

K E R I N G



REPORT ON THE COMBINED GENERAL MEETING OF APRIL 27, 2023

The Combined General Meeting of Kering (the “**Company**”) was held on Thursday, April 27, 2023, at 3 p.m., at the Company’s headquarters, 40 rue de Sèvres, 75007 Paris.

Shareholders were able to attend the Annual General Meeting in person and also follow the meeting *via* a live video webcast on the Company’s website:

<https://www.kering.com/en/finance/shareholders-information/annual-general-meeting/>.

The Annual General Meeting was chaired by François-Henri Pinault, Chairman and Chief Executive Officer. Jean-François Palus, Group Managing Director and Eric Sandrin, Group General Counsel and Secretary of the Board of Directors, sat next to him on stage.

Artémis, represented by Caroline de Villerooy, and the FCPE KeringForYou (company mutual funds), represented by Jennifer Parfait, acted as scrutineers. Eric Sandrin acted as secretary of the Meeting.

The quorum was established at 82.91%.

After the opening of the Annual General Meeting by François-Henri Pinault, Eric Sandrin recalled the legal formalities carried out prior to the Meeting and the agenda on which shareholders were called to vote.

Presentation of François-Henri Pinault, Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer began his prestation with an overview of the year 2022, marked by record sales and a Group revenue exceeding €20 million for the first time. He emphasized the Group’s robust performance while noting that it was “not uniformly up to our ambitions and potential”.

He then commented on various indicators for FY2022:

- revenue, up sharply compared to 2021;
- recurring operating income also up significantly;
- net profit attributable to the Group of good quality; and
- free cash flow generation remaining substantial.

The Group’s extra-financial performance is also making steady progress, as evidenced by the improvement of the EP&L, the Group’s inclusion in the Dow Jones Sustainability Index for the past ten years and the recognition by the CDP of the Group’s actions toward climate change.

The Chairman and Chief Executive Officer then commented on the strategy of each of the Houses:

- Gucci posted record revenue of €10.5 billion in 2022. Several projects have been initiated to further strengthen the House’s fundamentals and accelerate its upward

trajectory, including the appointment of a new Creative Director, Sabato De Sarno, whose first collection will be presented in September 2023;

- Saint Laurent' sales rose above the €3 billion barrier, while its recurring operating income exceeded €1 billion;
- Bottega Veneta's results are also on a very positive trajectory, with a 2022 revenue of €1.7 billion and a growing recurring operating margin;
- Balenciaga performed very well, before the unfortunate incident that marked the end of the year. François-Henri Pinault expressed his confidence that the House will regain its momentum, thanks to its creative and singular vision and the bold balance between heritage and modernity that characterizes its creations;
- Alexander McQueen continued to grow;
- Brioni confirmed its rebound;
- Jewelry Houses also made remarkable progress: Boucheron posted steady growth in both high jewelry and fine jewelry; Pomellato achieved brilliant results in Western Europe and Japan; and Qeelin, which is exposed to Chinese market, grew at a rapid pace;
- Kering Eyewear's 2022 revenue broke through the billion-euro mark to €1.1 billion and, most recently, in March 2023, completed the acquisition of French manufacturing company UNT (*Usinage & Nouvelles Technologies*).

The Chairman and Chief Executive Officer concluded his presentation with the following words: *"We cultivate the desirability and exclusivity of our brands, so that their positioning is commensurate with their heritage and creativity."*

Presentation of the FY2022 financial results by Jean-François Palus, Group Managing Director

The Group Managing Director commented on the 2022 financial indicators discussed by the Chairman and Chief Executive Officer:

- Group revenue reached a record level of €20.4 billion, up 15% as reported and 9% on a comparable basis relative to 2021, benefiting from a balanced distribution especially between the Group's three main regions: Asia Pacific (33%), Western Europe (27%) and North America (27%);
- Recurring operating income has also reached a record level of €5.6 billion in 2022, up 11% compared to 2021;
- The recurring operating margin was 27.5%, down 0.9 points, due notably to investments in the Houses to support long-term growth;
- The Group's balance sheet and financial situation were very robust, with sustained generation of free cash flow from operations at €3.2 billion, albeit at a slightly lower level than in 2021, and a high level of CAPEX which represented 5.3% of revenue, *i.e.* €1.1 billion;
- Net financial debt stood at €2.3 billion at the end of the year, reflecting, among other things, the strengthening of the Kering Eyewear portfolio with the acquisition of Maui Jim.

The Group Managing Director then commented on performance by distribution channel and by region in 2022.

Sales from directly operated stores and e-commerce sites increased by 10% on a comparable basis relative to 2021. They represented 78% of the Houses' revenues in 2022. Wholesale and other revenues also rose slightly (6% on a comparable basis relative to 2021), mostly driven by Kering Eyewear and by the growth of royalty revenue from licenses. For the Houses, Wholesale revenue fell by 1% relative to 2021. This is in line with the strategy aimed at streamlining this distribution network, reflecting the desire of the Group's Houses to control

their distribution more effectively by growing their own network of directly operated stores and focusing on using the highest-quality distributors.

With regard to performance by region, the Group Managing Director described the year 2022 as a “year of contrasts”, the main regions performing unevenly compared with 2021, but all ahead the levels of 2019:

- Western Europe showed the most significant growth compared to 2021, driven by robust domestic demand combined with an upturn in tourist numbers especially from the United States, the Middle East and Asian countries excluding China;
- In Japan, revenue was up 25% at constant exchange rates relative to 2021, driven by the success of the Houses with local customers and the reopening of the country at the end of the year to tourists who benefited from the relatively weak Yen;
- Comparable growth in North America was limited to 4% relative to 2021 but on a high basis of comparison (81% compared to 2019). Performance in the second half of the year was affected by American customers shifting their purchases to Western Europe, and by weaker domestic demand against a backdrop of higher inflation;
- In Asia-Pacific, comparable growth was down 7% relative to 2021. The decline was solely due to China, where sales were adversely affected by the country’s zero-covid policy almost throughout the year, including in the fourth quarter. In the other main markets in the region, the Group’s sales increased.

The Group Managing Director then detailed the 2022 key figures for the Houses:

- Gucci’s 2022 revenue grew 8% year-on-year as reported and 1% at comparable exchange rates, affected by the weak Chinese market and a deterioration in US demand from a high base. The House’s sales rose above the €10 billion barrier. The main driver of store-based sales growth was the increase in average selling prices in line with the strategy aimed at elevating the House, resulting from changes in the product mix and price hikes. Leather Goods sales were buoyed by successful product launches and investments in improving the range of luggage and travel bags. The House completed the reorganization of its distribution, which led to a substantial reduction in the proportion of revenue coming from the wholesale business, which now represents only a small share of its total revenue. Gucci’s recurring operating income amounted to €3.7 billion and the recurring operating margin to 35.6%, down 2.6 points relative to 2021 due to a higher allocation of resources to clienteling activities, in-store events and an increase in the communication budget.
- Saint Laurent is fully realizing its ambitions. In 2022, the House’s sales rose above the €3 billion barrier, coming in at €3.3 billion. This represents growth of 31% as reported and 23% on a comparable basis. The House’s operating margin reached a record level in 2022 at 30.9% and recurring operating income exceeded €1 billion. This further improvement is in line with the House’s ambitions and demonstrates that Saint Laurent has achieved a critical size enabling it to capitalize on its operating leverage.
- Bottega Veneta posted record revenue of €1.7 billion in 2022, an increase of 16% as reported and 11% on a comparable basis. This reflects the success of the strategy implemented to develop the offer in all product categories, to rejuvenate and broaden the customer base and to raise brand awareness. Its operating margin also increased, reaching 21% in 2022.
- In 2022, revenue generated by the Other Houses grew 18% as reported and 16% on a comparable basis, reaching €3.9 billion. All Houses in this segment achieved revenue growth. Balenciaga’s performance was outstanding for most of the year, although the last quarter was less positive due to the consequences of the controversy over one of its media campaigns in certain markets. After a very solid start to the year, Alexander McQueen worked to bolster its market share by rebalancing its product range and prioritizing its retail network. Brioni’s revenue continued to recover, moving close to its

2019 figure and substantially higher at Brioni's directly operated stores. Boucheron's sales rose sharply, confirming the exceptional growth potential of this House. Revenue growth at Pomellato and Dodo was extremely robust. Qeelin's sales rose despite the weaker consumer environment in China where the brand has a strong presence.

- Kering Eyewear's sales were €1.1 billion euros, up 58% as reported. They included a positive impact from a change in scope, resulting from the consolidation of Lindberg from October 1, 2021 and Maui Jim from October 1, 2022. At constant scope and exchange rates, revenue rose by 27%, with the number of licenses managed by Kering Eyewear remaining stable relative to 2021. This constitutes an extremely solid growth. The recurring operating margin increased to 18.2% as a result of a positive operating leverage and also the accretive nature of the two aforementioned acquisitions. The "Corporate" sub-segment made a negative recurring operating income of €291 million in 2022 due to higher operating expenses and the effects of inflation which particularly affected payroll expenses.

The Group Managing Director then commented on the other components of net income (other non-recurring operating income and expenses, financial result, income tax expense, net income attributable to the Group). In 2022, net debt amounted to €2.3 billion vs. €168 million in 2021, mainly due to the acquisition of Maui Jim during the second half of the year as well as the increase in shareholder return, including more than €1.5 billion in dividend paid.

He recalled that shareholders are asked to approve the distribution of a dividend of €14 per share for 2022, a level that is 17% higher than in 2021 and 20% higher on an average since 2015, demonstrating the Group's confidence in maintaining sustained cash generation in the future.

Then he highlighted the uncertain context in which the markets have been evolving since the beginning of the year 2022, notably due to concerns about the war in Ukraine, inflationary pressures and the evolution of the health situation in certain regions of the world. Kering's share price reflected these uncertainties.

The Group Managing Director presented the key highlights for the first quarter of 2023:

- Kering's revenue for the first quarter of 2023 amounted to €5.1 billion, up 1% on a comparable basis relative to 2022 and 1% as reported;
- Sales in the directly operated retail network grew 4% on a comparable basis, with all the Group's Houses contributing. Growth was driven especially by good momentum in Western Europe and Japan. North America was down, while Asia-Pacific returned to growth thanks to the gradual recovery of the Chinese market;
- *Wholesale and other* revenue were down 10% on a comparable basis, as part of the ongoing rationalization of this distribution channel.

To conclude, the Group Managing Director stressed out that the strategies to raise the profile of the Group's brands are bearing fruit, notably with the success of recent fashion shows and targeted, high-visibility communications campaigns.

A video reflecting the spirit of the Group and its Houses was shown.

The Chairman and Chief Executive Officer took the floor again and presented the various actions implemented by the Group to share value with its stakeholders: suppliers, employees, shareholders and the society.

Then, a video on the Epiterre project, supported by the Regenerative Fund for Nature created by Kering and deployed in the heart of the Causses du Quercy regional nature park, was shown.

Presentation of Marie-Claire Daveu, Chief Sustainability and Institutional Affairs Officer

Marie-Claire Daveu reminded the audience of the creation in 2022 of a Sustainable Finance Department in charge of overseeing the Group's non-financial performance and ensuring that the Group complies with the regulatory framework on non-financial reporting and "green finance".

She commented on the publication by the Group of its 2nd Sustainability Progress Report 2020-2023, which underscores the progress achieved by the Group over the last three years as part of its sustainability strategy - "Crafting tomorrow's Luxury" - launched in 2017. In particular, she noted (i) the reduction by 40% of the Group's environmental footprint, reaching its target at the end of 2021 four years ahead of schedule, (ii) the achievement of the target of 100% renewable electricity by 2022, as well as (iii) the considerable progress made in reaching 95% traceability on the Group's key materials.

Marie-Claire Daveu recalled Kering's announcement in March 2023 of a new major group-wide target of reducing its absolute greenhouse gas emissions by 40% on its entire supply chain (GHG Protocol scopes 1, 2 and 3) by 2035.

Marie-Claire Daveu then commented on the Group's Climate strategy, which is based on three key levers:

1. **produce fairly**: seeking to produce the right number of products sold by the Group and thus optimize the resources used, and prioritizing quality with increasingly exclusive products and experience, which combine creativity, artisanal know-how and sustainability. To achieve this, the Group particularly uses artificial intelligence support systems.
2. **optimize processes**, by striving to make key material supplies more sustainable and manufacturing processes more efficient. The various initiatives in favor of regenerative agriculture, the circular economy and the development of new materials are among the tools/mechanisms deployed by the Group to achieve these objectives.
3. **develop new services and distribution channels**, to support growth while limiting the use of resources. To this end, the Group invests in the development of new business models such as upcycling and second-hand fashion, or the creation of resale platforms by some of its companies.

Another fundamental aspect is raising employee awareness of climate issues. In 2022, Kering organized a "Climate Fresk" workshop for its employees, as well as for all Houses' CEOs and the Executive Committee members.

Marie-Claire Daveu then explained how the Group was working for its sustainable transformation but also that of the sector as a whole, through a collaborative approach resulting in very concrete achievements, including:

- the creation, in December 2022, on the occasion of the COP15 in Montreal, of the Climate Fund for Nature with L'Occitane Group, which aims to finance actions to protect and restore biodiversity and to enable the intensification of positive impacts; This is in line with the Regenerative Fund for Nature launched in 2021 by Kering and the NGO Conservation International, which Inditex has just joined with an investment of €15 million;
- the Fashion Pact, a global coalition of companies in the fashion and textile industry created in 2019 to reduce the sector's environmental impact and which has since made concrete progress. In 2022, the Fashion Pact launched the CVPPA (Collective Virtual Power Purchasing Agreement), aimed at accelerating the production of renewable energy by financing the creation of new clean energy infrastructures, at first in Europe;

- the Watch & Jewellery Initiative 2030, launched at the end of 2021 by Kering and Cartier, which now has 35 members, including Chanel Horlogerie Joaillerie, Montblanc and Swarovski.

After emphasizing the major role of innovation in the Group's sustainable development strategy, Marie-Claire Daveu spoke about the various initiatives in this area, particularly in terms of materials as well as the strengthening of the Group's sustainable innovation expertise center around the Material Innovation Lab and the Sustainable Innovation Lab based in Milan.

Marie-Claire Daveu then shared some of the highlights of Kering's social and societal actions in 2022, including the continuation of its long-standing action in favor of women, within the Group, its supply chains and outside:

- The representation of women within Kering makes it one of the most feminized Groups in the CAC 40 and has earned it a ranking of 2nd out of nearly 12,000 international companies evaluated by the Refinitiv Diversity & Inclusion index;
- In terms of supply chains, after conducting a pioneering study on the role of women in luxury supply chains in Italy, Kering offered online training courses that benefited more than 300 women, with a focus on leadership, career development and assertiveness;
- In line with its long-standing commitment to combating violence against women, Kering also launched a global policy against domestic violence in January 2022. Aligned with the International Labor Organization's Convention No. 190 on violence and harassment, this internal policy was designed to provide appropriate support to women victims of domestic violence;
- In addition, in 2022, the Kering Foundation opened two shelters for women victims of violence, in Rennes and Marseille, based on the model of the *Maison des Femmes* in Saint-Denis. Other openings will follow.

Marie-Claire Daveu then presented the Group's numerous actions aimed at the younger generation, citing in particular the "IFM - Kering Sustainability Chair" launched in 2019 with the French Fashion Institute, or the new partnership established in 2022 with the prestigious Bocconi University in Milan.

Marie-Claire Daveu highlighted the external recognition that the Group has received for its actions in the area of sustainable development: in 2022, Kering was ranked 1st in its sector and for the 6th year in a row was included in the Corporate Knights Global 100 ranking of the world's most sustainable companies. The Group is also included, alongside a limited number of companies, in the prestigious Climate A list published by the Carbon Disclosure Project.

Marie-Claire Daveu concluded her presentation by underlining the commitment and exceptional work of all the Group's teams and partners, which enable the Group to stay the course of its sustainable development strategy and to reinforce, every day, the exemplary nature of its products and its value.

Presentation of Véronique Weill, Lead Independent Director

Véronique Weill reported to the shareholders on the work of the Board of Directors on remuneration and governance.

She began with a detailed presentation of the 2022 remuneration for the two executive corporate officers and the directors, the variable component of which was largely preponderant.

She then presented the 2023 remuneration policy for executive corporate officers, explaining that their remuneration is determined and evolves with a view to ensuring alignment between

the remuneration paid and the achievement of the Group's strategic financial and non-financial targets. Thus, for 2023, the structure of their remuneration remains unchanged in order to ensure the stability of the system. However, expectations have been strengthened in terms of variable remuneration, with more legible, measurable and demanding non-financial performance criteria for both annual and multiannual variable remuneration, and the introduction of two new performance criteria for annual variable remuneration, based on the reduction of the Group's carbon footprint (scope 3 of the GHG Protocol) and the protection of the Houses' intangible assets and reputation in response to the controversy over a Balenciaga's advertising campaign. In addition, the non-financial performance criteria of the annual variable remuneration now allow for a progressive assessment of their achievement rate, in line with the expectations expressed by investors.

Véronique Weill then reviewed the Group's governance, which underwent several important changes in 2022, including:

- the arrival of three new independent directors on the Board of Directors;
- the review of the composition of the Board's four Committees, all of which are now chaired by an independent director and comprise a higher proportion of independent directors than required by the AFEP-MEDEF Code; and
- the creation of a "Climate Change Lead" position, held by Jean-Pierre Denis, making Kering one of the first listed companies to establish such a position within its Board, in order to ensure that this major issue is addressed and taken into account at the highest level of the organization and fully integrated into the Board's reflection and decision-making process.

She then reviewed the work she has carried out in her capacity as Lead Independent Director, in particular her participation in the investor roadshow dedicated to ESG issues, the organization of two executive sessions (without the attendance of the two executive corporate officers) and the internal assessment of the functioning of the Board of Directors and its Committees.

Conclusion of the Chairman and Chief Executive Officer

François-Henri Pinault concluded the presentation session by thanking the members of the Board of Directors for their contribution and their enlightened opinions, and by expressing his gratitude to the shareholders for their trust and loyalty.

Following these presentations, Camille Phelizon, from the firm PricewaterhouseCoopers Audit, spoke on behalf of the College of Statutory Auditors and presented the conclusions of their work.

Before opening the Q&A session, Eric Sandrin informed the shareholders that the Company had received prior to the Meeting eleven written questions from two shareholders on various topics (environmental, social and financial issues). The answers to these questions were published on the Company's website prior to the Meeting.

The Q&A session lasted about 20 minutes. During the debate in the room, the main topics discussed were the following:

- the Group's real estate projects in Paris;
- the Group's business development strategy in Saudi Arabia and India;
- the metaverse;

- the progress in reducing the greenhouse gas emissions in the supply chain;
- remuneration of executive corporate officers;
- the importance of Gucci and the complementary nature of the Group's Houses;
- the Group's tax policy;
- the share buyback policy;
- the Group's targets for reducing greenhouse gas emissions;
- the availability of the Company's Universal Registration Document in the voting tablets.

After the final quorum was reported, the shareholders were invited to vote, by means of the electronic voting tablets, on the twenty resolutions submitted for their approval.

All the resolutions proposed by the Board of Directors were approved.

Before closing the Meeting, the Chairman and Chief Executive Officer thanked the shareholders for their participation and their trust.

All of the presentations shared during the Annual General Meeting, the answers to written questions from shareholders, the detailed voting results and the webcast of the Meeting are available on Kering's website at the following address:
<https://www.kering.com/en/finance/shareholders-information/annual-general-meeting/>.
