

ESG DISCLOSURE

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**MATERIALITY AND
STAKEHOLDER DIALOGUE**

2023



This factsheet presents, in a synthetic and non-exhaustive manner, Kering’s materiality analysis, stakeholder interaction and actions implemented for and with each of the stakeholder categories with which Kering and its Houses interact. This factsheet expands and completes the information published by Kering in its 2023 Universal Registration Document, in particular section 1.3 of the Sustainability chapter.

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MATERIALITY

Our vision and business model

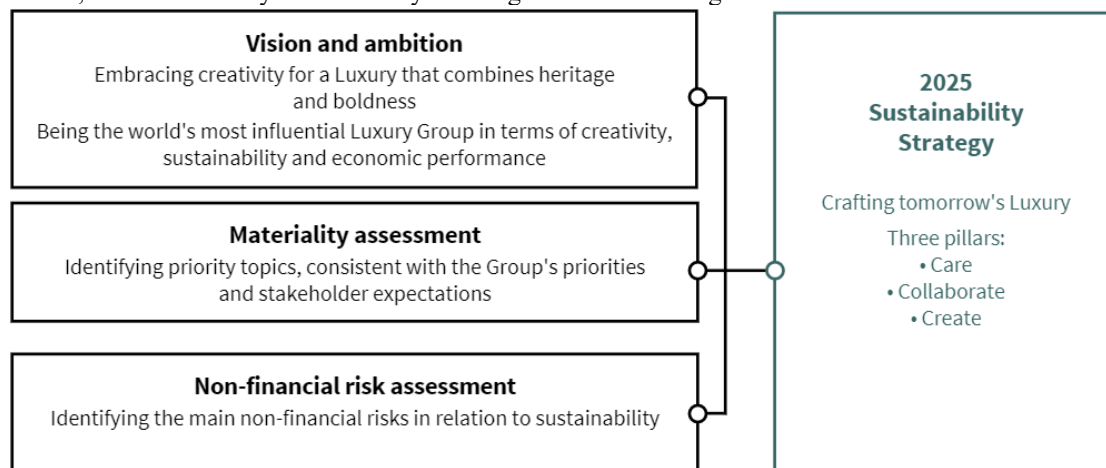
Kering's vision – Creativity for a vision of Luxury that combines heritage and boldness – its ambition and the Group's value creation model and strategy, are presented in Chapter 1 of the 2023 Universal Registration Document.

The Group's value chain, simplified in seven key steps, reflects Kering's interactions and collaborations with all of its stakeholders. The aim is to gain a full appreciation of their concerns and expectations, and, as far as possible, to incorporate these aspects into the Group's strategy.



Analysis of materiality and non-financial risks: our priorities

Kering is rolling out its ambitious 2025 Sustainability Strategy that builds on three components: the vision and ambition adopted at the highest level of the Group, the materiality assessment, and the non-financial risk assessment, which accurately identifies key challenges and risks throughout the value chain.



Materiality assessment: targeting the main priorities

Materiality is at the core of Kering's Sustainability approach. Since 2013, this approach has allowed Kering to identify the key topics relating to its vision and its business activities (based on their economic, environmental and social impacts as well as governance), and how key stakeholders assess them.

• Materiality assessment methodology and stakeholder engagement process

Kering consulted its stakeholders around the world in 2020 in order to feed its materiality assessment. This three-step materiality assessment drew on various existing guidelines for stakeholder engagement (GRI, AA1000, ISO 26000). A steering committee made up of members of the Group's main functional departments were involved throughout the project, which was supported by a team of independent consultants.

1. Identification of topics	2. Stakeholder consultation and assessment of topics	3. Ranking and consolidation of results
<ul style="list-style-type: none"> Updating of the mapping of topics –sustainability, strategic, economic and operational – on the basis of an in-depth documentary review: international benchmarks (GRI, TCFD, SASB, IIRC, UN SDGs, UN GC, etc.), rating agencies' assessments, investor questions, Group news and press releases, major trends, internal surveys and studies List of 28 topics on which stakeholders were consulted 	<ul style="list-style-type: none"> Quantitative international study and strategic interviews of nearly 70 external stakeholders (investors, suppliers and business partners, distributors and clients, civil society, local communities and NGOs, academics, public authorities and regulators, peers, professional organizations and innovators) and internal stakeholders (management, top management at Kering and its Houses, functional departments) Dual assessment of each topic: by external stakeholders and by internal stakeholders Dynamic assessment of developments affecting the various topics (i) with regard to the COVID-19 pandemic and (ii) after a period of ten years 	<ul style="list-style-type: none"> Consolidation and analysis of results: equal weighting given to topics and responses from different groups of stakeholders Enrichment of quantitative results with data from strategic interviews: confirmation of the preponderance of certain challenges – and notably their importance for Kering, allowing weak signals and emerging topics to be examined in greater depth Perceived impact of the COVID-19 pandemic on the topics and major trends in the short, medium and long term Sharing results

• Graphical representation and analysis of results

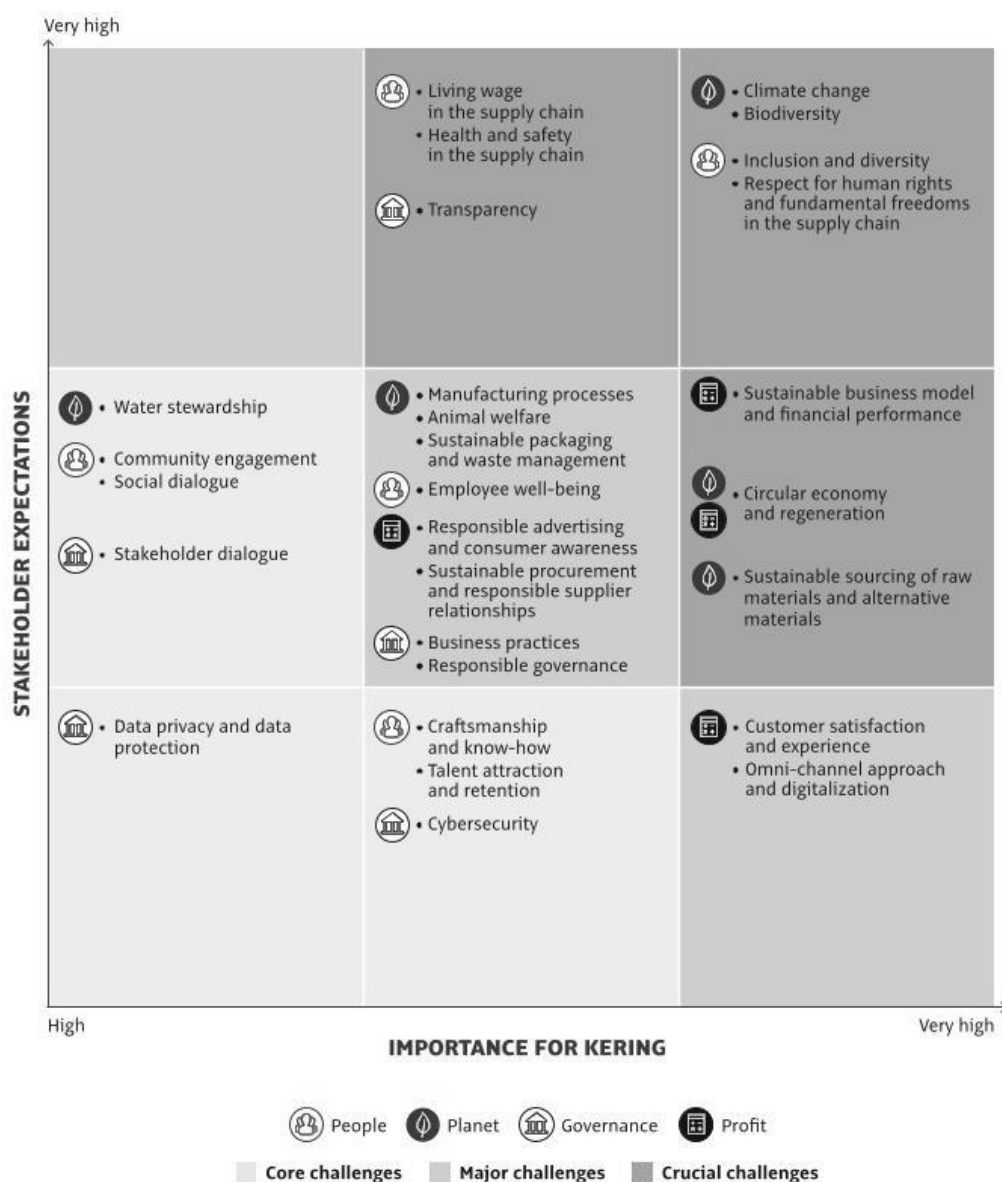
Kering's materiality matrix includes 28 topics with high overall importance, broken down into four categories: planet, people (social and societal topics), profit (business) and governance. These topics are arranged in a three-level hierarchy, which provides useful information that allows the Group to better understand, manage and prioritize its actions in the short and medium term.

The results of the assessment confirm that Kering's strategic pillars defined in its 2025 Sustainability Strategy and its business model, as well as the commitments made since 2020, are consistent with the expectations of external stakeholders. In 2020, stakeholders identified four topics that were gaining traction – biodiversity, sustainable procurement and responsible supplier relations, employee well-being, and cybersecurity – and this has been confirmed in the light of societal changes and new regulations.

Sustainability topics included in the matrix are therefore covered by action plans and key performance indicators as part of Kering's 2025 Sustainability Strategy.

In addition, in 2023, Kering began work relating to the entry into force of the Corporate Sustainability Reporting Directive (CSRD), involving all relevant internal stakeholders and functional departments (Sustainability, Risk Management, Finance, Human resources, Legal and Compliance departments, representatives of the Houses, etc.). This work included updating the Group's approach to materiality by adopting a double materiality assessment, establishing the methodology in accordance with the European Sustainability Reporting Standards (particularly ESRS 1 and 2), with the support of an independent consultancy firm. In particular, the materiality assessment was defined in accordance with the Group's risk analysis. Thus, the review of sustainability matters and the associated

impacts, risks and opportunities took into account the risk factors already identified by the Group.



The results are also closely linked to trends impacting the luxury goods market. Generations Y (1981-1995) and Z (>1995), with their demand for innovative products and heightened awareness of social and environmental issues, are driving the Group to accelerate its transformation and increase transparency.

STAKEHOLDER DIALOGUE AND INTERACTION WITH THE GROUP AND ITS HOUSES

To stay closely attuned to its stakeholders' priority challenges and contribute to the movement toward more sustainable luxury, Kering has defined a consultation approach based on dialogue and analysis of stakeholder expectations at the Group level. This analysis is updated annually. It was reviewed in-depth as part of the preparatory work conducted for the CSRD's entry into force, to ensure that relevant stakeholders were considered in the double materiality assessment.

Beyond its materiality assessment, Kering takes action at the local, national and international levels and participates in many initiatives and associations with its stakeholders or as part of multi-party stakeholder coalitions. Kering encourages each House to develop its own dialogue platforms at a more operational level.

Below is presented a non-exhaustive overview of the main expectations identified and the ways in which the Group interacts with each stakeholder category:

Employees and their representatives

- Employees
- Employee representative bodies
- Trade unions
- Board directors representing employees
- Apprentices
- Interns

Expectations	Kering value proposition
<ul style="list-style-type: none"> • Training and skills development programs • Appealing career paths (in a talent competition context) • Empowering work organization, with attractive remuneration and benefits • Respect for work-life balance • Quality labor relations dialogue and respect for fundamental rights • Inclusion and diversity policy 	<ul style="list-style-type: none"> • Become the preferred employer in the luxury sector • Share a common vision on Group values and policies • Promote an inclusive work environment and achieve gender parity at all levels

Avenues for interaction (examples – not exhaustive)
<ul style="list-style-type: none"> • Internal charters and policies (Code of Ethics, HR policy, Parental policy, Global Policy on domestic violence) • Collective agreements (well-being at work, Empowering Talent, Remote working, etc.) • Ongoing and regular dialogue with employee representative bodies and trade unions <ul style="list-style-type: none"> - Kering European Works Council - French Works Council, 1-day training of members on social dialogue - 2 Employee representatives at the Board of Directors • Inclusion and Diversity Committees at House and corporate levels • Global Inclusion and diversity strategy supported by new governance with a regional dimension, particularly in the Americas and Asia Pacific • Roll-out of a training on inclusive leadership: Kering Perspectives, followed by Kering's Comex in 2022, for all Houses' management committees and functional departments of the Group.

- Internal network for gender equality and the promotion of women in the company "Women in Luxury" (launched in France, 2022) extended in 2023 to Italy, United-Sates, Mainland China, Singapore, Mexico, Korea and Japan
- Universal Fair Pay certification for Kering and recognized for all of the Group's Houses related to gender pay gap
- Whistleblowing system (ethics committees and ethics hotline)
- Annual review (People Performance and Development Annual Review), regular reviews (check-in conversations)
- Training and e-learning platforms:
 - Global Learning day dedicated to learning and strengthening the culture of learning;
 - The Kering Planet, "Ethics & Compliance" training program, Sustainability Academy;
 - Development of functional Academies at Group level (Finance, Supply chain, Sustainability, Tech, Human resources etc.)
 - Kering Learning: new learning experience on digital platform based on employees' skills
 - Houses: Gucci Retail Academy, Saint Laurent e-University, Balenciaga Global Retail Meeting, Alexander McQueen Responsible Materials training etc.
- Giving Back volunteering program and Gucci Changemarkers continued in 2023
- Internal engagement employee survey Kering Employee Listening: annual Group survey and additional surveys by the Houses if needed
- Internal events including Kering's 10th anniversary celebrations in the Group's 3 regions
- Internal communication, Intranet and employee newsletters via Workplace
- Internal sustainability events:
 - Climate Fresks and 2Tonnes workshops
 - Awareness-raising days organized by Kering and/or the Houses (Earth & Climate weeks)
 - Actions led by the Kering Foundation to raise awareness about violence against women
 - Health and safety training (use of defibrillators, etc.)
 - Bee Club

Shareholders and financial community

- Institutional investors (portfolio managers, shares/bonds/SRI, governance teams, etc.)
- Financial analysts
- Market authorities (AMF, Euronext, etc.)
- Private individual shareholders
- Financial and non-financial rating agencies

Expectations	Kering value proposition
<ul style="list-style-type: none"> • Relevance and consistency of strategy • Financial performance and value creation • Return on investment (stock market performance, dividends, share buybacks, etc.) • Equal access to information; precise, reliable and accurate financial reporting • Heightened expectations on ESG aspects 	<ul style="list-style-type: none"> • Business model rooted in exceptional Houses • Strategy aimed at seizing the full potential of the Luxury industry • Clearly established financial priorities • Best-in-class corporate governance standards and ambitious sustainability strategy

Avenues for interaction (examples – not exhaustive)

- Ongoing and periodic regulatory information in French and English
- “Finance” section on the Corporate website regularly updated and expanded
- Dialogue with shareholders, notably at the Annual General Meeting and via regular communications
 - Financial notices in the press or on-line
 - Semestrial Letter to Shareholders, annual Shareholder’s Guide, hotline for private individual shareholders
 - Visit of Kering’s Head office in Paris
- Regular exchanges with institutional investors and financial analysts
- Conference calls and videoconferences upon the release of quarterly revenue, half-year and annual results
- Organization of roadshows and participation in several sector-specific conferences
- Roadshow on ESG matters with the Lead Independent Director and several members of the Group’s management
- Lead Independent Director, represents the Board of Directors in its dealings with institutional investors on ESG matters in conjunction with the Chairman and Executive Officer
- Answers to non-financial assessment questionnaires
 - Strong presence in major non-financial indices (DJSI World and Europe, FTSE4Good, CAC 40 ESG, etc.)
 - External recognitions of our CSR performance (Corporate Knights – Global 100, ISS ESG, MSCI, Sustainalytics, S&P CSA etc.)

Clients, consumers and distributors

- Clients
- Consumer associations
- Influencers
- Retailers

Expectations	Kering value proposition
<ul style="list-style-type: none"> • Personalized customer experience adjusted to individual expectations • Quality and responsibility standards consistent with the Luxury sector • Privileged interaction with world-renowned Houses • Reliable, transparent and constructive information 	<ul style="list-style-type: none"> • Raise client and consumer awareness on sustainability issues • Offer a unique customer experience • Offer a complementary omni-channel distribution network compliant with Group standards

Avenues for interaction (examples – not exhaustive)

- Worldwide network of boutiques and points of sale offering customer relationships unique to each House
- Client satisfaction surveys by each House
- Responsible communication guidelines
- Environmental claims guide (within the Kering Standards)
- Green Fashion Show guidelines
- Group publications, and Group, House and Kering Foundation websites
 - Email address dedicated to sustainability for interacting with Group and Houses' experts sustainability@kering.com
 - Impact reports: Gucci *Equilibrium* and Boucheron *Precious for the Future*
 - *Communication on sustainability matters via dedicated apps, their websites or social media*: Gucci, Boucheron, Saint Laurent, Pomellato, Brioni, Balenciaga, Bottega Veneta, Alexander McQueen or Kering Eyewear
- Social media
 - Fashion shows broadcast online
- Newsletters for clients
- Collaborations with certain retailers and marketplaces
 - Reflaunt, Revalorem, Vestiaire Collective
 - Events, dedicated communication and awareness-raising operations run by Houses and/or in partnership with distributors to educate consumers on sustainability issues
 - Collaboration between Balenciaga and NGO Up2Green Reforestation

Suppliers and business partners

- Group and House direct suppliers and their subcontractors
- Suppliers of key raw materials
- Craftspeople and guilds
- Service providers
- Fashion models

Expectations	Kering value proposition
<ul style="list-style-type: none"> • Support • Compliance with agreed payment terms and fair commercial terms and conditions 	<ul style="list-style-type: none"> • Support the continuation of craftsmanship traditions and the communities that support them • Roll out the Kering Standards to ensure excellence in production chains and promote the take-up of more responsible practices • Federate its ecosystem around industry best practices

Avenues for interaction (examples – not exhaustive)

- Suppliers' Charter, Sustainability Principles, Human Rights Policy
- Kering Standards: Standards and guides for sustainable production; Animal Welfare Standards; Kering Standards for Stores
 - Ban on fur
 - Kering Precious Metals Platform
- Fashion models charter
- Supplier portal, vendor rating, questionnaires, audits and Duty of Care Plan
 - 4,559 social audits in 2023;
 - Living wage analyses and assessments carried out with over one hundred of suppliers;
 - Analysis of on-site contractors to assess areas for improvement in regards to social topics.
- Support and incentives for environmental and social performance improvement of suppliers :
 - ZDHC Supplier to Zero Program;
 - Clean by Design program;
 - Capacity-building programs for Gucci and Bottega Veneta suppliers under the SA8000 certification process;
 - Gucci support actions towards its suppliers to help them implement energy-saving solutions as well as the *Sviluppo Filiere* program launched in 2020 in partnership with *Intesa SanPaolo*;
 - Kering Eyewear Sustainability Days gathering 20 of its main Italian suppliers for training and awareness-raising sessions on sustainability matters;
 - Project set up by Saint Laurent and Balenciaga for their denim suppliers in Japan.
- Whistleblowing system (ethics committees and ethics hotline): Communication plan on the whistleblowing system in 15 languages
- Craftsmanship excellence programs in *Haute Couture*, Leather goods and Jewelry

Creative talent and excellence in craftsmanship, schools and universities

- Internal training centers
- Specialist training/apprenticeship in fashion, design and craftsmanship
- Universities

Expectations	Kering value proposition
<ul style="list-style-type: none"> • Support on for the preservation of exceptional craftsmanship • Professional integration • Mentoring, coaching, feedback, etc. 	<ul style="list-style-type: none"> • Develop talent and skills, and offer appealing career paths • Recruit the best talent • Forge partnerships with schools and universities • Step up collaborative efforts to identify more sustainable solutions • Educate tomorrow's designers on sustainability

Avenues for interaction (examples – not exhaustive)
<ul style="list-style-type: none"> • Craftsmanship excellence programs in <i>Haute Couture</i>, Leather goods and Jewelry <ul style="list-style-type: none"> - Pomellato <i>Virtuosi Academy</i>, in partnership with <i>Scuola Galdus Goldsmith</i> - Gucci ArtLab and <i>Fabbriche Istituto Secoli</i> - Bottega Veneta's <i>Accademia Labor et Ingenium</i> - Brioni's partnership with <i>Scuola di Alta Sartoria</i> and the integration of the <i>Arazzeria Pennese</i> tapestry workshops in its Montebello workshops (in 2018) • Academic partnerships <ul style="list-style-type: none"> - IFM – Kering Sustainability Chair at IFM: creation of a training course since 2020 - Partnership between the Kering x IFM Sustainability Chair and the Bezalel Academy of Arts and Design - Saint Laurent Couture Institute, in partnership with IFM - Kering Certificate of Influential Luxury program with HEC Paris - Partnership with the London College of Fashion: classes, talks, MOOC, etc. - Boucheron's partnership with the French <i>Haute École de Joaillerie</i> • Forums in schools and exchange days

Civil society, local communities and NGOs

- Local authorities (public officials, local government, etc.)
- Charities and NGOs
- Media and social media networks
- Opinion leaders
- Public interest foundations

Expectations	Kering value proposition
<ul style="list-style-type: none"> Local, grassroots action; participation in local economy Positive impact on individuals and society Reduction in environmental footprint Reliable, transparent information 	<ul style="list-style-type: none"> Maintain dialogue and transparent communication Support grassroots projects and maintain long-term partnerships Draw on expertise from civil society Provide support for local communities across our supply chains and support livelihoods Take action to reduce our environmental footprint at all stages in our supply chains

Avenues for interaction (examples – not exhaustive)

- Support for grassroots projects and organizations
 - South Gobi Cashmere Program
 - Kering Foundation and its initiatives in combating violence against women (support for national organizations and networks; partnerships with certain Houses): *La Maison des Femmes de Saint-Denis*, *National Network to End Sexual Violence*, *Donne in Rete contro la violenza*, *Women's Aid*, *Red Nacional de Refugios* etc.
 - Kering and/or House partnerships with organizations: Charity: water, *Conservation International*, Canopy, UNICEF, WWF, Capitals Coalition etc.; Gucci: Chime for Change, Balenciaga : National Children's Alliance and Up2Green Reforestation
- Commitment from executive management, public relations
 - Signatory to the Pledge against Forced Labour in Uzbekistan Cotton and the Pledge against Forced Labour in the Cotton Sector of Turkmenistan
 - B4IG-BCTI (Business for Inclusive Growth - Business Commission to Tackle Inequality)
 - Founding member of *the Fédération de la Haute Couture et de la Mode* (FHCM)
 - *Collaboration with the Fair Wage Network* around the living wage in its supply chains and strategic partner of the Wage Indicator Foundation's initiative
 - Gucci has joined the Generation Equality Forum organized by UN Women (2021)
- Skills sponsorship, financial sponsorship and product donations
 - Group support for volunteer initiatives via the Giving Back program
- Group publications, and Group, House and Kering Foundation websites
- Talks of Kering and House Sustainability teams at various events, to share the Group's vision and details of its actions (*Salon de l'Agriculture*, *Watches and Wonders*, *Vogue Business Sustainability Forum*, *Global Fashion Summit*, *Innovation Forum à Amsterdam*, *IMD Luxury 2050 Forum*, *Festival de Hyères*, *WWD Japan Forum* etc.)

Peers and professional associations

- Business federations
- Multi-party coalitions
- Professional and industry organizations and associations

Expectations	Kering value proposition
<ul style="list-style-type: none"> • Maintain constructive dialogue with all players, and encourage cooperation on matters of public interest • Raise awareness across the private sector on matters such as biodiversity and climate • Drive change toward better practices across the fashion industry 	<ul style="list-style-type: none"> • Federate an ecosystem around industry best practices • Take part in exchanges and debates, and build constructive dialogue to drive progress in terms of standards and regulations, and take-up of responsible practices

Avenues for interaction (examples – not exhaustive)

- Wide-reaching open-source approach
 - EP&L, sourcing standards, etc.
- Participation in international and/or multi-stakeholder initiatives
 - Founding member of The Fashion Pact
 - Co-founder of the Watch and Jewellery Initiative 2030
 - Member of the Science Based Targets Network (SBTN) and RE100, an initiative for the transition to 100% renewable electricity
 - Signatory member of ZDHC (Zero Discharge of Hazardous Chemicals)
 - Member of Textile Exchange, Wildlife Friendly Enterprise Network, the IPI (International Platform for Insetting) initiative, BSR (Business for Social Responsibility), the Ellen MacArthur Foundation and B4IG-BCTI (Business for Inclusive Growth - Business Commission to Tackle Inequality) etc.
- Involvement in specialist working groups, consultation and dialogue
 - Member of the One Planet for Biodiversity Business (OP2B) coalition, the SBTN Corporate Engagement Programme, Act4Nature, the Paris Good Fashion initiative, *Entreprises Pour l'Environnement* (EPE), the Mekong Club, working to combat modern slavery, the *Fédération de la Haute Couture et de la Mode*'s sustainable development commission
 - Houses' involvement in organizations representing their respective industries: *Ente Bilaterale Occhialeria* in Italy; as well as professional associations: Gucci and Pomellato are members of *Valore D*, Boucheron is involved in the *Union Française de la Bijouterie, Joaillerie, Orfèvrerie, des Pierres & des Perles* (UFBJOP); and industry initiatives for sustainability: Kering is part of the Colored Gemstones Working Group (CGWG)
- Talks and feedback presentations at conferences, forums and workshops spotlighting the role of businesses in society

Innovation players

- Academic partnerships
- Think tanks
- Incubators

Expectations	Kering value proposition
<ul style="list-style-type: none"> • Transparent participation in public debate • Support for the innovation ecosystem and startups • Sharing of best practices 	<ul style="list-style-type: none"> • Develop new and sustainable solutions for sourcing raw materials, including through the exploration of biotech and promotion of a circular economy • Invest in disruptive innovations capable of transforming conventional luxury practices and influencing the industry

Avenues for interaction (examples – not exhaustive)
<ul style="list-style-type: none"> • Accelerator and incubator program; mentoring for startups <ul style="list-style-type: none"> - Fashion For Good accelerator - Kering Ventures • Calls for innovation projects, events and award ceremonies <ul style="list-style-type: none"> - Kering Generation Award in China in 2019, 2021 and 2023, launch of Kering Generation Award in Japan - First seven projects benefiting from the Kering Regenerative Fund for Nature and new call for projects launched in 2023 and arrival of Inditex as co-investor alongside Kering • Wide-reaching open-source approach (EP&L, Kering Standards, etc.) • Research and disruptive innovation in raw materials and production processes; academic partnerships <ul style="list-style-type: none"> - Material Innovation Lab (MIL) and Jewellery Innovation Lab (JIL) - Gucci ArtLab, Balenciaga Material Innovation Unit - Gucci Circular Hub - Internal workshops on responsible innovation (Idea Labs)

Public authorities and regulators

- Regulators and standard setters
- Government bodies
- International organizations (UN, ILO, etc.)

Expectations	Kering value proposition
<ul style="list-style-type: none"> • Compliance and observance of regulations • Transparent participation in public debate 	<ul style="list-style-type: none"> • Meet regulatory requirements • Federate its ecosystem around industry best practices • Share experience

Avenues for interaction (examples – not exhaustive)
<ul style="list-style-type: none"> • Publication of regulatory information and communications • Dialogue and experience sharing with governmental and supranational bodies (UN, ILO, OECD, European Union, etc.) <ul style="list-style-type: none"> - Participation in public consultations and think tanks • Participation in international and/or multi-stakeholder initiatives and specialist working groups <ul style="list-style-type: none"> - Task Force on Climate-related Financial Disclosures (TCFD) signatory member - Taskforce for Nature-related Financial Disclosures (TNFD) Member of the Stakeholder Forum and TNFD “early adopters” - Member of the World Business Council for Sustainable Development (WBCSD) and the <i>Association Française des Entreprises Privées</i> (AFEP) • Registration in lobbying registers (HATVP register, European Commission Transparency Register) • Contribution, via the Houses, to the work of major fashion and luxury sector organizations, in France (<i>Comité Colbert, Fédération de la Haute Couture et de la Mode</i>), Italy (<i>Camera Nazionale della Moda Italiana, Altagamma</i>), and the UK (<i>Walpole</i>)

Empowering Imagination

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