) only part of it.

The maximum score (in case all topics are relevant for the store) is of 100 points. A large part of them is dedicated to housekeeping and document management (i.e. having a store O&M manual describing all the systems present in the store and the types of preventive and periodic maintenance actions to be taken, and having a register carefully reporting all maintenance interventions carried out), as these apparently “soft” topics are often overlooked and their poor implementation often hides relevant opportunities of resource (and operational) efficiency.

In order to provide more flexibility to the project team and to avoid situations where doing the best possible choice is impossible, too expensive, too slow or too difficult, the standard allows a project to comply with only a part of the maximum achievable score.

Topic	Max score	Scope	Indications
SM-1.1 Mechanical systems and plumbing documentation	8	**y/n**	Only if the store has autonomously managed mechanical and/or plumbing systems.
SM-1.2 Electric systems documentation	7	**y/n**	Only if the store has autonomously managed electric systems.
SM-1.3 Architectural design drawings	2.5	**y**	Always

Topic	Max score	Scope	Indications
SM-1.4 User guide	2.5	**y**	Always
SM-2.1 Smart operation and maintenance contracts	8	**y/n**	Only if any O&M contracts are signed for the store
SM-2.2 Maintenance register	6	**y/n**	Only if any O&M contracts are signed for the store
SM-2.3 Update of inventory and as built drawings	8	**y**	Always
SM-2.4 Socially responsible maintenance contracts	3	**y/n**	Only if any O&M contracts are signed for the store
SM-3.1 Calculation of real nergy and water consumption KPIs	2	**y/n**	Not for corner and department stores, only for energy if water is not used
SM-3.2 Enhanced analysis of consumption	2	**y/n**	Not for corner and department stores, only for energy if water is not used
SM-3.3 Enhanced analysis of consumption by energy use	3	**y/n**	Not for corner and department stores and stores using less than 10,000 kWh/y energy
SM-4.1 Standard audits and permanent changes	8	**y/n**	Not for corner and department stores.
SM-5.1 Green power and carbon offsets	7	**y/n**	For all stores listed within the Environmental reporting (this is managed directly by Kering corporate and Brands at central level)
SM-6.1 Low emitting materials	5	**y/n**	Only where the Brand directly manages the contract for cleaning and/or the purchase of cleaning products.
SM-6.2 Responsible sourcing of materials	4	**y/n**	Only where the Brand directly manages the contract for cleaning and/or the purchase of consumables.
SM-6.3 Socially responsible cleaning contracts	1	**y/n**	Only where the Brand directly manages the contract for cleaning
SM-7.1 Identification and Inventorying of waste types	1	**y/n**	Not for corner and department stores.
SM-7.2 Reduction and reuse strategy	2	**y/n**	Not for corner and department stores.
SM-7.3 Recycling strategy	9.5	**y/n**	Not for corner and department stores.
SM-7.4 Socially responsible waste management contracts	2.5	**y/n**	Only where the Brand directly manages the contract for cleaning

Topic	Max score	Scope	Indications
SM-8.1 Environmental management	8	**y/n**	Not for corner and department stores.

Exhibit SM-3: Scoping table on store operation and management

An overall rating of the store is calculated as the ratio between the sum of the score achieved by the project on each topic and the maximum score achievable considering the sole topics within the project's scope. This ratio, expressed as a percentage, indicates the level of alignment of the store O&M practices with the standard.

The minimum acceptable ratio set for 2020 at 30%. This value will be gradually increased with time, as the knowledge and confidence over the standard increases.

The Standard not only sets a minimum performance level but is also organized to praise the best performance. Therefore, this Standard foresees three levels of performance, **Bronze, Silver and Gold** (see Exhibit SM-4).

Following the scoping phase, the maximum number of points is scaled down to take into account topics that have been left out. The threshold for each of the three performance levels are expressed in percentage of maximum points:

- Gold > 70%
- Silver between 50% and 70%
- Bronze between 30% and 50%

Exhibit SM-4: Example Rating for a Store on Store Operation and Management

An easy to use, excel based scoring tool, provided to the brands, helps the store team in assessing the topics within the project scope and in assessing the score obtained. Exhibit SM-5 shows an excerpt of the tool.

The tool is provided in Appendix SM-1.2, and comprises both the O&M tool described in this paragraph, covering all the O&M standard from SM-1 to SM-8, and a Store design tool, nearly identical to the one used in store planning and construction, to be used specifically for SM-4 during audits and retro-commissioning. SM-4 and the appendix 1 explain in detail the use of both.

YES/NO/NOT ASSESSED/PENDING	PROJECT SCORE	PENDING POINTS	MAXIMUM SCORE IN PROJECT SCOPE	MAXIMUM SCORE	TOPIC
	-	20.00	20.00	20.00	**SM-1. O&M Manuals and store documentation**
	-	8.00	8.00	8.00	SM-1.1 Mechanical systems and plumbing documentation
Pending	-	4.00	4.00	4.00	Mechanical & Plumbing O&M Manual
Pending	-	2.00	2.00	2.00	Schemes of the systems
Pending	-	2.00	2.00	2.00	As-built drawings
	-	7.00	7.00	7.00	SM-1.2 Electric systems documentation
Pending	-	3.00	3.00	3.00	Electrical systems O&M Manual
Pending	-	2.00	2.00	2.00	Schemes of the systems
Pending	-	2.00	2.00	2.00	As-built drawings
Pending	-	2.50	2.50	2.50	SM-1.3 Architectural design drawings
Pending	-	2.50	2.50	2.50	SM-1.4 User guide
	-	25.00	25.00	25.00	**SM-2. Enhanced Maintenance**
	-	8.00	8.00	8.00	SM-2.1 Smart Operation and maintenance contracts
Pending	-	2.00	2.00	2.00	Mechanical systems
Pending	-	2.00	2.00	2.00	Electrical systems
Pending	-	2.00	2.00	2.00	Plumbing
Pending	-	1.00	1.00	1.00	Small masonry works
Pending	-	1.00	1.00	1.00	Furniture works
	-	6.00	6.00	6.00	SM-2.1 Maintenance register
Pending	-	3.00	3.00	3.00	Electric systems maintenance register
Pending	-	3.00	3.00	3.00	Mechanical systems and plumbing maintenance register
-	-	8.00	8.00	8.00	SM-2.2 Update of inventory and as built drawings
Pending	-	3.00	3.00	3.00	Electrical inventory
Pending	-	3.00	3.00	3.00	Mechanical inventory
Pending	-	2.00	2.00	2.00	Inventory of accessories, white goods, furniture
	-	3.00	3.00	3.00	SM-2.3 Socially responsible maintenance contracts
Pending	-	1.00	1.00	1.00	Electrical contract
Pending	-	1.00	1.00	1.00	Mechanical contract
Pending	-	1.00	1.00	1.00	Civil works contract
	-	7.00	7.00	7.00	**SM-3. Metering and consumption analysis**
	-	2.00	2.00	2.00	SM-3.1 Calculation of real energy and water consumption key perform
	-	1.00	1.00	1.00	Calculation and basic analysis of general energy key performance ind
Pending	-	0.50	0.50	0.50	Based on annual energy consumption
Pending	-	0.50	0.50	0.50	Based on 12 months of measured energy use
	-	1.00	1.00	1.00	Calculation and basic analysis of general water KPIs

Exhibit SM-5: Example rating dashboard for a Store on Store Planning and Construction

SM-i.3 Roles and Responsibilities

In principle, the Kering Standard on Store Operation and Management should be enforced by the brands' facility management teams.

In practice, however, differently from Store Planning, in facility management there are big differences on how stores are operated: larger brands have structured facility management teams, at least in countries with large numbers of stores, but as the size of the brand and the number of stores in a country get smaller the related activities are less and less structured. In any case, one responsible person shall be appointed to manage the scoring procedure for each store.

The difficulty of having such different (and sometimes weak) facility management modalities offers great opportunities of quick, cost effective improvements, and can be tackled to a good extent by properly setting contracts and by periodically surveying their due implementation through audits: in this way, the broad majority of what the standard requests is physically implemented by suppliers.

Starting late 2018, Kering corporate supported in France the smaller brands to implement good facility management practices by directly supporting them in structuring O&M contracts on electric, mechanical and plumbing systems, as well as in cleaning and waste management, embedding the Standard requirements into the contracts. The result of this activity has been a great improvement of facility management practices for the involved stores, providing Kering and the brands with better information on facility management practices in place, reduced frequency of technical failures and reactive maintenance needs and lower energy bills.

Due to the variegated organization in facility management, it is not possible to define responsibilities independently from the Brand or from the country where a site is located.

However, it is possible to state that:

1. Every store has one or more internal people that are responsible for signing contracts about:
    - Mechanical, electric and plumbing systems maintenance, regulation and setting,
    - Cleaning,
    - Waste collection,
    - Auditing.
2. Very often, these people work at brand level and deal with one country or region. The main responsible for this on each store must be identified and is the best possible person to deal with this standard on the store.
3. Very often there is one or more people at brand level that has sustainability targets also in the retail.
4. The corporate level can provide support on properly managing O&M activities.

Points 1 and 2 indicate that the levers for dealing with most of what is requested by the standard are already available, whereas points 3 and 4 provide hints on how to tackle the most difficult points to attain.

In particular, the key action for securing the correct implementation of most of the standard (largely sufficient to achieve the minimum required threshold) is to implement standard-aligned contracts on the topics listed at point 1 of the list above.

In any case, it is important to set up a procedure that clearly indicates roles and responsibilities for each store. Appendix SM-1 provides the template of a procedure to allocate responsibilities and manage documents and information flows.

SM-i.4 How to implement the standard to qualify store management practices, step by step

The implementation of the standard relies on the scoring tool for Store Operation and Maintenance, that goes through all the topics and subtopics described in the following of the document. Depending on how the Brand is organized, it may be easier to implement the standard partially for a number of stores managed in similar ways (e.g. all the store in a single country) than to implement it completely on a store, or vice versa. The recommendation is to start taking a picture of how all the topics touched in the standard are managed within the brand's stores and who manages them (step 0), and to start gradually implementing the standard starting from the stores and from the topics that are easier to gradually cover the whole stores' portfolio of the brand and standard's topics.

Step 0: set up the procedure

With reference to Appendix SM-1.1, everything must start defining who makes what. The process shall start at brand level.

Step 1: set up the O&M manual

This document is the fundamental document to allow a resource efficient and cost-effective maintenance, providing all the indication needed to keep equipment well regulated and set and in optimal operating conditions.

This document can be produced, in decreasing order of preference:

1. Preferred option: during the store planning and construction phases, by the architect's and GC teams (General Contractor), as requested by the Kering Standard for Store Planning and Construction.
2. Second choice, if this document was not produced by the construction team: have it prepared by the Brand's or the Group's facility management team if available, directly or through a consultant,
3. Third choice, in all other cases: have it prepared directly by the O&M company(ies) who will manage (or is applying to the RFP) maintenance for the store

For setting up the O&M manual, the template provided with the standard (and attached as Appendix SM-2) can be used.

For requesting this to be developed by the O&M company, please refer to the O&M contract clauses provided to with the standard (and attached as Appendix SM-3).

The manual can be split between mechanical, electric and (if relevant) plumbing, in case different companies are used for these systems.

Properly setting the manual will allow to comply with all the requirements contained in SM-1, the one bearing most of the points for a DOS.

Step 2: set up the O&M registry

The O&M manual sets the instructions on how to perform periodic and preventive maintenance as well as on regulation and setting of the equipment. The registry is a document where the forecasted interventions are planned on the calendar and the really occurred interventions are registered. This operational document must be set up once the manual is available. Appendix SM-4 provides a template that can be used.

The registry can be set either:

1. First choice: have it prepared by the Brand's or the Group's facility management team, if available, directly or through a consultant,
2. Second choice, in all other cases: have it prepared directly by the O&M company(ies) who will manage (or is applying to the RFP) maintenance for the store.

Setting this registry poses the bases for getting most of the points available in SM-2.

Step 3: ensure that all O&M contracts that get signed are aligned with this Standard

Aside the requirements for maintenance contracts on mechanical, electrical and plumbing systems, the standard foresees contract clauses also for other key contacts, i.e. the one for cleaning, in Appendix SM-5 and (if separated) the one for waste collection (Appendix SM-6). Ensuring that these clauses are put in the contracts and respected as much as feasible in the local conditions for all the O&M contracts will ensure that the store gets the maximum possible score in SM-2, SM-6, SM-7, with a few constraints possible especially on SM-7 due to local conditions.

Step 4: exploit what you have

The Group and Brands already allow most of their stores to get some score. At present, we manage green energy purchases for nearly all of our sites, and the related score at SM-5 comes for free to all of them.

At Group level (and in some cases also at Brand level, with more detail), analyses are done to get more KPIs indicating the level of store's environmental performance in terms of energy, water and waste. This allows getting the score of SM-3.1 every year through the environmental reporting.

Moreover, more and more stores are equipped with smart energy, water and air monitoring systems, that allow these stores to get all the remaining points on SM-3 – if someone analyses these data. In practice, this allows a much better control of equipment settings, differences between one store and another, and to highlight anomalies due to possible malfunctioning of equipment. Some brands are already moving in this sense, and actions on this are likely to be taken also at group level in the next future.

Step 5: track changes and verify what your suppliers do

Beside O&M contracts, the standard poses a strong accent on Standard Audits and Permanent Changes. The Standard Audit is an action to be taken periodically by some company that is independent from the enterprises involved in Store Planning and Construction and in other O&M services at the store, that:

1. assesses the design and construction features of the store (especially if the store was not built explicitly following the Kering Store Planning and Construction) and eventually produces or updates the relative documents (Store Planning and Construction scorecard included) and proposes to the store possible easy improvements that can be obtained,
2. assesses the correspondence of contractual obligations of O&M suppliers with what is found in the store, including the proper use of O&M Manual and O&M Registry, and indicates possible improvements and/or corrections.

In this standard we recommend doing these audits after one year of opening of the store, to verify that everything is operating as planned as from the project specifications, that nothing is missing from the architect and GC, and that every equipment is operated as its best possibilities, and after 4 years, to record eventually untracked permanent changes to the store and to assess proper management by the store staff and O&M suppliers.

Step 6: aim for the best score in sustainability management!

Continuous improvement is at the basis of any sustainability policy. Things change and every year we find more opportunities to reduce our environmental footprint and improve the way we work. Kering and its Brands work continuously on this, as our suppliers and service providers do. Having someone in the store dealing with sustainability and setting a plan for improvements (eventually exploiting the indications of the audits) enables significant, continuous improvement.

SM-i.5 Timeline for Implementation

Implementation of the Standard for a store.

The Kering standard for store operation and management can be implemented at any time of the store's life. In order to get the best benefits from it. However, it is recommended to start implementing it for new and relatively recent stores, skipping the older ones that are likely to be soon closed or renovated: as setting everything up for a store requires some effort, it is better to enjoy for the longest possible time of this effort.

The implementation of the standard relies on three types of actions:

- Through standard-aligned contracts, every time a new contract is awarded regarding Mechanical, Electrical and Plumbing O&M, cleaning and waste collection contracts,
- Through dedicated audits, ideally done as an "aftercare" one year after completion of construction/renovation works and then after 4 years, aimed at ensuring that the standard requirements are properly reflected within the O&M practices,
- Through Store, Brand or Group led initiatives aimed at better exploiting the features of the store.

It is recommended to set up standard compliant maintenance, cleaning and waste collection contracts by inserting the clauses indicated in the Appendix into them at the first possible moment, i.e. at the first occasion of contract renewal.

If an internal or external audit is planned for a store, it is recommended to collect all its findings, it is recommended to review the O&M contracts at the first possible moment after the audit and include the audit's conclusions in the technical specifications of the contract.

At regime, the rating of the store will be composed by two parts:

1. The rating of how the store is done, filled in during store planning and construction with the dedicated scorecard and/or eventually updated through Kering Standard audits by compiling the "Store Design Tool" spreadsheet within the O&M rating tool,
2. The rating of how the store is managed, built starting from the proper storage of design documentation and the signature of standard-compliant Mechanical, Electrical and Plumbing O&M, cleaning and waste collection contracts, possibly further improved by Brand or Group led initiatives and periodically updated by audits.

Timeline for the roll-out of the standard throughout the Kering Brands

As a clear distance exists between what a good O&M oriented to sustainability means and the current situation of stores, the implementation shall be gradual, starting from improving the situation where this is easier and gradually tackling more and more challenging situations.

As some brands have already a good facility management structure, and as Kering has already implemented facility management standard compliant O&M contracts in 2019, we are not starting from zero.

The first step will be to assess the current O&M practices for all stores in each Brand, in terms of roles, responsibilities and practices (Step 0, in paragraph SM-i.4). This is expected to be completed **by end 2020**.

This will allow to clarify where each Brand stays and which are the most important gaps in our current practices.

In parallel, Kering will expand the service of implementing standard-compliant O&M services from France to UK and gradually other countries.

Considering that the interval between the store opening (or renovation) and the following renovation rarely exceeds 7 years, no efforts will be required on stores whose last opening or renovation happened more than 4 years earlier.

The target is to have **the standard implemented everywhere by 2025**.

During the rollout period and beyond, Kering will support the Brands with:

- Dedicated trainings,
- Direct support in implementing the Standard in the first stores,
- Development of tools allowing make the use of the standard easier and easier,
- Framework agreements with consultants and suppliers providing services to better implement the standard and solutions making parts of it automatically compliant,
- Translations.

Based on the result of the first years, a review of the standard will be undertaken between mid-2021 and mid-2022.

SM-1. O&M MANUALS AND STORE DOCUMENTATION (UP TO 20 POINTS)

SM-1.1 Mechanical systems and plumbing documentation (max 8 points)

***Scoping**: Documentation should be kept for all stores having mechanical and plumbing systems*

***Who makes it**: in order of preference*

1. *Documentation is prepared by the GC and design companies during construction/renovation and handed over to the Brand at completion, after commissioning*
2. *Documentation is prepared by an internal expert*
3. *Documentation is prepared by an external auditor/consultant*
4. *Documentation is prepared by the maintenance company(ies) in the first 2 months of the service period*

Mechanical & Plumbing O&M Manual (2.5 points)

A store O&M Manual is available and accessible by facility management staff and O&M contractors. It shall be in paper and electronic format. One copy shall be stored at the facility management department and one copy shall be stored onsite in the back of house.

This manual covers all current and relevant equipment of the store, including:

- HVAC systems (production, distribution and emission)
- Water distribution systems
- BMS and/or timers and controls for mechanical and plumbing systems

All necessary information to ensure maintenance is included:

- List of all equipment
- Technical documentation
- Full operation instructions for each system: type and scheduling of intervention
- System warranties
- Table of nominal setpoints for each system, including balancing devices
- Contractors' contact information, when available
- Building maintenance operators' contact information
- BMS/metering software publishers' contact information
- Login information of BMS/metering software
- Any other information needed for O&M

The **manual must foresee the following preventive maintenance** actions:

- Sensors: 6-monthly check and immediate intervention if the problem is evident
- Timers and BMS: 2-monthly check, check of proper change after transition between summer and winter time and vice versa (if relevant), check after every extraordinary opening or event, to ensure that the regular schedule is still programmed
- Annual check of efficiency of heating machines
- Annual check of efficiency of cooling machines
- Half-annual check and eventual recharge of refrigerant in all refrigerating machines not sealed at the factory (VRV, VRF, split systems). **Maintenance by a supplier certified by the equipment supplier** is a plus, if locally available.
- Half-annual checks of:
    - Temperature settings in each area: bring settings back to the default values or modify default values according to occupant complaints.
    - Clocks/BMS settings: bring settings back to the default values or modify default values according to occupant complaints.
- Maintenance of the airflow control system:
    - A procedure that includes visual checks and cleaning of inlet and outlet air vents, every year.
    - Indications about air filters change frequency
    - A procedure, that includes VOC checks every year. If necessary, a calibration of the sensors should be carried out.
    - A procedure, that includes a check of the flow modulation elements: controllers and variable speed drives or motorized registers if several premises are served by the same control unit.
    - In case of excessive dust loading velocity of inlet air vents and/or return air handling unit filter, require a duct control inspection using a camera or cleaning robot, if necessary, and cleaning by brushing, if needed.

Schemes of the systems (2 points)

Schemes of the systems are stored at least in paper copy ad the store and in electronic version at the store and at the Store Planning/construction department of the brand.

As-built drawings (2 points)

As-built drawings of the systems are stored at least in paper copy ad the store and in electronic version at the store and at the Store Planning/construction department of the brand.

Appendix SM-1.3 provides a template that can be used to develop the O&M manuals.

SM-1.2 Electric systems documentation (max 7 points)

***Scoping**: Documentation should be kept for all stores managing their electric systems*

***Who makes it**: in order of preference*

1. *Documentation is prepared by the GC and design companies during construction/renovation and handed over to the Brand at completion, after commissioning*
2. *Documentation is prepared by an internal expert*
3. *Documentation is prepared by an external auditor/consultant*
4. *Documentation is prepared by the maintenance company(ies) in the first 2 months of the service period*

Electric systems O&M Manual (3 points)

A store O&M Manual is available and accessible by facility management staff and O&M contractors. It shall be in paper and electronic format. One copy shall be stored at the facility management department, one at the store planning department and one onsite in the back of house.

This manual covers all current and relevant equipment of the store, including:

- Lighting systems
- External shading systems, if any
- BMS and/or timers and controls for electric systems

All necessary information to ensure maintenance is included:

- List of all equipment
- Technical documentation
- Full operation instructions for each system: type and scheduling of intervention
- System warranties
- Table of nominal setting points for each system, including balancing devices
- Contractors' contact information
- Building maintenance operators' contact information
- BMS/metering software publishers' contact information
- Login information of BMS/metering software
- Any other information needed for O&M

The O&M manual must **foresee at least the following preventive maintenance actions and checks**:

- Sensors: Check every 6 months and immediate intervention if the problem is evident.
- Timers and BMS: check every 2 months and after every extraordinary opening or event, to ensure that the regular schedule is still programmed.

Schemes of the systems (2 points)

Schemes of the systems are stored at least in paper copy ad the store and in electronic version at the store and at the Store Planning/construction department of the brand.

As-built drawings (2 points)

As-built drawings of the systems are stored at least in paper copy ad the store and in electronic version at the store and at the Store Planning/construction department of the brand.

Appendix SM-2 provides a template that can be used to develop the O&M manuals.

SM-1.3 Architectural design drawings (2.5 points)

***Scoping**: Documentation should be kept for all stores apart for window and cornerstores*

***Who makes it**: in order of preference*

1. *Documentation is prepared by the GC and design companies during construction/renovation and handed over to the Brand at completion, after commissioning*
2. *Documentation is prepared/updated by an external auditor/consultant*

Architectural drawings are available and accessible by facility management staff and O&M contractors. It shall be in paper and electronic format. One copy shall be stored at the facility management department and one copy shall be stored onsite in the back of house.

SM-1.4 User guide (2.5 points)

***Scoping**: a user guide should be produced for all stores where users (store manager and employees) can/must use or modify operation of any equipment: switches, timers, clocks, thermostats etc.*

***Who makes it**: in order of preference*

1. *Documentation is prepared by the GC and design companies during construction/renovation and handed over to the Brand at completion, after commissioning*
2. *Documentation is prepared/updated by an external auditor/consultant*

A store user guide is available and accessible by the store staff. This manual covers all current and relevant activities performed in the store, giving easy information on how to operate:

- Lighting systems
- BMS and/or timers
- External shading systems
- HVAC systems (production, distribution and emission)

- Water distribution systems
- Ventilation systems
- Waste collection
- Selective waste separation
- Cleaning procedures
- Cleaning products

In particular, the user guide includes:

- The indication of who makes the maintenance, and of who must be called in case of failure of any system
- The daily and weekly schedule of systems, in particular HVAC and lighting.

SM-2. ENHANCED MAINTENANCE (UP TO 25 POINTS)

SM-2.1 Smart operation and maintenance contracts (up to 8 points)

***Scoping**: for all stores*

***Who makes it**: in order of preference*

1. *Documentation is prepared by the GC and design companies during construction/renovation and handed over to the Brand at completion, after commissioning*
2. *Documentation is prepared by an internal expert*
3. *Documentation is prepared by an external auditor/consultant*
4. *Documentation is prepared by the maintenance company(ies) in the first 2 months of the service period*

Mechanical systems (2 points)

The contract foresees all the clauses proposed in Appendix 1.5.

In particular, the supplier is required:

- to follow strictly the O&M Manual after having reviewed it in the first 2 weeks from the beginning of their activity at in the store
- to share a calendar of proposed preventive maintenance activities at the signature of the contract, based on the available documentation and review it after 4 weeks working at the store
- To compile regularly the O&M registry (see SM-2.2)
- To provide Kering with the updated O&M manual (if needed) and registry at the end of the contract. **The last payment of its services must be bound to the delivery of these documents**.

Electrical systems (2 points)

The contract foresees all the clauses proposed in Appendix 1.5.

In particular, the supplier is required:

- to follow strictly the O&M Manual after having reviewed it in the first 2 weeks from the beginning of their activity at in the store
- to share a calendar of proposed preventive maintenance activities at the signature of the contract, based on the available documentation and review it after 4 weeks working at the store
- to compile regularly the O&M registry (see SM-2.2)
- to provide Kering with the updated O&M manual (if needed) and registry at the end of the contract. **The last payment of its services must be bound to the delivery of these documents**.

Plumbing (2 points)

The contract foresees all the clauses proposed in Appendix 1.5.

In particular, the supplier is required:

- to follow strictly the O&M Manual after having reviewed it in the first 2 weeks from the beginning of their activity at in the store
- to share a calendar of proposed preventive maintenance activities at the signature of the contract, based on the available documentation and review it after 4 weeks working at the store
- to compile regularly the O&M registry (see SM-2.2)
- to provide Kering with the updated O&M manual (if needed) and registry at the end of the contract. **The last payment of its services must be bound to the delivery of these documents**.

Masonry works (1 point)

The contract must impose that any dust-producing activities:

- are carried out with tools having an aspiration system
- that the room(s) where these activities take place are physically sealed from the other
- that the ventilation systems are switched off in these areas during dust producing operations

An update of store layouts must be done at the end of the works.

Furniture works (1 point)

The contract must impose that any dust-producing activities:

- are carried out with tools having an aspiration system
- that the room(s) where these activities take place are physically sealed from the other
- that the ventilation systems are switched off in these areas during dust producing operations

An update of the furniture inventory must be done at the end of the works.

SM-2.2 Maintenance register (up to 10 points)

***Scoping**: for all stores*

***Who makes it**: the empty registry is prepared, in order of preference:*

1. *by the GC and design companies during construction/renovation and handed over to the Brand at completion, after commissioning*
2. *by an internal expert*
3. *by an external auditor/consultant*
4. *by the maintenance company(ies) in the first 2 months of the service period*

The registry is then handled and compiled by the O&M supplier, that provides a copy to Kering at every intervention.

A maintenance register shall be available and accessible by facilities management staff and building management contractors.

This register includes the main information on maintenance operation:

- Type of intervention, control and incidence
- Name, company and role of the controller
- Date
- Equipment controlled and its location
- Description of the intervention
- Recording of key settings and measurements and comparison to nominal values
- Comments, technical difficulties and recommendations.

Detailed information about the intervention, if not elementary, shall be provided by the supplier through a specific maintenance sheet.

The registry is updated at every intervention, whereas the maintenance sheet is prepared at every intervention where details additional to those indicated in the register are needed.

The empty O&M registry shall be prepared after store commissioning, retro-commissioning or audit, or directly by O&M suppliers at the beginning of their contract.

When a new O&M supplier substitutes the previous, the old registry must be handed over to them and stored by the Brand's staff.

Appendix 1.4 provides a template of O&M registry and maintenance sheet.

Electric systems maintenance register

Having a register for electric systems *(for all stores, if maintenance Kering Brand is in charge)* is worth **3 points**.

Mechanical systems and plumbing maintenance register

Having a register for mechanical systems and plumbing *(if relevant for the store, and if Kering Brand is in charge*) is worth further **3 points**.

Use of an O&M software

If the register relies on a software able to keep trace of all maintenance operations and details, and to plan and remember preventive maintenance operations and deadlines, and if this is managed by the Brand and not by the supplier, further **2 points** are gained.

Ticketing system

If the register relies on a software able to keep trace of all maintenance operations deadline or request until their resolution, further **2 points** are gained.

SM-2.3 Update of inventory and as built drawings (up to 4 points)

***Scoping**: for all stores*

***Who makes it**: in order of preference:*

1. *Documentation is prepared by an internal expert*
2. *Documentation is prepared by an external auditor/consultant*
3. *Documentation is updated by the maintenance company(ies) when changes occur*
4. *Documentation is updated by the maintenance company(ies) once a year*

As built drawings and inventory of store's equipment are available in the back of house and in the store management department; they are accessible by facility management staff and O&M contractors.

The documents must include a description of equipment, references, quantities of equipment installed, localization and suppliers' contacts, at a minimum, for the following elements:

- Furniture and layout
- Lighting equipment
- HVAC equipment
- Plumbing equipment

The inventories are part of the O&M Manuals, of which templates are available at Appendix SM-1.3.

The documents are updated every time there is a permanent change and checked (and if needed updated) every 2 years.

Keeping updated documentation of electrical systems provides 1.5 points.

Keeping updated documentation of mechanical systems and plumbing provides 1.5 points.

Keeping an updated inventory of accessories, white goods (if not included in the electrical equipment) and furniture provides further 1 point.

SM-2.4 Socially responsible maintenance contracts (up to 3 points)

***Scoping**: Relevant only if these contracts are managed by Kering and only if local legislation regulates and makes employment accountable within social and professional insertion programs.*

***Who makes it**: to be requested to suppliers by the Brand's responsible for signing the O&M contracts.*

Minimum amount of insertion/integration hours (1 point per supplier)

Include an additional clause to contracts to promote the employment of persons in social and professional insertion (or integration) programs. These programs help people in need to re-enter the social and professional world by means of coaching and support to learn and understand social norms and rules, which helps them become independent of aids.

Ensure follow-up of the insertion clause and guarantee the achievement of a minimum of 5% labour insertion hours during site construction.

Each supplier involved in the construction work that ensures employment of people from social and professional insertion (or integration) programs brings one point, **up to 3 points.**

SM-3. METERING AND CONSUMPTION ANALYSIS (UP TO 7 POINTS)

SM-3.1 Calculation of real energy and water consumption key performance Indicators (up to 2 points)

***Scoping**: For all stores with energy and/or water meters, including utility meters.*

***Who makes it**: annual KPIs are already calculated by internal Kering people within the compilation of the environmental reporting, once a year around late February for the previous solar year. For doing more, this should be done, in order of preference:*

- *by an energy manager internal to Kering or to the Brand,*
- *by an external energy manager,*
- *by the O&M companies.*

Calculation and basic analysis of general energy key performance indicators (KPIs)

The following KPIs are calculated for the store for electricity and, if present, gas or other fuel used for store operation:

- Total kWh per month
- Total kWh per year
- kWh/m² per month
- kWh/m² per year

These KPIs are then compared with those of the previous year and month for the store, and to Kering and similar Brand stores. This analysis is performed is:

- Done on annual energy consumption (**0.5 points**)
- Done on monthly consumption, 12 times a year (**0.5 points**, additional to the previous)

Calculation and basic analysis of general water KPIs

The following KPIs are calculated for the store for water:

- Total m^3 per month
- Total m^3 per year
- m^3 water/m² surface per month
- m^3 water/m² surface per year

These KPIs are then compared with those of the previous year and month for the store, and to Kering and similar Brand stores. This analysis can be:

- annual (**0.5 points**)
- monthly (**0.5 points**, additional to the previous)

SM-3.2 Enhanced analysis of energy consumption (up to 2 points)

***Scoping**: For all stores having energy and/or water meters, including utility meters. If the site has no cooling/heating system managed by the store, cooling/heating analysis related credits are out of scope.*

***Who makes it**: in order of preference:*

- *an energy manager internal to Kering or to the Brand,*
- *an external energy manager,*
- *the O&M companies.*

***NOTE:** when the store has any utility contract, credits related to submetering and smart meters cannot be considered out of scope if the store does not have them. They can be installed on any existing store.*

The following KPIs are further assessed:

- kWh/m²/heating degree days (HDDs) during the heating season (**0.25 points**)
- kWh/m²/HDDs during the heating season, month by month (**0.25 points**)
- kWh/m²/cooling degree days (CDDs) during the cooling season (**0.25 points**)
- kWh/m²/CDDs during the cooling season, month by month (**0.25 points**)

These KPIs are then compared with those of the previous year and month for the store, and to Kering and similar Brand stores.

If the store has an interval meter for energy, the following analyses are done:

- Carpet plot of energy consumption (hour by hour/day by day throughout the year) (**0.5 points**)
- Correlation of external temperature, internal temperature and energy use (hour by hour minimum, along the year) (**0.5 points**)

SM-3.3 Enhanced analysis of energy consumption by energy use (up to 3 points)

***Scoping**: For all stores having energy and/or water meters, including utility meters. If the site has no cooling/heating system, cooling/heating analysis related credits can be considered irrelevant.*

***Who makes it**: in order of preference:*

- *an energy manager internal to Kering or to the Brand,*
- *an external energy manager,*
- *the O&M companies.*

***NOTE:** Credits related to submetering and smart meters cannot be considered irrelevant even if the store does not have them.*

The following KPIs are further assessed for heating and cooling consumption:

- kWh/m²/HDDs during the heating season, day by day (**0.5 points**)
- kWh/m²/CDDs during the cooling season, day by day (**0.5 points**)

These KPIs are then analysed throughout the year and compared to Kering and other similar Brand stores.

If the store has smart submetering, the following analyses are done:

- Carpet plot of energy consumption for lighting (hour by hour/day by day along the year), (**0.25 points**)
- Carpet plot of energy consumption for HVAC (hour by hour/day by day along the year), (**0.25 points**)
- Correlation of external temperature, internal temperature and energy use (hour by hour minimum, along the year) of energy consumption for heating and cooling (**0.5 points**)
- Use of smart functions of the BMS to monitor energy and water consumption on a daily basis (**1 point**)

SM-4. AUDITS AND RETRO-COMMISSIONING (UP TO 8 POINTS)

SM-4.1 Audits and retro-commissioning (up to 8 points)

***Scope**: DOS and large SIS, not relevant until the store is younger than 1 year after the last renovation*

***Who makes it:** an internal or external energy auditor.*

Commissioning (i.e. checking that everything is built as designed for the project and works as expected) is a key action after store construction to ensure smooth management, operational and environmental efficiency and high comfort levels for occupants and customers. Checking the procedures, the performance and operation of the store and the possibilities of improvement of equipment schedules and of energy, water consumption and waste management provides great opportunities of improving the store footprint and of developing a sound sustainability action plan for the store.

It is also the best way to assess the store design and store operation and management rating of the store.

Rechecking elements periodically is expected:

- 1 year after construction/realization
- Every three years thereafter, unless a new renovation or closure is planned in the following 3 years.

The score for this action lasts accordingly 3 years after the first year (if the store is younger than 1 year, then the topic is out of scope).

The full audit shall bring to the full compilation of the store design scorecard and the store operation and management scorecards and thus to the rating of the store, as indicated in appendix SM-1.2.

An audit is composed of these topics:

- Energy audit (**5 points**) as regards SM-1, SM-2, SM-3, SM-4, SM-5, and SM-8
- Water audit (**1 point**), assessing metered consumption and flow rates of taps and flushes,
- Cleaning practices assessment (**1 point**) (SM-6)
- Waste collection practices assessment (**1 point**) (SM-7 and eventually SM-8)

The auditor shall:

- provide advice on how to improve the sustainability practices and footprint of the store,
- produce the scorecards and rating as they found the store,
- provide the achievable rating, obtainable by introducing simple improvements in operation and management practices, and interventions with short payback (less than 3 years) and/or having a low implementation cost.

SM-5. GREEN POWER AND CARBON OFFSETS (7 POINTS)

SM-5.1 Green power and carbon offsets (7 points)

***Scope**: all stores*

***Who makes it**: Kering and Brand's sustainability department take care of this, where feasible.*

If the site has an electricity contract, modify the contract in favour of a contract that specifies the provision of 100% of the project's energy from green power, carbon offsets or Energy Attribute Certificates (e.g. GOs in Europe, RECs in the US and Canada, IRECs in most other countries of the world).

If the site doesn't have an energy contract, estimate the site's consumption and buy the corresponding amount of Energy Attribute Certificates.

In power grids electricity from all sources is mixed, and electrons are physically indistinguishable. While it is impossible to get energy from a green plant only when we are connected to the grid, it is possible to buy it on a mass balance through Energy Attribute Certificates (EACs). EACs are government, third- or second-party certified documents issued by renewable energy power plants for the amount of energy produced, that are traceable from their origin to the cancelation by any committed energy user.

Normally, Kering buys green energy contracts bundled to electricity contracts, when this is possible. Where this is not possible and any EAC is available, Kering can buy electricity from a utility and certificates from another supplier.

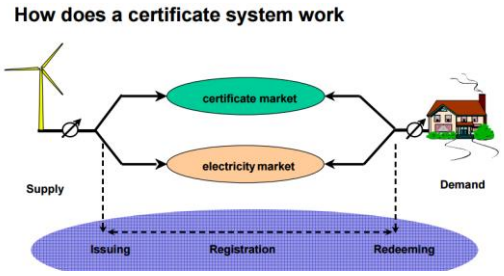

Exhibit SM-6. How Green Energy Certificates Work

SM-6. SUSTAINABLE CLEANING PRACTICES (UP TO 10 POINTS)

SM-6.1 Low-emitting materials (up to 5 points)

***Scope**: everywhere the store manages cleaning autonomously*

***Who makes it**: suppliers make this happen, provided that contracts are written and enforced properly*

Cleaning products (3 points)

Choose cleaning products without pictograms that identify the following risks: hazard, toxic, carcinogenic, mutagenic, or toxic for reproduction (carcinogenic, mutagenic, reprotoxic [CMR]), corrosive or harmful to the environment.

The following shows symbols to ban on product packaging.

Banned

If locally available, choose cleaning products with eco-labels specific to the country concerned. For example: UL Ecologo, Green Seal, EPA Safer Choice Standard, EU Ecolabel and NF Environment.

Best practices for cleaning (2 points)

The cleaning company is contractually committed to respect those ecological goals.

SM-6.2 Responsible sourcing of materials (up to 4 points)

***Who makes it**: suppliers make this happen, provided that contracts are written and enforced properly*

Everywhere the store manages paper, consumables and cleaning products autonomously.

***Who makes it**: suppliers make this happen, provided that contracts are written and enforced properly*

Paper (3 points)

Paper for toilets, towels and cleaning use is FSC (or PEFC) labelled and contains at least 60% recycled content.

Cleaning products and other supplies (1 point)

Purchase and use at least 20% (by cost) of cleaning products and other supplies from ISO 14 001 certified suppliers.

SM-6.3: Socially responsible cleaning and waste management contracts (1 point)

***Scoping**: Relevant only if these contracts are managed by Kering and only if local legislation regulates and makes employment accountable within social and professional insertion programs.*

***Who makes it**: to be requested to suppliers by the Brand's responsible for signing the O&M contracts.*

Minimum amount of insertion/integration hours in the cleaning contract (1 point)

Include an additional clause to construction contracts to promote the employment of persons in social and professional insertion (or integration) programs. These programs help people in need to re-enter the social and professional world by means of coaching and support to learn and understand social norms and rules, which helps them become independent of aids.

Ensure follow-up of the insertion clause and guarantee the achievement of a minimum of 5% labour insertion hours during site construction.

SM-7. SUSTAINABLE WASTE MANAGEMENT (UP TO 15 POINTS)

SM-7.1 Identification and inventorying (1 point)

***Scoping**: consider only if the store manages waste (i.e. normally not corner stores and department stores).*

***Who makes it**: the Brand facility management and/or the sustainability department, with the help of the store manager. A consultant can support.*

Major waste categories are identified, and areas are individuated for storage and recycling.

SM-7.2 Reduction and reuse strategy (up to 2 points)

***Scoping**: consider only if the store manages waste (i.e. normally not corner stores and department stores).*

***Who makes it**: the Brand facility management, HR and/or the sustainability department, with the help of the store manager. A consultant can support.*

Transportation packaging is reused whenever possible (for B2B transfers for example) (**0.5 points**).

Disposable products are avoided and a cup (**0.5 points**) and a reusable water bottle (**0.5 points**) are provided to each employee.

Beverage machines have a “no glass” option (**0.5 points**) (*scoping: only if the store has vending machines*).

SM-7.3 Recycling strategy (9.5 points)

***Scoping**: consider only if the store manages waste (i.e. normally not corner stores and department stores).*

***Who makes it**: the responsible for waste management of the store, with the help of the store manager. The Brand facility management and/or the sustainability department, can support.*

Waste bin locations and indications (up to 2.5 points)

Areas designed for storing waste fractions (recyclable and not) shall be defined at the design stage, following this organization:

- Sales area – or close to it: paper, plastics and residual fraction (**0.2 points**)
- Kitchen/break area: paper, plastics, organic, glass and residual fraction (**0.2 points**)
- Printer area: paper, printer cartridges, batteries and residual fraction (**0.2 points**)
- Bathrooms and toilets: paper and residual fraction (**0.2 points**)
- Storage area: paper, paperboard, plastic films and generic waste (**0.2 points**)

- Bins and colour code: the materials for disposal in each bin are clearly indicated on the bin. Each fraction is marked by the colour of the bin (or of its top) which is, where possible, the same colour as used locally for selective waste collection (e.g. in Paris yellow baskets are used for paper, plastic packaging and metals, white baskets are used for glass and green baskets for the rest; in Milan green baskets are used for glass, yellow ones for metals and plastics, brown ones for organic (food) waste, white ones for paper and cardboard and another one for the rest) (**0.5 points**)
- The recycling of waste follows at least the same grouping of materials and the same local municipal waste collection colour codes (**1 point**)

Waste recycling (up to 4.5 points)

The following waste fractions are collected for recycling:

- Paper and paperboard, together or separately (**1.5 points**)
- Plastic packaging and consumables (separately or together with metals and/or glass) (**1 point**)
- Metals (separately or together with plastics and/or glass) (**0.5 points**)
- Glass (separately or together with metals and/or plastics) (**0.5 points**)
- Organic waste (**0.5 points**)
- Hangers (**1 point**) *(not relevant for jewellery and watches stores)*
- Batteries (**0.5 points**)
- Printer cartridges (**0.5 points**)

Waste measurement campaign (2.5 points)

The site performs at least one waste measurement campaign every 3 years, defining weights by fractions within one cleaning shift.

SM-7.4: Socially responsible waste management contracts (1 point)

***Scoping**: relevant only if these contracts are managed by Kering and only if local legislation regulates and makes employment accountable within social and professional insertion programs.*

***Who makes it**: to be requested to suppliers by the Brand's responsible for signing the waste management contract*

Minimum amount of insertion/integration hours in the waste collection contract (1 point)

Include an additional clause to contracts to promote the employment of persons in social and professional insertion (or integration) programs. These programs help people in need to re-enter the social and professional world by means of coaching and other support so they learn and understand the social norms and rules, which helps them become independent of aids.

Ensure insertion clause follow-up and guarantee that at least 5% of the total number of manpower hours during site construction should be insertion hours.

SM-8. MANAGEMENT

SM-8.1 Environmental management (up to 8 points)

***Scoping**: relevant only if these contracts are managed by Kering and only if local legislation regulates and makes employment accountable within social and professional insertion programs.*

***Who makes it**: to be requested to suppliers by the Brand's responsible for signing the O&M contracts.*

Sustainable leadership (1 point)

The store manager, or any store employee appointed for this is responsible for monitoring sustainability actions and involving the entire staff. She/he is responsible for promoting the 10 Best Practices for Store Sustainability (see Exhibit SM-7) to employees and for sharing progress.

Sustainability action plan (4 points)

Every year, each store defines at least 3 environmental priorities in line with the golden rules and/or indicated as possible improvements by the last Standard audit.

They shall be clearly communicated to employees and regular reminders sent.

An official document exists and is communicated to the sustainability lead, reporting on the targets and the advances on them.

Printing paper and other supplies (3 points)

Paper is consumed only when necessary, and a policy is in place to print black and white, double page printed. Ecologic products are chosen for consumables purchases.

Kering's 10 Best Practices for Store Sustainability

1. Involve the entire staff in sustainability actions
2. Meter and monitor electricity consumption
3. Coordinate HVAC use with store hours of operation
4. Switch off store lighting at night
5. Respect the "waste hierarchy" in all operations: avoid and reduce, reuse, recycle, recovery and disposal
6. Separate waste at store level
7. Use a waste company that offers comprehensive recycling options
8. Implement responsible procurement practices for paper, cleaning supplies, dry cleaning, food and beverages
9. Carry out maintenance regularly
10. Communicate environmental requirements to maintenance and cleaning service staff and provide training where necessary.

Exhibit SM-7. Kering's 10 Best Practices for Store Sustainability

APPENDIX SM-1. TOOLS, TEMPLATES, CLAUSES AND SPECIFICATIONS FOR IMPLEMENTING THE KERING STANDARD FOR STORE PLANNING

List of tools, templates, clauses and specifications

Appendix SM-1.1 Procedure for Store Operation and Management

Appendix SM-1.2 Store Operation and Management scoring tool

Appendix SM-1.3 O&M Manuals templates

Appendix SM-1.4 Template O&M Registry

Appendix SM-1.5 Kering Standard for operation and management into contract clauses

Appendix SM-1.1 Procedure for Store Operation and Management

Scope of the Procedure

Define the structure of the operational and maintenance practices of the sites of the Brand, for part of them or even for the single store. This is the operational document clarifying who makes what for the given Brand/Brand group of sites/Brand store. It supports accomplishing the “Step 0” indicated in the introduction of this standard manual, at paragraph SM-i.4.

1. Language

The final edition of this procedure will be both in English and in every local relevant language, to allow maintenance contractors to compile documentation. The compilation and verification of the table can be supported by internal and/or external staff to the Kering Group.

2. Roles and responsibilities

Within the Brand/Brand’s group of sites/Brand single store, this table shall be completed indicating the department, role, contact name, phone and email of a first contact person and of a second one.

Issue/Topic	Store operation and management standard section	Procurement (who draws up the contract)	Internal technical manager (who manages the topic internally)	External supplier (providing the service)
O&M documentation - add rows if different suppliers provide different maintenance services	**SM-1, SM-2.3, SM-4,**			
O&M specifications (who writes and verifies the technical specifications of O&M contract) - add rows if different suppliers provide electric, mechanical and plumbing maintenance	**SM-1, SM-2.3, SM-4,**			
O&M control (assessment of the quality of the service) - add rows if different suppliers provide electric, mechanical and plumbing maintenance	**SM-1, SM-2.3, SM-4,**			
Metering and consumption analysis	**SM-3, SM-8**			

O&M audits				
Cleaning				
Waste collection				
Environmental management				
Sustainability action plan				
Consumables supplies				
Utility contracts	**SM-3**			
Store manager	**All**			
Facility manager	**All**			
Energy manager	**SM-1, SM-2, SM-3, SM-4**			

3. Flow of information

All documents developed by the external supplier must be completed and sent to the internal technical manager and financial manager, and in copy to the sustainability manager.

- **Format**: all documents must be provided in non-protected Word and PDF or other format indicated by Kering;
- **File name**: Annex 1_Template O&M Manual_Rev_Date_Store_Location;
- **Archiving of documents**: save reviewed files ensuring that no previous versions of the files are deleted (e.g. Rename the files with new versions and store the previous copies). With each review, the annex to the document must be updated to keep track of all changes;
- **Recipients of the document**: send to SM, PO, FM and a courtesy copy to EM/SM.
- **Timing for O&M**:
  - Contract assignment: Contractor is required to submit the report filled in within 30 days;
  - Every 12 months: review of the document, if necessary;
  - One month before the contract termination: review of the document, if necessary.

4. Updates and archiving of O&M documents

Phase 0 – New installations: Before awarding the maintenance contracts, Annex 1 must be completed by the contractor that built the installations. In this specific case, the PO must include in the scope of supply a reference to the procedure set out in Annex 1.

Phase 1 – Bid for maintenance contracts award: when maintenance contracts are to be assigned, this Manual can be sent to the qualified companies by requesting an update or a new compilation of the document.

Contract Assignment: Maintenance companies will provide a sworn declaration of Annex 1 information as communicated during the bid phase. The sworn declaration will be part of the contract.

Contract Management: Based on the contract duration, maintenance contactors will update the document at least every 12 months and/or at the beginning and end of the contract if lasting 12 months or less.

Contract termination: Even in the case of new award to the same previous contractor, the contractor will be required to update the document to return all systems to the property.

Documents archive: each store must register, store, and update at least the following documents:

- Maintenance contracts
- Manual
- Registry
- Plants' diagrams
- Scorecard and assessment of any possible quick wins
- Audit reports if any

5. Structure of the maintenance manual

Refer to the compilation of Appendix SM-1.3 as follows:

- Chapter numbering must remain the same without any modification to the document's structure
- If a shop does not have the applicable type of system, the chapter must not be deleted, and the statement "Not applicable" added
- The document should only have the annexes as listed in the next chapter 'Annexes' (see below).

6. Procedure for securing and maintenance installations

To preserve the efficiency of mechanical systems and avoid increases in maintenance costs, the MS shall coordinate non-routine maintenance in stores to avoid wear and tear or alteration of the cleanliness of the systems involved. It will be up to MS to evaluate in each instance how many and which contractors to involve in a short meeting with relevant stakeholders in order to preserve the store's facilities. For example, in the case of carpentry work on a part of the store, the mechanical maintenance contractor must be appropriately involved to isolate the part of the system concerned and switch it off to ensure dust generated by the intervention will not damage the air conditioning system. The system will then be cleaned and restarted after the intervention.

Appendix SM-1.2 Store Operation and Management scoring tool

This tool permits to assess the project alignment against the Kering standard for store planning and construction. It consists of 6 spreadsheets:

- The cover sheet;
- The sheet "**Store General data"**, requesting the user to indicate the main data of the project (date, brand, project name, address, country, store type, if the store is a new project or a renovation, surface, climate zone, main responsibles, physical and/or virtual location of the storage of data and documents of the project);
- The sheet "**Store Design_tool**", made to assess the physical features of the store. It touches at each row all the titles of issues, topics and subtopics coherently with the manual of the "Kering standard for store operation and management" (warning-not this document! A copy is provided below in this appendix), which is the guidebook for compiling it. There is one sole difference on the topic SP-12.1: here the energy consumption KPI are based on the real store energy consumption, whereas in store planning they come from a simulation.
  The table resembles the ones used for assessing the score in LEED projects. The first column proposes a drop-down menu on each line where a choice can be done, the following ones report the points obtained by the project, the pending points, the maximum achievable within project's scope, and the maximum points assigned in general by the standard (including those non in project scope). Finally, columns F and G report the issue/topic/subtopic title.
  For each choice that may attribute points or not or be out of scope, the user can choose among four possibilities, i.e. "Yes", "No", "Out of Scope", "Pending" or "not assessed":
    - "Yes" means that the requirement is relevant to the project and satisfied by the design and construction choices done; when the user types "yes", the related score is considered within the maximum achievable score and attributed to the project,
    - "No" means that the requirement is relevant to the project but not satisfied by the design and construction choices done; when the user types "no", the related score is considered within the maximum achievable score and not attributed to the project,
    - "Out of scope" means that the requirement is not relevant to the project (e.g. ventilation in an open airport store, or waste management in a department store)
    - "Pending" means that a choice on the requirement has not yet been taken, as not yet clear at the stage of development of the project. In terms of score, pending points are considered as "No".
    - "Not assessed" means that the requirement could not be assessed, either because there is no physical or documental evidence of the fact that this feature is respected or because the scorecard is done by an auditor that does not consider the topic within their scope of work (e.g., assessment of waste management for an external energy auditor contracted only to assess energy topics). In terms of score, pending points are considered as "No".

  The user only has to make his choices in column A. The "Pending" choice is meant as a provisional one during project development. The file related to a project is expected to evolve from the project beginning to its end with the number of "Pending" points gradually becoming "Yes", "No" or in a few cases "Out of Scope" (as described in the document introduction, deciding whether something is in scope or out of scope should be the first thing to clarify).

In order to ease compilation, the rows where a choice has to be done are written with red characters, whereas the other are in black.

- The sheet "**store design rating**" provides a summary of what is achieved by the store and provides the indication of the obtained rating.
  Nothing must be written here, it is a simple summary providing an overview of how the project scores, how much is still pending and where are, issue by issue, the areas where the project is closer to the best possible result in scope and those where it is weaker.
- The sheet "**O&M_tool**", made to assess the O&M practices of the store. It touches at each row all the titles of issues, topics and subtopics coherently with this document, "Kering standard for store operation and management", which is the guidebook for compiling this.
  The first column proposes a drop-down menu on each line where a choice can be done, the following ones report the points obtained by the project, the pending points, the maximum achievable within project's scope, and the maximum points assigned in general by the standard (including those non in project scope).
  Finally, columns F and G report the issue/topic/subtopic title.
  For each choice that may attribute points or not or be out of scope, the user can choose among four possibilities, i.e. "Yes", "No", "Out of Scope", "Pending" or "not assessed":
    - "Yes" means that the requirement is relevant to the project and satisfied by the design and construction choices done; when the user types "yes", the related score is considered within the maximum achievable score and attributed to the project,
    - "No" means that the requirement is relevant to the project but not satisfied by the design and construction choices done; when the user types "no", the related score is considered within the maximum achievable score and not attributed to the project,
    - "Out of scope" means that the requirement is not relevant to the project (e.g. ventilation in an open airport store, or waste management in a department store)
    - "Pending" means that a choice on the requirement has not yet been taken, as not yet clear at the stage of development of the project. In terms of score, pending points are considered as "No".
    - "Not assessed" means that the requirement could not be assessed, either because there is no physical or documental evidence of the fact that this feature is respected or because the scorecard is done by an auditor that does not consider the topic within their scope of work (e.g., assessment of waste management for an external energy auditor contracted only to assess energy topics). In terms of score, pending points are considered as "No".

  The user only has to make his choices in column A. The "Pending" choice is meant as a provisional one during project development. The file related to a project is expected to evolve from the project beginning to its end with the number of "Pending" points gradually becoming "Yes", "No" or in a few cases "Out of Scope" (as described in the document introduction, deciding whether something is in scope or out of scope should be the first thing to clarify).
  In order to ease compilation, the rows where a choice has to be done are written with red characters, whereas the other are in black.
- The sheet "**O&M rating and summary**" provides a summary of what is achieved by the O&M practices in force at the store and provides the indication of the obtained rating.
  Nothing must be written here, it is a simple summary providing an overview of how the project scores, how much is still pending and where are, issue by issue,

the areas where the project is closer to the best possible result in scope and those where it is weaker.

To access the tool, please double-click on the following link:

Kering%20Standard-store_OM%20Tool%2

For quickly accessing to the Kering standard for store planning and construction (reference document for the store design assessment), please double click below:

Kering%20Standard%20for%20Store%20

Appendix SM-1.3 O&M Manuals templates

The files attached below provide the templates of the O&M manual:

- For Mechanical systems and plumbing,
- For electrical systems.

It is suggested to start from them for developing these documents, although if the Brand prefers another one there is no obligation to follow them. In order to obtain the maximum alignment with the Kering standard and the maximum possible score, it is anyway suggested to go through this guidebook (in particular through chapter SM-1) and check that the manual contains all the features relevant for the store indicated within this standard.

Double click on the below icon to open the O&M manual template for mechanical systems and plumbing:

O&M%20Manual-me
chanical%20systems.d

Double click on the below icon to open the O&M manual template for electric systems:

O&M%20Manual-Ele
ctrical%20systems.do

Appendix SM-1.4 Template O&M Registry

The files attached below provide the templates of:

- The O&M registry,
- The Intervention data sheet.

It is suggested to start from them for developing these documents, although if the Brand prefers another one there is no obligation to follow them.

The templates are the same for any intervention about mechanical systems, electrical systems or plumbing; separate registries shall be created and kept for different suppliers.

The first document shall be updated – possibly in electronic form – by the supplier at any intervention, and shared electronically with the contract responsible for the Brand or for Kering, to keep trace of its evolution.

The second document provides more detail for the single intervention, and shall be completed for all non-elementary, self-explaining interventions. It also has to be shared, possibly electronically, with the brand/Kering at every intervention.

Double click on the below icon to open the O&M registry:


Kering-Template%20
O&M%20Maintenanc

Double click on the below icon to open the O&M manual template for mechanical systems and plumbing:


Kering-Template%20
O&M%20Maintenanc

Appendix SM-1.5 Kering Standard for Store Operation and Management into contract clauses

The attached document provides indications on how to put the Kering standard for store operation and maintenance into contract clauses with:

- O&M suppliers for Mechanical systems, plumbing and electrical systems.
- Waste collection and recycling
- Cleaning

As the situation is different between stores and locations, the clauses cannot be rigidly the same everywhere. Due to this, the document explains for each contract:

- the things to be set up, within a foreword to each of the three types of services,
- proposes a strategy to implement the standard in the best possible way for the specific store,
- indicates the clauses, with an increasing level of alignment with the standard where is the case.

Everywhere there are possible choices or topics to adapt to the specific store situation, these are highlighted.

Please double click to the link below to open the document:

Kering%20Standard
%20Store%20manage

APPENDIX SM-2. GLOSSARY

AFUE: *Annual Fuel Utilization Efficiency*, a thermal efficiency measure of space-heating devices.

AHU: *Air Handling Unit* or air handler, in French *Centrale de Traitement d'Air (*CTA), in Italian UTA (*Unità di Trattamento Aria*). It is a device used to regulate and circulate air as part of a heating, ventilating, and air-conditioning (HVAC) system. An air handler is usually a large metal box containing a blower, heating or cooling elements, filter racks or chambers, sound attenuators, and dampers. Air handlers usually connect to a ductwork ventilation system that distributes the conditioned air through the building and returns it to the AHU. Sometimes AHUs discharge (supply) and admit (return) air directly to and from the space served without ductwork.

AI: *Artificial Intelligence*

ATU: *Air Treatment Unit*, see AHU

AMCA 205: Standard on efficiency of fans and ventilation systems from AMCA, the *Air Movement and Control Association*: http://www.amca.org/UserFiles/file/AMCA%20205-10%20(Rev_%202011).pdf

ASHRAE: *American Society of Heating, Refrigerating and Air-Conditioning Engineers*. The ASHRAE standards are the most important reference standards on Heating, Ventilation and Air Conditioning & Refrigeration (HVAC&R), used at global level.

BEAM: *BEAM Plus* is a sustainability certification scheme developed in Hong Kong by the Hong Kong Green Building Council (HKGBC). It is quite well-used within Hong Kong, but not outside of it.

BMS: *Building Management Systems,* these systems allow local and centralized monitoring and active management of all systems of a building or of a part of it, therein including lighting, heating, air conditioning, ventilation, lifts, gates, IT and any other technological system of the structure. They can cover a larger or smaller scope, and greatly improve the possibility of management and maintenance of a building.

BREEAM: *Building Research Establishment Environmental Assessment Method*, it is the world's longest established method of assessing, rating, and certifying the sustainability of buildings first published by the Building Research Establishment (BRE) in 1990 in the UK. Despite being the oldest system and being very flexible, it used far less at the international level then the American LEED protocol.

CASBEE: *Comprehensive Assessment System for Built Environment Efficiency*. It is a sustainability certification scheme developed in Hong Kong by the Japan Green Building Consortium (JGBC). It is quite often used within Japan, but not outside of it.

CDD: *Cooling Degree-Day*. It considers the difference of temperature during 1 day and a reference temperature (in the USA, this is 18°C) during the hot season. The sum of the degree-days along the season provides an indication of the need of seasonal cooling, and can be correlated with a building or store's energy demand.

CDP: *Carbon Disclosure Project*, is an organization to which companies (and cities) report on their impacts on carbon, water and forests.

CFC: *Chlorofluorocarbons,* are fully halogenated paraffins, a family of chemical compounds made of chlorine, Fluorine and Carbon only that were once very used for refrigeration and other purposes. They are the main responsible of the depletion of the ozone layer in the upper atmosphere and powerful Greenhouse Gases, and started being gradually banned from the early '90s within the framework of the Montreal Convention, the international agreement on the contrast of the Ozone Hole.

CMR: a chemical substance that is *Carcinogenic, Mutagenic, or Toxic* for reproduction.

COP: within the document the acronym COP refers to the *Coefficient of Performance*, that measures the energy efficiency of air conditioning systems and heat pumps in heating mode as the ratio between heating energy produced and input energy. This value is normally between 2 and 3 (these systems do not convert energy into heat or cooling, but pump heat from a colder area to a hotter one) in common systems, but can be much higher for efficient systems.

COP21: within the world of international climate agreements, the COPs are the *Conferences of Parties*, i.e. the yearly meetings of the United Nations Framework Convention on Climate Change (UNFCCC). The COP3, held in Kyoto in 1997, ended with the signing of the Kyoto Protocol, which first set some binding commitments to the signing countries. The COP21 was held in Paris, and was concluded with the Paris Agreement, in which the signatory countries agree on a set of commitments aimed at keeping the global temperature increase due to climate change of the planet below 2°C.

DALI: Digital Addressable Lighting Interface (DALI) is a trademark for network-based systems that control lighting in building automation, allowing to control and regulate lighting. It is based on an open protocol, and functionally equivalent to a BMS (Building Management System) based on an open protocol.

DOS: *Directly Operated Store*. These are the typical free-standing stores in city centres. In these stores, the shop typically directly manages all the electric and mechanical systems needed for its operation, as well as maintenance, cleaning and waste management services.

EAC: *Energy Attribute Certificate,* a publicly, second- or third-party verified certificate system that certifies that a certain amount of energy is produced by a certain power plant, and that can be sold and bought by producers, traders, distributors until the final user. It allows a user to claim, for example, that the energy they use comes from renewable sources if they or their energy distributor cancel an amount of EACs from renewable power plants corresponding to the user's total energy consumption. EACs include the European system of GOs, the North American REC system and the international iREC system.

EER: *Energy Efficiency Ratio*, is the equivalent of COP for machines (heat pumps, refrigerators and air conditioners) working in cooling mode.

EMS: *Energy Management System* or *Energy Monitoring System*. EMS systems are constituted by smart meters measuring electricity (from the main lines and typically for areas of the controlled site(s), and by final use – e.g. lighting, IT, boilers, heating, ventilation), heat, cooling, water flows, temperatures, a communication architecture, a data storage system and an analysis software with several functions allowing tracking of consumption with time, checks of consumption of the site(s) and its parts under similar conditions in different times, automated reporting and several tools allowing to easily detect inefficiencies, maintenance needs and saving opportunities.

EPA: *U.S. Environmental Protection Agency*

EP&L: The *Environmental Profit & Loss* account (EP&L) is a tool, developed by Kering, that allows a company to measure in € value the costs and benefits it generates for the environment, and in turn make more sustainable business decisions.

FCEER: *Fan Coil Energy Efficiency Ratio*, in cooling mode (W/W). It is the EER for air conditioning terminal units.

FCCOP: *Fan Coil Coefficient of Performance*, in heating mode (W/W) It is the COP for air conditioning terminal units.

FEG: *Fan Efficient Grade*

Fs: *Solar Factor*

FSC: *Forest Stewardship Council*, an international multi-stakeholder organization promoting sustainable and responsible forest management. FSC certified wood comes from responsibly managed forests.

GHG: *Greenhouse Gas*, the gas responsible for the ongoing global warming of the planet. The main GHG is CO_2, carbon dioxide, but there are several others, six of which are currently regulated by the UNFCCC.

GHGs: see GHG.

GO: *Guarantee of Origin* - represents one megawatt hour of electricity from a renewable resource. European version of a Renewable Energy Certificate (REC), currently available within 20 European countries. GOs are Energy Attribute Certificates and their emission and control is done by the national Transmission System Operator (TSO) managing the electric grid.

GWP: *Global Warming Potential* – a measure of how much energy the emissions of 1 ton of a gas will absorb over a given period of time, relative to the emissions of 1 ton of carbon dioxide (CO_2). Allows comparisons of the global warming impacts of different gases. The larger the GWP, the more that a given gas warms the Earth compared to CO_2 over that time period. The time period usually used for GWPs is 100 years. Relevant GWPs include methane (CH_4) at 28–36 over 100 years, R-410A, at 2088, R-134A at 1430, R-32 at 675, and HFO at 4.

HDD: *Heating Degree Day.* It considers the difference of temperature during one day and a reference temperature (in the USA, this is 18°C) during the cold season. The sum of the degree-days along the season provides an indication of the need of seasonal heating, and can be correlated with a building or store's energy demand.

HQE: *Haute Qualité Environnementale,* is a sustainability certification scheme developed in France by the Association française de normalization (AFNOR). It is quite frequently used within France, but not often outside of it.

HFC: *Hydrofluorocarbons,* are partially halogenated paraffins, a family of chemical compounds made of Hydrogen, Fluorine and Carbon that do not contribute to the problem of ozone depletion and are hence used to replace CFCs and *Hydrochlorofluorocarbons* (HCFCs) which do. They are powerful greenhouse gases, and according to the Montreal Convention (the international agreement on the Ozone Hole), they will gradually be phased out, starting from those with the largest global warming potentials.

HVAC: *Heating, Ventilation and Air Conditioning* is the technology of indoor and vehicular environmental comfort. Its goal is to provide thermal comfort and acceptable indoor air quality. "Refrigeration" is sometimes added to the field's abbreviation, as HVAC&R or HVAC&R.

Illuminance: this is the total luminous flux incident on a surface, per unit area. It is a measure of how much the incident light illuminates the surface, wavelength-weighted by the luminosity function to correlate with human brightness perception. In SI derived units, illuminance is measured in lux or lumens per square meter (cd·sr·m−2). The foot-candle is a non-metric unit of illuminance, most commonly used by lighting professionals and in photography.

I-REC: *International Renewable Energy Certificate*. Each I-REC represents proof that one MWh of renewable energy has been produced and embodies the environmental benefits that amount of renewable energy has generated. Similar to REC system in North America.

GC: General Contractor

LPG: *Liquified Petroleum Gas*

Multi-split: a multi-split system uses one external condensing unit/heat pump connected by refrigerant pipework to several indoor cooling/cooling and heating unit.

LED: *Light-Emitting Diode,* light source using electroluminescence to produce light 90% more efficiently than incandescent light bulbs.

LEED: *Leadership in Energy and Environmental Design*, the sustainability certification scheme developed in America and used around the world.

NGOs: *Non-Governmental Organizations*

O&M: *Operations and Maintenance*

OLED: *Organic Light-Emitting Diode,* a light-emitting diode (LED) using an organic compound to emit light in response to an electric current. Used in digital displays such as television screens.

PCB: *Polychlorinated Biphenyl,* a carcinogenic group of man-made organic chemicals consisting of carbon, hydrogen and chlorine atoms used in hundreds of industrial and commercial applications. Heavily restricted due to environmental persistence and toxicity.

PCT: *Polychlorinated Terphenyls,* a carcinogenic group of man-made organic chemicals consisting of carbon, hydrogen and chlorine atoms used as a substitute for PCBs. Heavily restricted due to environmental persistence and toxicity.

PEFC: *Programme for the Endorsement of Forest Certification,* is an NGO promoting sustainable forest management through third-party certification.

PVC: *Polyvinyl Chloride,* widely-used synthetic plastic polymer known to cause cancer, reproductive, development and immune problems. Kering has banned the use of PVC.

REC: *Renewable Energy Certificate.* Represents one megawatt hour of electricity from a renewable resource

SIS: *Store Within a Store*

SBT: *Science-Based Target*, science-based emissions reduction target, promoted by a joint initiative of CDP, UNGC, WRI, and WWF

SDS: *Safety Data Sheet*, used to communicate hazards of chemical products

U-value: measures the effectiveness of a material as an insulator, as known as thermal transmittance

UL: *Underwriters Laboratory*

UN Global Compact: A United Nations initiative to encourage businesses to adopt sustainable and socially responsible practices

VOC: *Volatile Organic Compound*, an organic compound that easily becomes a vapor or gas and is toxic to humans or animals when inhaled

VRF: *Variable Refrigerant Flow*, also known as Variable Refrigerant Volume (VRF) is an HVAC technology using refrigerant as the heating and cooling method

VRV: *Variable Refrigerant Volume* (see VRF)

WRI: *World Resources Institute*, a non-profit promoting environmental sustainability, economic opportunity, and human health and well-being

WWF: *World Wildlife Federation,* NGO promoting wildlife conservation and protection of endangered species